

INDUSIND GENERAL INSURANCE COMPANY LIMITED

UNDERWRITING POLICY OF THE COMPANY FOR HEALTH BUSINESS

MAY 2025

Version 1.1

Background:

Reference is made to the following IRDA Regulations and Guidelines.

- Insurance Regulatory and Development Authority (Insurance Products) Regulations 2024 dated 1st April 2024.
- Master Circular on IRDAI (Insurance Products) Regulations 2024 – Health Insurance dated 29th May 2024. (Herein referred to as in this document as “Master Circular”
- “Protection of Policyholders Interests, Operations and Allied Matters Regulations 2024” dated 20th March 2024

This document lays down the Underwriting Policy based on the mentioned Regulations and Guidelines in respect of conduct of Health Insurance business at IGICL.

This underwriting policy covers areas of product classification and design, underwriting, advertisements and overall product management. It also includes responsibilities of Product Management Committee (PMC) and Advertising Committee (AC)

This replaces the earlier Board approved policy issued on 1st July 2024.

INDEX

- I) Core Underwriting Policy
- II) Product Management Committee
- III) Advertising Committee
- IV) Class of risks
- V) Main activities of UWs
- VI) Role of Appointed Actuary
- VII) Reinsurance Program
- VIII) Delegation of UW Authority
- IX) Portfolio Monitoring
- X) Empanelment of Hospitals
- XI) Monitoring of TPAs
- XII) Review

I) Core Underwriting Policy

a. Product philosophy is as under:

1. The underwriting approach of the Company is designed to have simple, unambiguous and transparent practices, while ensuring adequate selection of risks to ascertain the quality of portfolio. It is also to be ensured that these practices and products are consistent with the approved Underwriting Policy of the Company.
2. Increase insurance penetration across the country and achieve a good spread of risk.
3. Be present in each class of Health insurance business with an objective to cover all segments of population ranging from the mass & rural population to high net worth individuals.
4. Underwrite and retain risks based on the risk exposure.
5. Be prudent in deciding reinsurance of risks where risk exposure is perceived to be high or while initiating a new product line with insufficient experience.
6. Develop IT systems to capture information so as to issue system generated policies and service claims; and to obtain data for underwriting analysis.
7. Offer flexible products, add-ons and riders allowing customer to choose cover base on needs for:
 - i. All occupational categories, age groups and different kinds of medical conditions like Pre-existing/chronic diseases and persons with disabilities
 - ii. Various systems of hospital and treatments including AYUSH
 - iii. Outpatient (OPD), Day Care, Homecare and Domiciliary Hospitalisation

Note: The above does not imply that the Company shall have one product to cater to all of the above
8. AYUSH treatment – The Company shall:
 - i. Provide AYUSH treatments at par with other methods of treatment so as to provide option to the policyholders to choose treatment of their choice
 - ii. Empanel AYUSH Hospitals subject to proper evaluation.
9. Offer various kind of associated services to customers to ease financial burden or to mitigate loss.
10. Offer products that are compliant with the following Laws:
 - a) The Mental Healthcare Act, 2017;
 - b) The Rights of Persons with Disabilities Act, 2016;
 - c) The Surrogacy (Regulation) Act, 2021;
 - d) The Transgender Persons (Protection of Rights) Act, 2019, and
 - e) The HIV and AIDS (Prevention and Control) Act, 2017

b. The Company's core philosophy on profitability is as under:

1. All product lines have to be profitable on a stand-alone basis to be sustainable in the long run both on net as well as gross basis.

2. On sustainable long-term basis the company will endeavour to achieve a combined ratio of not more than 100%.
3. The profitability of each of the product lines would be assessed at least annually by underwriting and actuarial teams and would be evaluated against the projected figures. In the event of there being a major negative deviation, all assumptions used for pricing would be compared with the actual figures and core problems diagnosed. Corrective actions like stricter risk selection methods, claims and fraud control and modified terms and conditions would be used to decrease losses. Market factors and benchmarking would be considered to avoid being out-priced.
4. As the Company is into multiple product lines, on occasions we may have to take a customer profitability approach, especially on corporate business and cross subsidize some portfolios either against other portfolios like Fire. The decision would be taken with the approval of head underwriting. All measures would be taken to ensure to cap the limit of loss.
5. Special focus would be laid on avoidance of concentration of risk on account of accumulation at one location.
6. Internal limits would be defined for capping per life exposure especially on benefit products.
7. Products are to be structured to ensure that the cover and utilisation is for genuine medical expenses.
8. Central team would monitor the product profitability on an ongoing basis and corrective action, not limited to rate /cover revision, change in caution group etc. would be taken on an ongoing basis

II) Product management Committee (PMC)

- a. The Product Management Committee constituted as per Master Circular issued by IRDAI shall be responsible for managing all Health insurance products within the Company and the committee shall be functional at all times.
- b. The PMC shall consist of members as specified in the Master Circular and will be constituted by the CEO for different product lines.
- c. All categories of Health products and add-ons or riders under health insurance business and offered by IGICL are permitted to be launched through “Use and File” procedure, wherein the final authority of approval shall be with the Product Management Committee (PMC), which shall review and recommend:
 1. All the products that are in existence either continues to be offered/withdraw/modify
 2. New products proposed to be introduced.
- d. All the product filing documents shall be submitted to PMC and it shall ensure that they are complete and correct in all aspects
- e. The role of PMC members shall be as per, but not limited to the provisions of Master Circular on IRDA (Insurance Products) Regulations 2024.

- f. The PMC shall meet as and when required, to approve the modification or withdrawal of existing products or filing of new product with IRDAI, or to carry out any other designated activity. Proper minutes of each meeting shall be kept on record by the Company.

NOTE: A PMC has been formed on March 15, 2016 approved by CEO.

III) Advertising Committee (AC)

- The AC shall approve every advertisement of the Company compliance with the provisions of Protection of Policyholders Interests, Operations and Allied Matters Regulations 2024.
- The constitution of AC shall be decided by the CEO as per the provisions of the Master Circular on Insurance Products 2024 and Master Circular on Operations & Allied Matters of Insurers 2024, based on the requirements for each product line.

IV) Class of risks and products

- The company would broadly do business in the following risk categories:

SN	Product Category	Target Segments	Remarks
1	Health / Personal Accident Insurance - Retail	Individual customers alongwith their dependent families	Product with pre-defined coverages, options, Sum Insured limits. It may be offered on Indemnity or Benefit basis. It may also be offered on Individual sum insured or Floater basis.
2	Health / Personal Accident Insurance - Group	- Groups with Employer-Employee relationship - Other Groups as defined under Group guidelines	Customisable product which may be rated based on group behavior trend, demographics, Company experience and coverages opted. It may be offered on Indemnity or Benefit basis. It may also be offered on Individual sum insured or Floater basis

SN	Product Category	Target Segments	Remarks
3	Health /Personal Accident Insurance - Mass	Government, NGO or Community based schemes	These will be large Group sizes with customized coverages. These may be group experience and/or Industry experience based. It may be offered on Indemnity or Benefit basis. It may also be offered on Individual sum insured or Floater basis.
4	Critical Illness – Individual or Group	1. Individual customers alongwith dependent families 2. Groups with Employer-Employee relationship 3. Other Groups as defined under Group guidelines	Product with pre-defined coverages, options and Sum Insured limits. Group product may allow customized cover and discount or loading structure based on various parameters. It may be offered on Indemnity or Benefit basis. It may also be offered on Individual sum insured or Floater basis.
5	Travel Insurance – Individual or Group	1. Individual customers alongwith dependent families 2. Groups with Employer-Employee relationship 3. Other Groups as defined under Group guidelines	Product with pre-defined coverages, options and Sum Insured limits. Group product may allow customized cover and discount or loading structure based on various parameters.
6	Pilot Products/ Sandbox Products	Individuals or Groups	Innovative products which are not available in the industry. These will follow the norms

SN	Product Category	Target Segments	Remarks
			specified for Pilot/Sandbox Products by IRDAI
7	Other Health products including Health combination products, or General insurance products where Health is a part of package, or Life and Health combi products	1. Individual customers alongwith dependent families 2. Groups with Employer-Employee relationship 3. Other Groups as defined under Group guidelines	These will follow the respective guidelines laid down by IRDAI for each type of product.
8	Add-ons or Riders	All or any of the Product Category	These will follow the respective guidelines laid down by IRDAI for each type of product.
9	Standard Products	As specified by IRDAI	As specified by IRDAI

b. Each of these products should comply with all regulatory guidelines and be based on sound & prudent insurance principles. These products would be defined as under:

1. Benefits and coverages.
2. Terms and conditions, exclusions and warranties.
3. Rating schedules. (Other than experience rated products)
4. Underwriting and Operating rules.
5. Reinsurance arrangements.
6. All Product documents, conduct of business including settlement of claims shall comply with the IRDA (Protection of Policyholder's Interest, Operations and Allied Matters of Insurers) Regulations 2024.

The objective is to ensure consistency in risk acceptance and rating and avoid any concentration of risk and avoid anti-selection of risks.

c. No new product shall be launched unless there is a UIN number

d. Group Health Underwriting Policy

1. Criteria for entry of members - Employer-employee type policy
 - i. An employee joining the group may be either Director of the Company, full time, part time, trainee, apprentice, contractual, seasonal or casual employee or any other form of employment.
 - ii. There should be minimum of 2 employees to issue Group Policy.

- iii. Coverage for any member included in policy shall not extend beyond policy period.
- iv. Group Policy may be on named or unnamed basis, for all or a section of employees
- v. It may cover employee alongwith dependents or parents, or cover dependents or parents of employees without covering the employees.

2. Non-Employer-Employee type policy
 - i. A person who is a part of an establishment or a group seeking insurance
 - ii. A person recommended by the master policyholder.
 - iii. Group policy may be on named basis only.
3. Options of members exiting group
 - i. Member cover may cease on the day of exit from the group.
 - ii. Cover for a member may be allowed till expiry of policy if such terms are agreed before inception of policy.
 - iii. If member ceases to be part of the group, all dependents shall also exit from policy. However, in case of death of member, dependents may be allowed to continue till expiry of policy if such terms are agreed at inception.
 - iv. If member exits group during a particular policy period, he may not be covered on subsequent renewal of policy in any case.
4. Safeguards to prevent fraud: The Company shall
 - i. Actively monitor individual claims and claims trends to control fraud
 - ii. Appoint investigators to prevent fraudulent activity where needed
 - iii. Actively participate in IRDA's initiative of "Bima Satark" to share industry level data on fraudulent activity

V) Key underwriting activities:

- a. To assess and evaluate the risk.
- b. Rate the risk whether as accepted or rejected and decide upon loading / discounts.
- c. To put in suitable terms and conditions, warranties and exclusions to mitigate the risk.
- d. To seek reinsurance / co-insurance when the risk is beyond retention limits.
- e. To monitor the risk through its entire life cycle to revalidate and fine-tune the above approach.
- f. To make documentation for the products with policy terms and conditions, proposal forms etc.

VI) Role of Appointed Actuary (AA)

- a. To determine the rates, terms and conditions of all products. To ensure that
 - i. evolving risk coverage needs of the customer are taken into account while developing new products and revising existing products;
 - ii. product covers an insurable risk with an underlying risk transfer;
 - iii. the basic principles of insurance like insurable interest, indemnity, utmost good faith, proximate cause, contribution clause, salvage and subrogation etc. are adhered to;

- iv. all the risks relevant to the products are appropriately considered in the pricing;
 - v. the premium rates are fair and not excessive, inadequate, unfairly discriminatory and provide value for money;
 - vi. all relevant factors such as risk appetite, capital availability, claim experience, reinsurance costs,
 - vii. guarantees, options are considered;
 - viii. products are viable and self-sustainable;
 - ix. market conduct practices are appropriate and fair;
 - x. appropriate systems, procedures relevant to the product, such as underwriting, pricing, reinsurance, claims management are in place.
- b. To determine the reserving approach of all the products.
 - c. To carry out a review of performance of all products and present it to the PMC.
 - d. To prepare and carry out all activities necessary for filing of new products or Riders and revision thereof.

VII) Reinsurance Program

- 1. The company would be entering into reinsurance treaties or Fac support with the following objectives:
 - i. To achieve a significant capacity to underwrite varied risks and high sum insured.
 - ii. To leverage the product expertise of foreign insurance / reinsurance to build in-house expertise for developing and underwriting specialised products.
- 2. Net retentions:
 - i. Net retentions to be maintained such that a balance is maintained between risk retention level and loss bearing capacity.
 - ii. Net retention to be increased with Board's approval
 - iii. If coverage of risk is required to be varied by insurers as compared to terms quoted by the reinsurers, such variance and increased retention shall be as per retention agreed by the Board. The CUO shall be the designated authority to approve such covers.
- 3. The reinsurers selected for the treaties would be of acceptable financial standings and as per the prescribed IRDA guidelines.

VIII) Recommendations for delegation of underwriting authority

The Company proposes the following designated persons

- 1. Chief Executive Officer
- 2. Chief Underwriting Officer

3. Underwriting Head – Health business

The designated persons will have the authority to decide upon:

- Underwriters classification with designated approval authorities.
- Risk / Sum Insured selections, acceptable limits and underwriting retention limits.
- The loading / discount in premium.
- Approving the reinsurance treaties and limits and entering into reinsurance arrangements.
- Approving premium quotation for individual experience rated products.
- Rate deviation matrix for various levels of underwriters.
- New products / covers / rate schedules to be filed and launched.
- Preview existing products / rates and decide upon revision or withdrawal.
- Any deviation in rates for conscious acceptance of a planned underwriting loss making policy.
- Approving new and revision of common underwriting guidelines / manuals for all products.
- Approving new and revision of proposal forms, policy wordings etc.
- Approving acceptance of inward reinsurance / Co-insurance.
- Laying down guidelines for Migration and Portability.

The designated persons individually or in their collective capacity can exercise this authority or delegate it to competent persons. The underwriting limits and approval authorities would be reviewed periodically and redesignations / changes done as and when required.

Wherever changes impact product or pricing or as required by IRDA, Appointed Actuary would be part of the final approval process.

IX) Portfolio monitoring

The underwriters and finance team shall monitor the various ratios like claims expenses, combined ratios.

The AA shall review the product performance and present the results to the PMC as per requirements laid out by IRDAI.

X) Empanelment of Hospitals and Healthcare Providers

The Company intends to create a network of hospitals across the country to provide hassle-free medical services along with the faster cashless claim settlement for its health insurance customers. The Company is endeavoring to provide 100% cashless services to the policyholders in following ways:

a. Through RGCIL network hospitals:

The Company shall

- i. Facilitate cashless treatment.
- ii. Ensure the quality standards of Network Hospitals by empanelling hospitals meeting high standards of infrastructure, technology, service and suitability.
- iii. Ensure that the hospitals have necessary registrations and certifications as may be required by laws, rules and/regulations as amended from time to time.

b. Cashless at Non network hospital:

Policy holders can choose any legally authorized and registered hospital nationwide for cashless services.

XI) Performance monitoring of Third-Party Administrators (TPAs)

The Company shall:

- i. Monitor the claim processing time and complaints received from customers for each TPA
- ii. Decide upon imposing appropriate penalty on TPAs in case the service standards are not in line with customer expectations.
- iii. Make payment to TPA after ensuring that they have discharged their services satisfactorily.
- iv. Monitor Service Level Agreements (SLAs) including performance standards for customers, outstanding and rejection claims.
- v. Hold regular review meetings with TPAs.

XII) Review

This policy shall be subject to review annually, or earlier if necessitated by changes in applicable laws, rules, regulations, or other relevant developments. In such cases, the policy will be evaluated to ensure continued compliance and effectiveness. Pending formal revision, any change in the applicable regulatory framework shall override the provisions of this policy to the extent of any inconsistency.