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News	Claims can't be rejected for paperwork delay: IRDA
Newspaper	The Economic Times
Source	http://economictimes.indiatimes.com/personal-finance/insurance/insurance-news/irda-asks-insurers-not-to-reject-claims-mechanically/articleshow/10068964.cms

NEW DELHI: In a big relief to policyholders, the regulator IRDA on Wednesday asked insurance companies not to mechanically reject claims on technical grounds, like delay in filing claim documents.

IRDA has issued these directives following complaints that claims are being rejected on grounds of delay in intimation and submission of documents to insurers.

"Rejection of claims on purely technical grounds in a mechanical fashion will result in policy holders losing confidence in the insurance industry, giving rise to excessive litigation," the regulator said in a communication to life and non-life insurance companies.

Although the policyholders are required to file claims within a prescribed time frame, the IRDA said, "this condition should not prevent settlement of genuine claims, particularly when there is delay in intimation or in submission of documents due to unavoidable circumstances."

The regulatory direction is likely to benefit lakhs of policy holders, who face either rejection or delayed settlement of their claims on technical grounds.

Advising insurers to suitably enunciate their stand to condone delay on merit in policy papers, the regulator said "...such limitation clause (of filing documentation) does not work in isolation and is not absolute".

It further said insurers should develop a mechanism to handle such claims with "utmost care and caution".

Insurers, it said, must not repudiate claims unless the reasons of delay are specifically ascertained and recorded.

Besides, the insurers should satisfy themselves that the delayed claims would have otherwise been rejected even if reported in time.

Insurance Regulation

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News	IPO rules: IRDA is ready to go
Newspaper	The Hindu Business Line
Source	http://www.thehindubusinessline.com/industry-and-economy/banking/article2456138.ece

New Delhi, Sept. 15:

The insurance regulator, IRDA, said on Thursday that the long-awaited initial public offering (IPO) guidelines for insurance companies was almost ready and that there was no pending issues from its side.

However, the two issues that are holding up the finalisation of the guidelines are market regulator, SEBI's comments and the framing of a formula to determine "embedded value" of life insurance companies.

“From our side, we are ready. But still there are two knotty issues. One is SEBI's comments. That also we expect in a day or two. The other issue is that the institute of actuaries have to decide on the formula for embedded value,” Mr J. Hari Narayan, IRDA-Chairman, told reporters on the sidelines of a health summit organised by Confederation of Indian Industry here.

On reforms in bancassurance, Mr Narayan said that an IRDA appointed committee had recently submitted its report and that its recommendations were under the consideration of the regulator.

The committee is understood to have recommended that a bank can be a bancassurance partner for two insurers. “We are yet to firm up our views. It is being considered,” Mr Hari Narayan said, adding that no timeline can be specified.

Life Insurance

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News	<i>Insurers must guarantee returns on pension Ulips, says IRDA chief</i>
Newspaper	<i>Financial Chronicle</i>
Source	<i>http://www.mydigitalfc.com/insurance/insurers-must-guarantee-returns-pension-ulips-says-irda-chief-969</i>

Reprimanding life insurance companies, the insurance regulator, the Insurance Regulatory and Development Authority (IRDA), said that if insurance companies have a problem in offering guaranteed returns in unit-linked insurance plan (Ulip) pension products, they should stop being in the insurance business and instead become mutual funds.

“No insurance company can function without offering a long-term guarantee on products. If they have a problem, they should stop being a life insurance company and instead become a mutual fund company,” IRDA chairman J Hari Narayan told Financial Chronicle.

Hari Narayan’s comments assume significance in wake of apprehensions from insurance companies on the regulator’s new norms for Ulip pension plans. In draft guidelines issued on August 1, IRDA had abolished minimum guarantee of 4.5 per cent on Ulip pension products. However, IRDA asked insurance companies to fix a guarantee on maturity and allowed the insurer flexibility to determine the guarantee amount.

However, after the draft guidelines were released, insurance companies said that even though the minimum 4.5 per cent guarantee has been removed, insurance companies would not be able to innovate on pension products. Insurers said they might not be able to offer customers the option to invest in equity if they were forced to provide a guarantee and the product will be debt- oriented.

“If insurers have to provide a minimum guarantee, the option for investment in equity may not be there or very little exposure may be allowed in equities because investments in equities are risky,” said a senior official of a private insurance company, who did not wish to be identified.

Ulip pension products have been mired over changes in regulatory norms in the past one year. On September 1, 2010, in a bid to overhaul Ulips, IRDA had issued stringent norms for life insurance companies. IRDA issued separate guidelines for pension Ulips. However, even after almost a year after the guidelines were released, no private life insurance company has launched regular Ulip pension plans.

Health Insurance

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News	<i>IRDA favours standardisation of health insurance plans for better penetration</i>
Newspaper	<i>Financial Chronicle</i>
Source	<i>http://www.mydigitalfc.com/insurance/irda-favours-standardisation-health-insurance-plans-better-penetration-970</i>

The insurance regulator has favoured standardisation of health insurance products to ensure that they are understood well by policyholders and it will help in increasing penetration of health insurance.

“Product standardisation will help policyholders to understand the product in a better way. Also, it will help in increasing the health insurance penetration in India. Health is the key issue in the country and health insurance sector has to become a key player if the country has to ensure good healthcare for its citizens,” said IRDA chairman, J Hari Narayan on the sidelines of health insurance summit held by the Confederation of Indian Industry (CII).

Hari Narayan said that after standardisation of healthcare insurance procedures, standardisation of products could be next big step towards assuring better healthcare.

Standardisation of health insurance means developing straightforward and no-frills health insurance policies for the policyholders.

These policies may have simple product features such as 24-hour hospitalisation coverage, pre-existing disease cover after certain years of continuous renewal to name the few.

Ever since the industry was opened 10 years ago, insurers have been trying to bring new and innovative products, but over the time it has been felt that the product standardisation will make their distribution more effective. “With standardised products, the competition will depend on pricing and service delivery of insurers,” said Arun Mehrotra, head of retail underwriting and product development at Iffco-Tokio General Insurance Company.

Product innovation should however continue for overall growth of the industry, feel industry experts. “Standardisation of product is needed only on the hospitalisation-related coverage, which should be portable also,” said Amarnath Ananthanarayanan, CEO of Bharti Axa General Insurance Company.

News	New tech platform to improve transparency in health insurance
Newspaper	Business Standard
Source	http://www.business-standard.com/india/news/new-tech-platform-to-improve-transparency-in-health-insurance-/450050/

Health insurance inevitably raises concerns among all stakeholders—the hospital, the third-party administrator, the insurer and the patient—over delivery methods and transparency. A Bangalore-based company, iAssure Info Solutions, is attempting to address these issues by integrating all the stakeholders on a web-enabled platform, enabling them to view the process online and see individual cases being processed.

The product provides business process connectivity for all the business users involved in medical insurance administration and management. These include the insurance company (administration, back office & call centre), the insured, corporate customers, hospitals/nursing homes/clinics, drug stores, agents/brokers, surveyors (independent medical professionals) and banks for revenue collection and the settlement of claims. One can view, avail of and check the delivery of services by hospitals, surveyors, clinics, drugstores and manage claims and commissions. There is also a provision for electronic settlement of funds for all the servicing business points.

iAssure Info Director, M G Mohan Kumar, says: “This has the potential to change the dynamics of the health insurance sector, just like how web-based ticketing changed the dynamics of air travel. If this is leveraged effectively, third-party administrators can be made redundant. A key feature is this addresses major issue for a patient.” He adds the solution supports the complete patient life-cycle management at hospitals, captures all charge points and treatment details, manages workflow for insurance customers, and generates automated billing and claim documents for insurance. “This would go a long way in improving how a patient's view of health insurance,” says Kumar, adding it would also ensure the availability of medical treatment records through an individual's lifetime.

Seldom does a patient fully understand how his bills were approved, even though he was adequately insured. This leads to skepticism on health cover. According to industry estimates, a mere 11 per cent of the Indian population have any form of health insurance coverage, and only about 2.2 per cent have private health insurance cover. At 2.2 per cent of the total health insurance penetration, rural penetration is much lower. Compare this with the scenario in the US, where more than 80 per cent of the population is covered by health insurance, while in Europe, the figure is about 75 per cent.

The entry of private market players in India has helped the expansion of this market to a certain extent, but given the vast potential of this sector, a lot is left to be desired. Technology is certainly an enabler, provided it is harnessed effectively. While there are few private health insurers using the web to spread their reach, transparency remains an overarching concern and expanding the distribution network on the ground is an expensive proposition.

While addressing this issue, iAssure Info's solution also offers a mechanism for insurance companies to expand their distribution network, without a significant capital expenditure. The solution provides electronic interfaces to configure insurance plans, modify them and launch and manage users. It also provides support application for managing a call centre. “The insurer can also bring in dynamic pricing of the insurance products, based on the policy benefits, the sum insured, the age and the health history of the customer. We have also built agent-based promotions, through which incentives can be offered on a dynamic basis. This would enable the insurer reach the mass,” says Kumar.

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