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The new guidelines by the Insurance Regulatory and Development Authority of India (Irdai) state that customers would be allowed to customize their insurance products. This means that customers can now choose specific products, add-ons, and riders based on their medical conditions and specific needs. Insurers provide various options to cover general medical insurance needs, and they are developing specialized products to meet all medical conditions and unique requirements.

Moreover, the Irdai has stressed the importance of clear and transparent communication between insurers and policyholders. To support this, they have introduced a simpler format for CIS for health insurance policies, which is in effect from January 1, 2024.

“The move was made after policyholders complained about the difficulty faced in understanding the terms and conditions of the policy due to the use of complex language. It will help customers understand the products, applicable terms, and conditions, and other details with more clarity,” says Naval Goel, founder and CEO, PolicyX.com, an insurance web aggregator.

The purpose of the new CIS format is to increase transparency between insurers and policyholders. Insurance contracts are legal contracts and the language used is technical. The CIS provides policyholders with essential policy information in an easy-to-understand format. According to Irdai's guidelines, insurers, intermediaries, and agents must send the updated CIS to all policyholders and obtain an acknowledgment, either physical or digital.

“Irdai has announced this to mainly protect customer data and standardize the process of information collection in the insurance industry. The new format aims to create a more organized, structured system, making data entry simpler and improving the quality and relevance of the information collected,” says Bhaskar Nerurkar, head- health administration team, Bajaj Allianz General Insurance.

For both insurers and policyholders, the updated CIS is designed to be more user-friendly. While it has a clearer layout and standardized fields to make data entry easier and reduce errors, it also facilitates quick information retrieval. Overall, this process helps improve efficiency and simplicity for policyholders in their interaction with the insurance

providers. For policyholders, the revised CIS format offers clearer instructions and makes it easier to provide accurate and up-to-date information for insurance policies.

What Does It Mean For The Customers : A CIS gives a brief overview of important details about your insurance policy. Insurance companies must provide this sheet when a customer buys or renews a policy. The new, improved CIS format is designed to make it easier for customers to understand the complicated terms and procedures of health insurance.

“Health insurance documents are often very long and use technical language, making it hard for most people to grasp the essential information. The updated CIS aims to simplify this process and provide a straightforward summary of the policy. Rather than going through the complex details of the pages, you can quickly now refer to the CIS for key information. This saves customer time and brings down confusion, especially during stressful situations such as hospital visits,” adds Nerurkar.

Overall, the updated CIS is designed to make the health insurance experience simpler, more transparent, and less stressful. “The ability to customize policy wordings will drive insurers to innovate and adopt international best practices prevalent in developed insurance markets. This can result in more comprehensive and relevant insurance solutions for customers. Also, with more tailored products and clearer policy details, customers can expect a better overall experience as policyholders. This includes greater transparency in claim servicing and rationalization of deductibles, leading to more efficient and satisfactory claims handling,” says Narendra Kumar Bharindwal, vice president, Insurance Brokers Association of India (IBAI).