



बीमा विनियामक और विकास प्राधिकरण
**INSURANCE REGULATORY AND
DEVELOPMENT AUTHORITY**

Ref: IRDA/HLT/MISC/ORD/242/10/2017

FINAL ORDER

In the matter of **M/s Max Bupa Health Insurance Co. Ltd.**
Certificate of Registration No:145

Order of the Insurance Regulatory and Development Authority of India under the provisions of IRDA (Insurance Advertisement and Disclosure) Regulations, 2000 (hereinafter referred as Advertisement Regulations, 2000).

Based on the Notice to Show Cause issued vide letter dated 24th May, 2017 in the matter of issuance of an insurance advertisement in deviation with the extant regulatory framework put in place.

Background:

1. Show Cause Notice dated 24th May, 2017, (SCN) was issued to M/S Max Bupa Health Insurance Co. Ltd. (herein after referred as 'theinsurer') in the matter of issuance of advertisement reference no. MB/AD/2016-2017/1001. In deference to the insurer's request vide letter dated 13th June 2017, a personal hearing through Video Conference was accorded on 27th July, 2017.
2. The insurer was represented by Mr. Ashish Mehrotra, MD & CEO, Mr. Partha Banerjee Director & Chief Compliance Officer, Ms. Anika Agarwal, Marketing Head and Ms. Niti Dwivedi, Chief Manager, Compliance. On behalf of the Authority, Mr DVS Ramesh, General Manager (Health), Mr DP Pattanaik – OSD (Health) and Mr. Bhaskar Khadakbhavi, Assistant General Manager (Health Products) were present in the personal hearing.
3. The submissions made by the insurer in their written replies vide letter dated 13th June, 2017 to the Show Cause Notice issued by the Authority and also those made during the course of personal hearing were taken into consideration.
4. The findings on submissions offered by the insurer on the issues raised in the Show Cause Notice and the decisions thereon respectively are as under;

Charge No. 1:

5. The contents of the within referred Advertisement that, "Most Health Insurance would make you choose ... not us" and "Only Max Bupa's" are considered as unfair, misleading and disparaging competitors as certain benefits / features mentioned in the Advertisement are also offered under various health insurance products of other insurance companies. Further, the specific mention that "Only Max Bupa's ..." is also considered as unfair, misleading and disparaging competitors. This is also considered as claiming an exclusive position in the market.

6. It appears that, these statements in the Advertisement are in violation of the provisions of Regulation 2 (d) (iii), Regulation 3, Regulation 12 of Advertisement Regulations, 2000 as amended from time to time and Clauses 3.3.1.1, 3.3.1.2, 3.3.2.4 and 5.3 of Master Circular on Insurance Advertisement No. IRDA/Life/CIR/MISC/147/08/2015 dated 13-08-2015 (herein after referred as MCI, 2015).

Submissions of the insurer:

7. In response the Insurer, inter alia, submitted that, this expression is not intended to be unfair or misleading or disparaging competitors and that the creative expression in the advertisement only attempts to highlight the product and service offering in the market as a package. Further, the insurer had submitted that, they had complied with all the extant regulatory framework while issuing the said advertisement.

Charge No. 2:

8. It is further noticed that 24 months waiting period for persons above 45 years of age is applicable only in respect of listed medical conditions and / or surgical treatments, while 48 months waiting period is applicable in respect of other than listed medical conditions and / or surgical treatments for persons above 45 years of age and also in respect of some other plans of the product. Therefore, highlighting, lower waiting period is found misleading.

9. It appears that highlighting this feature in the Advertisement is in violation of the provisions of Regulation 2 (d) (iii), Regulation 3, Regulation 12 of IRDA (Insurance Advertisement and Disclosure) Regulations, 2000 as amended from time to time and Clauses 3.3.1.1 and 3.3.2.4 of Master Circular on Insurance Advertisement No. IRDA/Life/CIR/MISC/147/08/2015 dated 13-08-2015.

Submissions of the insurer:

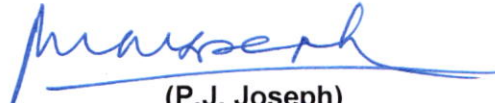
10. In response the insurer, inter alia, had submitted that they have highlighted, in the same advertisement that, for persons above 45 years of age, the waiting period shall apply as per policy terms and conditions. It is further submitted that reference to policy terms and conditions was clearly intended to indicate to customers that such lower waiting period is not a flat feature but has some conditions and to maintain transparency with the prospects, with this feature as well it was advised to the prospective customer that applicability of lower waiting period is subject to policy terms and conditions.

Decision of the Authority on Charge (1) and (2):

11. On examining the submissions of the Insurer it is observed that the contents of the advertisement are not easily comprehensible. The word "only..." is on lines of claiming an exclusive position in the market and the caption "*Most Health Insurance would make you choose ... not us*" are considered unfair, as it is indicating that the Insurer will offer these features as inbuilt and not most other insurers, which may not be the case. On highlighting lower waiting periods, it is observed that the product in question is having various plans with varying waiting periods, specific waiting periods and conditions thereon based on the age of the policyholder. Therefore, highlighting lower waiting period with specific caveat for persons above 45 years of age is misleading, as it is applicable only in respect of certain listed medical conditions.



However, the submissions of the Insurer that it is not intended to be unfair or misleading are considered. Under the powers vested in Regulation 11 (iv) of IRDA (Insurance Advertisements and Disclosure) Regulations, 2000, the Insurer is warned for issuing the above advertisement in deviation to the regulatory norms specified herein. The Insurer is also directed to ensure compliance with the extant regulatory framework pertaining to Insurance Advertisements in future.



(P.J. Joseph)
Member (Non-Life)

Place: Hyderabad
Date: 30-10-2017