



UCOBANK RETIREES' ASSOCIATION KARNATAKA (Regd)

(Regd as S.No: 699/97-98 Dated 20/01/1998 with the
Registrar of Societies, Karnataka)

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21/09/2016

To All Members of our Unit.

Dear Comrades,

Sub: I R D A Regulations 2016 for Health Insurance

We attach herewith the Gazette notification of I R D A on the Health Insurance guidelines. We also give the salient features of the guidelines for immediate reference.

USEFUL AND VITAL IMPORTANT INFORMATION REGARDING MEDI CLAIM HEALTH INSURANCE POLICY.

Health Insurance claimss

Earlier there were no regulations at all in the medical industry since its inception, even for basic issues like claims settlement, policy renewal, senior citizens premiums, etc and Rs 15,000 crore worth claims were passed annually, without any rules or regulations.

Based on a Public Interest Litigation (PIL 12 of 2011) filed by Gaurang Damani (author of this website), IRDA came out with Health Insurance Regulations, 2016 for the entire medical insurance (mediclaim) industry. These regulations should benefit the over 20 crore citizens, who own a medical insurance (private and state) policy in India.

Main features of the Health Insurance Regulations (HIR), 2016

Related to Claims:

- TPA is not permitted to settle/ reject/ repudiate claims, as per Sec 33(c) of HIR 2016
- The claims settlement (rejection) letter should mention the specific grounds for denial/ rejection of claim, as per Sec 33(d)(iv) of HIR 2016
- Consumer will get interest of 2% over the prevailing bank rates, on claims payment delayed beyond 30 days and will have to mentioned in the policy document, as per Sec 28(iv) of HIR 2016
- The claims payment will be made from the Insurer's bank account and not the TPA's, as per Sec 32 of HIR 2016 Earlier claim cheques were issued to the customer by the TPA (Third party Administrator), but now the insurance company would have to write a claim cheque or ECS directly to the customer. This would eliminate the float that some of the TPAs were enjoying. Also, there was never any public audit of the claims funds sanctioned by the Insurance company v/s actual amount disbursed by the TPA.
- TPA has to electronically transfer the claims document to Insurer for a decision as per Sec 35(a) of HIR 2016
- The TPA will ask for claims related papers in one time only, and not in a piece meal manner as per Sec 27(ii) of HIR 2016
- Non-allopathic (AYUSH) treatments may be covered, as per Sec 18 of HIR 2016
- Fees to the TPA shall not be related to reduction of claims costs as per Sec 20(6) of Health Services Regulations for TPA, 2016
- Discounts offered by hospitals have to passed on to the policyholders, as per Sec 20(9) of Health Services Regulations for TPA, 2016
- Change of TPA will be intimated to the consumer in writing 30 days before hand as per Sec 34(a) of HIR 2016

Related to policy document:

- Premium for individual policies cannot be increased at renewals in an arbitrary way, especially after a claim is made, as per Sec 25(i) of HIR 2016.
- There will be no change in premiums in individual policies for 3 years after initial offering, as per Sec 10(c) of HIR 2016
- Cannot force consumer to shift to other product as per Sec 11(c) and 17 of HIR 2016



A Unit of All India UCOBank Pensioners' Federation, Kolkata
Affiliated to All India Banks' Pensioners' and Retirees' Confederation



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- All policies will be ordinarily renewable as per Sec 13 of HIR 2016
- Customer Information Sheet must be part of the policy document, as per sec 26 of HIR, 2016
- ID card to have logo of Insurance company (not of TPA) and the card may be permanent, as per Sec 30(f) of HIR 2016
- Policy is portable from one Insurer to another, 45 days prior to maturity of policy (including cumulative bonus would also be portable), as per Schedule I, Sec(1) & (18) of HIR 2016
- Free-look period is 15 days as per Sec 14 of HIR 2016
- Cumulative bonus amount to be clearly mentioned in the policy, as per sec 16(i) of HIR, 2016
- All disclosures as per the new regulations have to be included in the policy document, as per sec 28 of HIR, 2016
- For multiple policies, claims under other policy can be made after exhaustion of Sum Insured in the earlier policy, as per Sec 24 (ii)2 of HIR 2016. The option to chose will remain with the insured

Related to Senior citizens:

- Entry age is up to 65 years and there will not be any exit date for a policy as per Sec 12 of HIR 2016
- Premiums shall be fair, justified, transparent and duly disclosed upfront, as per Sec 23(i) of HIR 2016
- Separate claims & grievance cell, as per Sec 23(ii) of HIR 2016

Other regulations:

- Withdrawal of a product needs prior IRDA approval and atleast 3 months notice, as per Sec 5(ii) of HIR 2016
- Group Insurance cannot be offered to groups specifically formed to avail insurance, as per Sec 7(a) of HIR 2016
- Pre-insurance check-up cost included in premium as per Sec 15(i) of HIR 2016

Important precautions to be taken in case of claims:

- Best option for the consumer is to obtain Cashless facility i.e. the Insurance company pays the bills directly to the hospital. But the hospital must be part of their preferred network (PPN), which list should be available on the insurance company website.
- If you wish to take treatment in a hospital, which is not on the PPN cashless list, then make sure you intimate the Insurance company/ TPA within 24 hours of admission in any hospital.
- In case of a pre-planned surgery, it is better to inform the Insurance company/ TPA much earlier.
- As per IRDA's guidelines to the Insurance companies, the consumer cannot be forced to sign the discharge or Settlement Intimation voucher. Signing the discharge voucher does not mean that the Insurer's liability is over.

Disputes resolution, especially Claims processing

For claims-related complaints, consumers can write to the Grievance cell of the Insurance company. As per IRDA guidelines, grievances must be acknowledged by the Insurance company in 3 working days and it must be resolved in 15 working days. If there is no response to the letter, you can file a Right to Information (RTI) application with the Grievance Officer.

The IRDA Call Centre (toll-free at 155255) also offers an alternative channel for policyholders, serving from 8 AM to 8 PM, Monday to Saturday in Hindi, English and various Indian languages.

You can also write to complaints@irda.gov.in or online or through post at:

Consumer Affairs Department
Insurance Regulatory and Development Authority (IRDA)
3rd floor, Parishram Bhavan,
Basheer Bagh, Hyderabad

For still unresolved disputes of less than Rs 20 lakhs pertaining to claims settlement or regarding premiums paid/ payable and non-issue of insurance documents, the Insurance Ombudsman can be approached. The written complaint with the relevant claim papers can be send by the customer himself (no lawyer is required), within 1 year of dispute. After registering with the Ombudsman office, attach this application document.

Yours faithfully,



Ravindra Krishna
Honorary Secretary