

## **Item No. 13**

### **Permitting insurers to offer short-term health insurance policies**

#### **Background:**

Insurance Regulatory and Development Authority of India (Health Insurance) Regulations 2016 [HIR, 2016] were notified on 12<sup>th</sup> July 2016. Subsequently, IRDAI (Health Insurance) (Amendment) Regulations, 2019 were notified on 19<sup>th</sup> November, 2019.

1. As per the existing provisions of Regulation 3 of HIR, 2016 general and health insurers are allowed to design individual health insurance products for a term of one year to three years. In case of group health policies general and health insurers are allowed to offer for a term of one year, but in case of credit linked group health insurance policies general and health insurers are allowed to offer policies for a term up to the loan period not exceeding five years. Life insurers are permitted to offer health insurance products with a term of 5 years or more.
2. The above provisions are coming in way in allowing all insurers offer health insurance products for short term (less than twelve months) for specific diseases.
3. The amendment of the Regulations is a long drawn out process. As Short term health insurance policies offering coverage for COVID – 19 is the need of the hour.
4. Hence, it may be beneficial to the society if General and Stand Alone Health insurers are allowed to offer short term benefit based and indemnity based COVID-19 specific health policies.
5. The Authority is also proposing to release a standard benefit based product and another standard indemnity based product for a duration of 3/6/12 months for the convenience of the insuring public.
6. Therefore, in order to allow insurers to offer health policies for short term offering cover exclusively for COVID – 19 as proposed above, it is proposed to issue suitable guidelines.

The Authority may authorise the Chairman to issue suitable guidelines in public interest.