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# IRDAI allows insurers to offer short-term health policies for coronavirus treatment

BY NAVNEET DUBEY, ET ONLINE | UPDATED: JUN 23, 2020, 06.58 PM IST

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The Insurance Regulatory and Development Authority of India (IRDAI) has now allowed life, general and health insurers to offer coronavirus specific short term [health insurance](#) policies. These short term policies will offer insurance for a period between 3 to 11 months. These policies are permitted to be offered both as individual and group products.

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The IRDAI has issued a circular on June 23, 2020, the guidelines for introduction of short-term health insurance policies providing coverage for COVID-19 disease. These guidelines will remain valid till March 31, 2021 unless extended further.

The circular stated, "With an objective of making available insurance protection to various sections of people in the prevailing COVID-19 pandemic, it is considered that short term health insurance policies providing coverages specific to COVID-19 disease is the need of the hour. Accordingly, all insurers (Life, General and Health Insurers) are allowed to offer COVID - 19 specific short-term health insurance policies subject to these guidelines."

## What are short-term health insurance policies?

As per the circular, short term health [policy](#) means any health insurance policy contract which has been issued for a policy term of less than 12 months. Short term policies may be issued for a minimum term of three months to a maximum term of eleven months. In between three months and eleven months, the policy term shall be in multiples of completed months.

A policy term less than three months is not permitted. Also, where the term of policy is fixed as 12 months, the same will not be considered as short-term health policy.

### **Type of Covid-19 policy to be offered by life, health insurer**

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The regulator has permitted life insurers to offer only benefit based short term health insurance policies. However, general and health insurers are permitted to offer both indemnity based and benefit based short term health insurance policies.

Insurers shall ensure that short term health insurance products comply with the norms on pricing stipulated in IRDAI (Health Insurance) Regulations, 2016 and guidelines on product filing in health insurance Business.

### **Limitation of the need-based policy**

As per IRDAI circular, short term health insurance policies are permitted to offer only health insurance cover specific to coronavirus disease.

The policy will have a waiting period which should not exceed 15 days as per IRDAI. No separate add-ons are permitted. Lifelong renewability, migration and portability are not applicable to the short-term health policies offered by general and health insurers.

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