

Mediclaim - New Rules with respect to Health Insurance Claims & Third Party Administrators (TPA) issued by Insurance Regulatory Authority (IRDA)

New guidelines of Health Insurance claims

- **Rules and guidelines :**

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
- 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.
Contact details of Insurance Ombudsmen in India**

Contact Details**Jurisdiction****MUMBAI**

Office of the Insurance Ombudsman,
 3rd Floor, Jeevan Seva Annexe,
 S. V. Road, Santacruz (W),
 Mumbai – 400 054.
 Tel.:- 022-26106928/360/889
 Fax:- 022-26106052
 Email:- *ombudsmanmumbai@gmail.com* or ombudsman@vsnl.net

States of Maharashtra and Goa.**AHMEDABAD**

Office of the Insurance Ombudsman,
 2nd floor, Ambica House,
 Near C.U. Shah College,
 5, Navyug Colony, Ashram Road,
 Ahmedabad – 380 014
 Tel.:- 079-27546150/139
 Fax:- 079-27546142
 Email:- insombahd@rediffmail.com

State of Gujarat and Union Territories of Dadra & Nagar Haveli and Daman and Diu.**BHOPAL**

Office of the Insurance Ombudsman,
 Janak Vihar Complex, 2nd Floor, 6, Malviya Nagar, Opp.Airtel,
 Bhopal – 462 011.
 Tel.:- 0755-2769200/201/202
 Fax:- 0755-2769203
 Email:- bimalokpalbhopal@airtelbroadband.in

States of Madhya Pradesh and Chattisgarh.**BHUBANESHWAR**

Office of the Insurance Ombudsman,
 62, Forest park, Bhubneshwar – 751 009.
 Tel.:- 0674-2535220/3798/1607 Fax:- 0674-2531607
 Email:- ioobbsr@dataone.in
 State of Orissa.

CHANDIGARH

Office of the Insurance Ombudsman,
 S.C.O. No. 101, 102 & 103, 2nd Floor,
 Batra Building, Sector 17 – D,
 Chandigarh – 160 017.
 Tel.:- 0172-2706196/5861/6468 Fax:- 0172-2708274
 Email:- ombchd@yahoo.co.in

States of Punjab, Haryana, Himachal Pradesh, Jammu & Kashmir and Union territory of Chandigarh.

CHENNAI

Office of the Insurance Ombudsman,
Fatima Akhtar Court,
4th Floor, 453 (old 312), Anna Salai,
Teynampet,
CHENNAI – 600 018.
Tel.:- 044-24333678/664/668
Fax:- 044-24333664
Email:- insombud@md4.vsnl.net.in

State of Tamil Nadu and Union Territories – Pondicherry Town and Karaikal (which are part of Union Territory of Pondicherry).

DELHI

Office of the Insurance Ombudsman,
2/2 A, Universal Insurance Building,
Asaf Ali Road,
New Delhi – 110 002.
Tel.:- 011-23239611/7539/7532
Fax:- 011-23230858
Email:- iobdelraj@rediffmail.com

States of Delhi and Rajasthan.

GUWAHATI

Office of the Insurance Ombudsman,
'Jeevan Nivesh', 5th Floor,
Nr. Panbazar over bridge, S.S. Road,
Guwahati – 781001(ASSAM).
Tel.:- 0361-
2132204/2131307/2132205
Fax:- 0361-2732937
Email:- ombudsmanghy@rediffmail.com

States of Assam, Meghalaya, Manipur, Mizoram, Arunachal Pradesh, Nagaland and Tripura.

HYDERABAD

Office of the Insurance Ombudsman,
6-2-46, 1st floor, "Moin Court"
Lane Opp. Saleem Function Palace,
A. C. Guards, Lakdi-Ka-Pool,
Hyderabad – 500 004.
Tel.:- 040-23325325/23312122
Fax:- 040-23376599
Email:- insombudhyd@gmail.com

States of Andhra Pradesh, Karnataka and Union Territory of Yanam – a part of the Union Territory of Pondicherry.

KOCHI

Office of the Insurance Ombudsman,
2nd Floor, CC 27 / 2603, Pulinat Bldg.,
Opp. Cochin Shipyard, M. G. Road,
Ernakulam – 682 015.
Tel.:- 0484-2358734/759/9338
Fax:- 0484-2359336
Email:- iokochi@asianetindia.com

State of Kerala and Union Territory of (a) Lakshadweep (b) Mahe-a part of Union Territory of Pondicherry.

KOLKATA

Office of the Insurance Ombudsman,
North British Bldg., 3rd Floor,
29, N. S. Road,
Kolkata – 700 001.
Tel.:- 033-22134869/67/66
Fax:- 033-22134868
Email:- iombkol@vsnl.net

States of West Bengal, Bihar, Sikkim, Jharkhand and Union Territories of Andaman and Nicobar Islands.

LUCKNOW

Office of the Insurance Ombudsman,
6th Floor, Jeevan Bhawan,
Phase-II, Nawal Kishore Road,
Hazratganj,
Lucknow-226 001.
Tel.:- 0522-2201188/31330/1
Fax:- 0522-2231310.
Email:- joblko@sancharnet.in
States of Uttar Pradesh and Uttaranchal.

Other general guidelines:

- Generally *Family floater policy* is cheaper than buying individual policies for family members.
- Generally *bed charges are 1-2%* of the sum assured, depending on your Insurance carrier. All other charges like doctor visit etc. are often related to this bed charge, so it is important to be within these limits.
- Co-Pay means that a certain percentage or a certain fixed amount of the claim has to be borne by the policyholder. If co-pay is 15%, then whatever is the hospital bill you will have to pay the 15% and balance 85% only will be paid by the Insurance company.

- Generally ***exclusions and pre-existing diseases*** are not covered by a medical insurance policy (as specified in their policy document). Generally these ***could be covered after 2 years of holding the policy***. Consumer must be honest in disclosing pre-existing ailments, if any.
- Policy can be ***renewed within 15 days grace period*** after expiry of the policy. However coverage is not available for the days for which the premium was not received by the Insurance company.
- One can transfer the policy from one Insurance company to another and the credits (including cumulative bonus) would also be portable.
- New policy should be issued within 15 days of submission of proposal
- To keep a check that people don't try to take a policy where they have been diagnosed with some illness and they require immediate hospitalization, a ***30 day waiting period*** is kept, where Insurance Company will not pay any kind of claim within the first 30 days of taking the new policy, (***exception is that if policyholder meets an accident*** then the claim is payable).
- Under Section 80D, ***annual deductions*** upto Rs 25,000 can be availed of (Rs 30,000 for senior citizens)

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