

Ref: IRDAI/HLT/REG/CIR/233/09/2020

4<sup>th</sup> September, 2020

To  
All Life, General and Health Insurance Companies

**Re: Guidelines on Wellness and Preventive Features**

1. Reference is invited to Chapter VII of the Consolidated Guidelines on Product Filing in Health Insurance Business issued vide Circular Ref: IRDAI/HLT/REG/CIR/194/07/2020 dated 22<sup>nd</sup> July, 2020 specifying norms on Wellness features. In supersession of these Guidelines on wellness features / benefits, under the provisions of Sec 34(1) of the Insurance Act 1938, read with Regulation 8(d) and 19 of IRDAI (Health Insurance) Regulations 2016, the following norms are prescribed:
  - a. Any wellness and preventive feature shall be designed only with the objective of maintaining and improving good health, thereby enabling affordable health insurance.
  - b. As part of promoting wellness and preventive regime, insurers may offer reward points to those policyholders who comply with or meet the set criteria of wellness and preventive features.
  - c. No Wellness and preventive feature shall be offered without it being filed or incorporated as part of the product in terms of the Product Filing Guidelines. The methodology and criteria to be used for arriving at the reward points and corresponding reward points to be awarded need to be filed.
  - d. Wellness and preventive features under a policy may also be offered either as optional or add-on cover.
  - e. There shall be no discrimination in providing any of the wellness and preventive features offered and in granting the reward points thereunder to the same or similarly placed categories of policyholders of the underlying health insurance product.
  - f. Every Insurer shall assess the pricing impact of wellness and preventive features offered, if any, and the same shall be disclosed upfront in the File and Use or Use and File application, as may be the case, as specified in the Product Filing Guidelines.

- g. Based on criteria stipulated for wellness and fitness, insurers may endeavor promoting wellness amongst health insurance policyholders by offering the following services:
- i) Health specific services provided by Network providers or other empanelled hospitals / service providers for the following (in addition to any such benefits already offered):
    - a) Outpatient consultations or treatments
    - b) Pharmaceuticals
    - c) Health check-ups/diagnosticsIncluding discounts on all the above.
  - ii) Redeemable vouchers to obtain health supplements.
  - iii) Redeemable vouchers for membership in:
    - a) Yoga centers
    - b) Gymnasiums
    - c) Sports clubs
    - d) Fitness centers for participating in fitness activities.
  - iv) Discounts on premiums and/or increase in sum insured at the time of renewals based on wellness regime followed by policyholders in the preceding policy period; provided increase in sum insured shall be independent and shall not be linked to the cumulative bonus offered, if any.
  - v) Coverage of cost of treatment of any admissible claim in respect of non-payable items that are specified under the terms and conditions of the base policy.

Provided, where more than one reward is offered, choice shall be given to the policyholder to choose as per his/her requirement or need.

- h. Insurers shall not publish the trade names or trade logos of third party merchandize in any of the insurance advertisements, but may refer the services in generic term. However, Insurers shall disclose the specific items of services in their website with necessary details and may provide a link to this in their insurance advertisement and policy contracts.

Provided insurers shall not promote products or services of any particular third party service provider.

Provided further, where multiple service providers are engaged by the insurers for providing benefits / services, the policyholders shall be allowed to choose a service provider of their choice for availing the wellness benefits / services.

- i. Insurers shall endeavour to engage multiple service providers for providing benefits / services under wellness and preventive features and the list of service providers may be constantly expanded by the Insurers. Insurers shall not accept any liability towards quality of the services made available

by third parties and shall specify upfront that the said third party is responsible for providing the services stipulated under the wellness features and insurer is not liable for any defects or deficiencies on the part of the service provider. Insurers shall monitor the quality of service offered by service providers under wellness / preventive programs and ensure that they have put in place appropriate mechanism to discharge their obligations provided under wellness program of the applicable health insurance product.

- j. Other than the monetized value of the reward points redeemed by the policyholders, no payments shall be made by insurers to the third party merchants.
- k. Insurers shall not receive any consideration amount for offering the third party services.
- l. The operational costs, if any, for administering wellness and preventive features shall be factored into the pricing of the underlying health insurance product and costs factored shall be disclosed in the prospectus or sales literature (invitation to contract) wherever wellness and preventive features are offered.
- m. In case of Family Floater Plans, Insurers shall clearly define and disclose in policy document, the manner in which accrual and redemption of rewards is considered in respect of all members covered.
- n. Insurers shall clearly specify in the policy contract as to whether the accrued rewards can be carried forward or not when the policy is renewed with the Insurer and the period of validity of the accrued rewards under both the scenarios. In case of expiry of policy, the accrued rewards may be carried forward for a period not exceeding three months.
- o. The rewards accrued shall be at periodic intervals at rates/amounts declared upfront at the commencement of the policy and shall not be linked to any dynamic factor such as interest rate. The same shall be specified in the Policy Document.
- p. Insurer shall notify the rewards accrued to the credit of a Policyholder and entitlements of the policyholders under the wellness and preventive features at periodic intervals, at least once in a year.
- q. Insurer shall specify in the policy contract and prospectus, the mode of communication that the Insurer adopts for notification of various services offered under the wellness and preventive features.
- r. Insurers shall specify the manner of redeeming the rewards accrued under the wellness and preventive features in the prospectus, policy wordings and shall disclose updated information in their website.

- s. Insurer shall be responsible for any errors or omission in calculation of accrued rewards and shall address the same through their in-house Grievance Redressal Mechanism.
  - t. Information gathered, if any, during the process of offering the wellness and preventive features of the policy, shall be kept confidential and shall not be used for purposes other than what it is meant for.
2. The Authority reserves the right to reject wellness and preventive features proposed by the insurer if they are against policyholders' interests and are not in line with fair market conduct notwithstanding the fact that they may broadly meet with the above guidelines.
  3. The Authority reserves the right to instruct the insurers to withdraw any wellness and preventive feature which is not in compliance with any regulations or guidelines issued by the Authority or which is found to be prejudicial to the interests of the policyholders or not in line with fair market conduct. The Authority also reserves the right in such cases to take appropriate action as deemed fit.
  4. Existing products may be modified either as per Clause (C) of Chapter III or Clause III (2) of Chapter IV of Consolidated Guidelines on Product Filing in Health Insurance Business (Ref. No: IRDAI/HLT/REG/CIR/194/07/2020 dated 22<sup>nd</sup> July, 2020) for offering wellness and preventive features in compliance to these guidelines.
  5. These Guidelines shall come into force with immediate effect.
  6. This has the approval of the competent authority.

  
**D V S Ramesh**  
**General Manager (Health)**