

Bill No. 46 of 2025

THE INSURANCE (AMENDMENT) BILL, 2025

By

SHRIMATI BHARTI PARDHI, M.P.

A

BILL

further to amend the Insurance Act, 1938.

BE it enacted by Parliament in the Seventy-sixth Year of the Republic of India as follows:—

1.(1) This Act may be called the Insurance (Amendment) Act, 2025. Short title and commencement.

5 (2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

4 of 1938. 2. In section 2 of the Insurance Act, 1938 (hereinafter referred to as the principal Act),— Amendment of section 2.

(a) after sub-section (6C), the following sub-section shall be inserted, namely:—

“(6D) “health insurance premium” means the amount payable by a policyholder to maintain active health insurance coverage;”; and

(b) after sub-section (16C), the following sub-section shall be inserted, namely:—

“(16D) “senior citizen” means a male aged sixty years and above and a female aged fifty-eight years and above.”.

Insertion of
new
PART IVB.

3. After PART IVA of the principal Act, the following PART and sections thereunder shall be inserted, namely:—

“PART IVB

REGULATION OF HEALTH INSURANCE FOR SENIOR CITIZENS 10

Regulation
of Health
Insurance
for Senior
Citizens.

101D. (1) Every insurer shall offer age-sensitive health insurance plans to the senior citizens with graded premiums, taking into account the financial vulnerabilities .

(2) The health insurance plans for senior citizens under sub-section (1) shall include coverage for common geriatric conditions and pre-existing diseases after a waiting period not exceeding one year. 15

(3) No insurer shall increase health insurance premiums for senior citizens by more than five per cent. every year without prior approval from the Authority.

(4) Every senior citizen shall have the right to port his health insurance policy between insurers without loss of benefits or additional waiting periods. 20

Monitoring
and
Compliance
by the
Authority.

101E. (1) The Authority shall monitor compliance with the provisions of section 101D and may issue guidelines in this behalf.

(2) If any insurer violates the provisions of section 101D, such insurer shall be liable to penalties as prescribed by the Authority.

Insurer
involved
health
insurance
business to
submit
Annual
report.

101F. Every insurer involved in health insurance business shall submit annual reports to Authority detailing premium structures, claims processed and measures taken to ensure fairness for senior citizens in such manner as may be prescribed.”. 25

STATEMENT OF OBJECTS AND REASONS

The Insurance Act, 1938 was enacted to consolidate and amend the law relating to the business of insurance. The Act deals with the life insurance business, general insurance business and the health insurance business, etc. However, the Act does not address the concerns of the health insurance of the senior citizens. The need is to address the financial burden posed by rising health insurance premiums for senior citizens.

The present Bill aims to regulate annual premium increases to ensure affordability and accessibility for individuals on fixed incomes. It mandates insurers to design financially inclusive plans, ensuring comprehensive coverage for common geriatric conditions and pre-existing diseases with minimal waiting periods. Additionally, it introduces the right to seamless portability of health insurance policies, allowing senior citizens to switch insurers without losing accrued benefits.

The present Bill seeks to establish a robust monitoring framework through Insurance Regulatory and Development Authority of India (IRDAI) to enforce compliance and issue necessary guidelines to promote equity in healthcare access. By creating public awareness campaigns senior citizens may be educated about their rights, while dedicated grievance redressal mechanisms will address insurance-related concerns promptly. By encouraging innovation in health insurance policies tailored to senior citizens and bridging urban-rural healthcare disparities, this amendment aims to uphold the dignity and well-being of senior citizens, ensuring healthcare an accessible necessity rather than a financial burden.

The Bill, therefore, seeks to amend the Insurance Act, 1938 with a view to include and regulate the health insurance of the senior citizens in the country.

Hence this Bill.

NEW DELHI;
January 20, 2025

BHARTI PARDHI

ANNEXURE

[EXTRACTS FROM THE INSURANCE ACT, 1938]

(ACT No. 4 OF 1938)

Definitions. 2. In this Act, unless there is anything repugnant in the subject or context,—

$$(I)^* \qquad \qquad \qquad * \qquad \qquad \qquad * \qquad \qquad \qquad * \qquad \qquad \qquad *$$

(6C) “health insurance business” means the effecting of contracts which provide for sickness benefits or medical, surgical or hospital expense benefits, whether in-patient or out-patient travel cover and personal accident cover;

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(16C) “Securities Appellate Tribunal” means the Securities Appellate Tribunal established under section 15K of the Securities and Exchange Board of India Act, 1992 (15 of 1992);

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(Shrimati Bharti Pardhi, M.P.)