

Date: 28.6.2020

Publication: The Financial Express

Page no.: 3

Edition: Ahmedabad | Bengaluru | Chennai |
Hyderabad | Kolkata | Mumbai | New Delhi | Pune

Irdai issues guidelines for Covid policies

FE BUREAU
Mumbai, June 27

INSURANCE REGULATORY AND Development Authority of India (Irdai) on Saturday announced guidelines on Covid-19 standard benefit-based health policy and individual Covid-19 standard health policy. Guidelines were issued for Corona Rakshak policy, a standard benefit-based policy and Corona Kavach Policy, a standard health policy, which will be offered on indemnity basis and insurers have been asked to launch the product from July 10, 2020.

All life, general and health insurance companies have been encouraged to offer standard benefit-based policy, while every general and standalone health insurer shall offer standard health indemnity policy.

According to the guidelines by Irdai, minimum sum insured for Corona Kavach Policy will be ₹50,000 and maximum sum insured would be ₹5 lakh. However, for Corona Rakshak Policy, the minimum sum insured would be ₹50,000 and maximum limit is set at ₹2.5 lakh.

The premium under both the products shall be pan In-

dia basis and no geographic location or zone-based pricing will be allowed. Rashmi Nandargi, head, Retail Health Underwriting at Bajaj Allianz General Insurance, said these standard policies specific to Covid-19 were a welcome move considering the current situation where people are worried about the Covid-19 treatment costs.

"These policies will cater to people who currently don't have a holistic health insurance policy and are looking to cover themselves against Covid-19. The policy coverages, terms & conditions are standard across insurers; the

USP would be wide network of hospitals for cashless facility. These Covid-19 specific policies will certainly be an attractive proposition for people to opt for health insurance, and later may encourage them to opt for a comprehensive health insurance cover," added Rashmi.

Corona Kavach policy will be an indemnity-based policy but optional cover shall be made available on benefit basis. The base cover will offer hospitalization expenses like room and boarding charges along with PPE kits, gloves, masks and such other similar expenses and even AYUSH

treatment. While in Corona Rakshak policy, insurers shall pay lump-sum benefits equal to 100% of sum insured on positive diagnosis of Covid-19, requiring the hospitalization for minimum continuous period of 72 hours. Under indemnity health insurance plans, insurers cover the cost of medical expenses during hospitalization, while in defined benefit plans a lump-sum is paid irrespective of the actual hospital expense. Due to the rise in the cases of novel Coronavirus, general insurance companies had received claims amounting to ₹281 crore as on June 19, 2020.