

NAVI GENERAL INSURANCE LIMITED

POLICY OF PRODUCTS UNDER HEALTH INSURANCE BUSINESS

DOCUMENT CONTROL

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BACKGROUND

Prior to 1st June 2022, the product filing for products under Health Insurance business are governed by (a) Consolidated Guidelines on Product Filing in Health Insurance Business ref no: IRDAI/HLT/REG/CIR/194/07/2020 dated 22nd July 2020, and (b) superseding circular ref no: IRDAI/HLT/REG/CIR/29/02/2021 on “Modification guidelines on product filing in health insurance business” dated 8th February 2021. These guidelines and circular specified the categories of products while were eligible for “File and Use” and “Use and File”.

IRDAI released a Circular IRDAI/HLT/REG/CIR/108/06/2022 on 01.06.2022 titled “Use and File Procedure for all categories of products under Health Insurance Business – reg”, regarding product filing in health insurance business. As per this Circular, 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” procedure.

As per Clause 1(i) of the above mentioned IRDAI Circular IRDAI/HLT/REG/CIR/108/06/2022 dated 01.06.2022 regarding “Use and File Procedure for all categories of products under Health Insurance Business – reg”, every Insurer shall have in place a Board approved policy of products that are to be offered or modified/revised.

The Policy of Products shall at minimum address:

- (i) 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 Policy shall also comply with the norms specified in the aforementioned Circular.

NAVI GI's POLICY OF PRODUCTS UNDER HEALTH INSURANCE BUSINESS

This Policy lays down the principles and procedures the company shall follow for introduction or modification/revision of all categories of Health Insurance Products.

Navi General Insurance Limited (Navi GI) is a customer-centric and technology-first organization. The main objective of Navi GI is to make health insurance Simple, Affordable and Accessible to Indians.

Use technology to increase health insurance penetration in India

Thanks to high penetration of smartphone in India, technology has the potential to significantly increase the low private health insurance penetration. The Company aims to bring health insurance products which are best suited to make them accessible to all Indians through technology. The Company aims to use technology for a more seamless experience in all aspects such as Sales including Underwriting, Policy servicing, Claims servicing etc.

The Product Policy shall aim to achieve this goal through the following three approaches:

- (a) Understand the health insurance needs of the population,
- (b) Endeavor to Provide insurance solutions to all market segments, and
- (c) Endeavor to make Products simple and easy to understand

These three approaches are explained below.

Understand the health insurance needs of the population

As per National Health Accounts Estimates for India for the financial year 2017-18 by Ministry of Health and Family Welfare, Government of India:

- Total Health Expenditure (THE) for India is estimated to be Rs. 5,66,644 crores (3.3% of GDP and Rs. 4,297 per capita). This constitutes current and capital expenditures incurred by Government and Private Sources including External/Donor funds.
- Government Health Expenditure (GHE) including capital expenditure is Rs. 2,31,104 crores (40.8 % of THE, 1.35 % GDP, and Rs. 1,753 per capita).
- Household's Out of Pocket Expenditure on health (OOPE) is Rs. 2,76,532 crores (48.8% of THE, 1.6% of GDP, Rs. 2,097 per capita)
- Private Health Insurance expenditure is Rs. 33,048 crores (5.8% of THE)

It is quite evident that the household's out of pocket expenditure is much greater than the private health insurance. There is a huge potential for private health insurance to reduce the household's out of pocket expenditure.

Navi GI shall aim to directly address the high household's out of pocket expenditure. This large potential customer base is inclusive of both first-time buyers and existing customers of health insurance. The company shall identify the health insurance needs of such a varied base of customers through extensive market surveys, rigorous customer feedback mechanisms and industry reports on the healthcare spending by different strata of the society to understand the gaps in healthcare financing.

These gaps will be addressed by the company by introduction of new and modification/revision of existing products to better meet the health insurance needs of the population.

Endeavour to provide insurance solutions to all market segments

Affordability is one of the reasons for low health insurance penetration in India. To make health insurance affordable, Navi GI shall endeavor to offer a wide range of insurance solutions so that all it caters to a wider range of premium paying capacity through measures such as:

- Wide range of sum insured options,
- Multiple levels of Coverage for core coverage features, ranging from most basic to most comprehensive
- Offer Monthly Premium payment options to reduce financial burden on the customer

Endeavour to make Products to simple and easy to understand

Given the level of Health Insurance penetration in the market and maturity of the market, Navi GI shall provide products which are simple and easy to understand. Wherever possible, Navi GI shall aim to simplify the benefits and terms & conditions.

The need for this is even greater due to the online nature of distribution of products adopted by the company where there is a lack of an insurance agent or intermediary to explain the product features in-person to customers. This can be tackled through better customer education and awareness. The company shall use various means such as chat bots, videos, other education material etc. to ensure that the customers fully understand the product and its terms & conditions so that they purchase products which meet their insurance needs.

COMPLIANCE WITH USE AND FILE NORMS

In addition to the extant Regulations, Guidelines and Circulars, Navi GI shall also comply with the Use and File Procedure norms laid out in the Circular IRDAI/HLT/REG/CIR/108/06/2022 dated 01.06.2022 titled 'Use and file procedure for all categories of products under health insurance business – reg'.

The 'Policy of Products under Health Insurance Business' shall comply with the norms specified in the Circular 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.

Norms as per the 'Use and file procedure for all categories of products under health insurance business – reg' Circular

This Circular mentions the following norms which shall be complied with in case of introduction of new products or modification/revision of existing products:

1. Insurers shall ensure that the product pricing is viable, self-sustainable and affordable to the targeted market.

2. 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.
3. 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.
4. Pricing of the products/add-ons shall be based on the generally accepted actuarial principles.
5. The premium rates shall appropriately reflect the benefits, terms and conditions of the underlying products/add-ons and shall not be discriminatory.
6. Management Expenses loading for add-ons to be considered on marginal basis.
7. No two risks with identical risk characteristics shall be rated differently.
8. The insurer shall build-up, maintain and monitor the experience under all the base and add-on covers separately.
9. 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 nonlife covers are also permitted to be launched in accordance to the norms specified herein.

Underwriting approach for non allopathic treatments including AYUSH

In compliance with the Authority's Circular Ref No. IRDAI/HLT/CIR/GDL/31/01/2024

Navi GI health insurance coverage offerings for non allopathic treatments will be at par with allopathic treatments.

REVIEW OF THE POLICY

The policy would be reviewed as and when required to accommodate developments in medical field, market, regulations, guidelines etc.