

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO. 3360

TO BE ANSWERED ON MONDAY, AUGUST 09, 2021/SRAVANA 18, 1943 (SAKA)

COVID RELATED CLAIMS

3360. SHRIMATI MAHUA MOITRA:
DR. G. RANJITH REDDY:

Will the Minister of FINANCE be pleased to state:-

- (a) the details of COVID related claims denied either totally or partially to policy holders;
- (b) the details of cashless policies who were forced to pay upfront for treatment of COVID;
- (c) the details of action taken/being taken by the Government against insurance companies for their denial of claims as well as hardship caused to their policy holders; and
- (d) the details of action taken/being taken by the Government to reimburse the desired claims of the policy holders?

ANSWER

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

(a) to (d): 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.

As regards cashless treatment, as per regulation 30 of the said regulations, cashless treatment facility is offered only at medical establishments which have entered into an agreement with the insurer to extend such services ("network providers"), and a health policy offers reimbursement of treatment at other medical establishments. Further, as per the procedure provided under IRDAI's Master Circular on Standardisation of Health Insurance Products, which is issued under the Insurance Act and the said regulations, cashless treatment is subject to pre-authorisation by the insurer or its authorised Third Party Administrator (TPA), wherein an Insured person can avail the cashless after providing the relevant medical details to the satisfaction of TPA. In such a scenario, the insured person may obtain treatment and submit the claim to the insurer/TPA for reimbursement. To

facilitate expeditious intimation regarding availability of cashless treatment at specified establishments, IRDAI has asked all general and health insurers to communicate their decision on authorisation for cashless treatment for COVID-19 claims to the network providers within 60 minutes of receipt of request for authorisation accompanied by all necessary requirements from the network providers.

Thus, a health insurance policyholder is entitled to reimbursement of treatment costs at any medical establishment, including in respect of treatment of COVID, and to cashless treatment at specific medical establishments after requesting pre-authorisation accompanied by all necessary medical details from the establishment and receiving such authorisation.

A policyholder who has a grievance regarding a claim, can represent to the Grievance Redressal Officer of the insurer concerned and upon either not being satisfied with the response or expiry of one month, represent to the Insurance Ombudsman, who is authorised to award compensation to policyholders after due hearing.

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

- (i) All general and health insurers have been instructed that any claim to be repudiated has 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.
- (iii) IRDAI's Guidelines on Standardisation of General Terms and Clauses in Health Insurance Policy Contract now require insurers to settle claims within 30 days of receipt of the last necessary document.
- (iv) IRDAI has issued a circular allowing collection of health premiums in instalments to ease payment burden.
- (v) Government provided a grace period till 15.5.2020 for paying health premium for policies falling due between 25.3.2020 and 3.5.2020, to enable continuity of cover.
- (vi) Standard COVID related 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.
