

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA

UNSTARRED QUESTION NO. 2187

TO BE ANSWERED ON MONDAY, AUGUST 02, 2021/SRAVANA 11, 1943 (SAKA)

NON COVERAGE OF COVID TREATMENT

2187. DR. G. RANJITH REDDY:

Will the Minister of FINANCE be pleased to state:-

- (a) the details of how the Ministry looks at the COVID patients paying 40 per cent treatment cost from their pockets in spite of having health insurance policies;
- (b) the reasons that IRDA, the Ministry and other agencies are not able to rein in insurance companies which are not aligning payouts to the actual amount for COVID treatment;
- (c) the reasons as to why insurance companies are excluding overhead consumables such as PPE kits, gloves, masks, telemedicine, etc.;
- (d) whether the Ministry or IRDA has intervened on this and persuaded or convinced insurance companies on this; and
- (e) if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(DR. BHAGWAT KARAD)

(a):(a) to (e): Health insurance claims are settled by insurers as per the terms and conditions of the health insurance policy contract. As per regulation 27(vi) of the Insurance Regulatory and Development Authority of India (Health Insurance) Regulations, 2016, read with the Guidelines on Standard Individual Health Insurance Product issued by the Insurance Regulatory and Development Authority of India (IRDAI), if during the policy period one or more insured person is required to be hospitalised for treatment of an illness or injury at a hospital or daycare centre following medical advice of a duly qualified medical practitioner, the company shall indemnify medically necessary expenses towards the coverage mentioned in the policy schedule, with the proviso that the amount payable shall be subject to the terms of coverage (including any co-payment and sub-limits), exclusions and conditions given therein. The maximum liability of the insurer under all such claims during each policy year is the sum insured opted and cumulative bonus, if any, specified in the policy schedule.

Thus, a health insurance policyholder is entitled to coverage of treatment cost, including in respect of treatment of COVID, as per the above guidelines and subject to the terms of coverage given in the schedule to the policy issued to him/her.

IRDAI has informed that the since the onset of the pandemic it has taken, *inter alia*, the following steps for speedy settlement of COVID related health insurance claims:

- (i) On 4.3.2020, it issued norms to all general and health insurers instructing them that any claim to be repudiated had to be reviewed by the apex level claims review committee of the insurer.
- (ii) All insurers have been advised to publish frequently asked questions (FAQs) on COVID-19 claims on their respective websites and to be sensitive towards the requirements of policyholders in settlement of claims.

A number of other measures have also been taken to help policyholders in the context of the pandemic. These include the following:

- (a) An Advisory has been issued by IRDAI for expeditious settlement of health insurance claims, including through authorisation of cashless claims within one hour from the time of receipt of pre-authorisation request and last necessary requirement from the hospital either to the insurer or to the third party administrator, whichever is earlier.
- (b) The Guidelines on Standardization of General Terms and Clauses in Health Insurance Policy Contract issued by IRDAI now require the insurer to settle a claim within 30 days of receipt of the last necessary document.
- (c) IRDAI has issued a circular to allow collecting of health insurance premiums in instalments, in order to ease the payment of health insurance premiums.
- (d) Grace period till 15.5.2020 was given by the Government for payment of premium for health and motor (third party) vehicle insurance falling due between 25.3.2020 and 3.5.2020, to enable continuity of insurance cover.
- (e) Standard health insurance products have been launched for covering COVID (namely, Arogya Sanjeevani, Corona Kavach and Corona Rakshak), which are simple and easy to understand and have a simplified claim settlement process.

Enabled by the above interventions, 17.94 lakh COVID related claims, amounting to Rs 21,837 crore, have been settled between 1.4.2020 and 15.7.2021.
