

Ref: IRDAI/HLT/REG/CIR/108/06/2022

01 June, 2022

To

CEOs of all General and Standalone Health Insurance Companies

Sub: Use and file procedure for all categories of products under health insurance business - reg

Reference is invited to Consolidated Guidelines on Product Filing in Health Insurance Business ref no: IRDAI/HLT/REG/CIR/194/07/2020 dated 22 July 2020. In partial modification of these guidelines dated 22 July, 2020 and in superseding circular ref no: IRDAI/HLT/REG/CIR/29/02/2021 on "Modification guidelines on product filing in health insurance business" dated 08 February 2021 the following norms are introduced in respect of all categories of products offered under Health Insurance Business.

1. All categories of products and add-ons or riders to be introduced or modified / revised under health insurance business and offered by General and Health Insurance Companies are permitted to be launched through "Use and File" by duly complying with the following norms.
 - i. Insurers shall have in place the Board approved policy of products that are to be offered or modified / revised which shall at minimum address (i) the philosophy of the company in enhancing the insurance penetration (ii) the health insurance needs of the insurable population (iii) provision of inclusive insurance to all the market segments (iv) the need for providing simple and easily comprehensible products. The Board approved policy shall also comply with the norms specified herein and the same shall be complied at the point of launching the products or modification / revision of the products. The Product Management Committee of the insurer shall ensure compliance to the policy of the board while signing of the new products or modification of products.
 - ii. Insurers shall file the proposed name of the product, date of approval by Product Management Committee and shall obtain the UIN. Thereafter, Insurers shall file the product along with all other documents specified in Consolidated Guidelines on Product Filing in Health Insurance Business dated 22 July, 2020 with the Authority within 7 days of launch of the product.
 - iii. Insurers shall ensure that the product pricing is viable, self-sustainable and affordable to the targeted market.
 - iv. The revision in the price, if any, shall be effected only based on the underlying claims experience (Incurred Claims Ratio) and to make the product viable and self-sustainable. Insurers shall disclose the rationale for revision in price along with the underlying claim experience (Incurred Claims Ratio) of the product that lead to the revision in the price in their website.

- v. Where optional covers or add-ons are offered with very low premium rates giving an indication that coverage is not material under the said add-on or optional cover, Insurers are advised to consider subsuming such add-ons or optional covers into base cover of the product.
 - vi. Pricing of the products/add-ons shall be based on the generally accepted actuarial principles.
 - vii. The premium rates shall appropriately reflect the benefits, terms and conditions of the underlying products/add-ons and shall not be discriminatory.
 - viii. Management Expenses loading for add-ons to be considered on marginal basis.
 - ix. No two risks with identical risk characteristics shall be rated differently.
 - x. The insurer shall build-up, maintain and monitor the experience under all the base and add-on covers separately.
 - xi. All categories of the products, namely, Pilot Products, Health plus Life Combi Products and Health Package Products are also allowed to be launched under the above procedure. Non-life package products where UIN is already obtained for non-life covers are also permitted to be launched in accordance to the norms specified herein.
2. Insurers shall comply with the provisions of Insurance Act, 1938, all other applicable regulations and guidelines / circulars notified thereunder while launching the products. Insurers shall also comply with all the requirements specified in the standard technical note issued vide circular ref: IRDAI/ACT/CIR/MISC/069/04/2021 dated 1st April 2021.
 3. Where any Insurer is found to be non-compliant with the extant regulations or guidelines, the Authority notwithstanding the action that may be taken under the provisions of Insurance Act 1938, may take one or more of the following actions.
 - i. Direct the insurer to withdraw the product.
 - ii. Withdraw the Use and File facility specified as per the norms specified herein for such insurer for a period as may be determined.
 4. These norms shall come in to force with immediate effect. All existing products filed under File and Use procedure and whose UIN are yet to be issued are deemed withdrawn and insurers may launch the same under the Use and File procedure specified under these guidelines.
 5. These guidelines are issued under the powers vested with Section 34 (1) of the Insurance Act, 1938 and under the powers vested in Regulation 2 (i) (o) of IRDAI (Health Insurance) Regulations, 2016.
 6. This has the approval of the competent authority.

(DVS Ramesh)
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