Get Ready for Medical Insurance Portability

Health insurance policy holders, dissatisfied with the service of their insurer, can switch to another company and carry with them their track record and noclaim bonuses.

The IRDA on Tuesday issued final guidelines which gives insurance companies directions on portability. In terms of the guidelines, a policyholder will have to approach an insurer 45 days before his policy with the old insurer expires, to enable the new company consider his application.

The acquiring insurer will verify the claims history from the common database which will have two years of claims experience. Based on the data, the acquirer will decide whether to accept the proposal and the price at which it will do so.

The old insurer will be bound to provide additional data to the new insurer within 7 days of receipt of the application and the new insurer will have to either accept or reject the proposal within 15 days after receipt of data from the old insurer. If the decision is not communicated within a fortnight the new insurer will be bound to accept the proposal.

In a press release IRDA has stated the following:
IRDA had earlier required that portability of health insurance policies across non life insurance companies including stand alone health insurance companies would be introduced with effect from 1st July 2011. The modalities of such portability to be effective and consumer friendly have been discussed with the non life insurers in the country.

To ensure that portability is available in a smooth manner for the policyholders, it is necessary to ensure that historical data on the policyholder's health related details of claims be available to insurers. IRDA has embarked upon providing a web based facility for the insurers to feed in all relevant details on health insurance policies issued by them to individuals which will be accessed by the new company to which a policyholder wishes to port his policy. Such a system will enable the new insurer to obtain efficiently data on history of health insurance of the policyholder wishing to port. Such a facility is necessary to enable the smooth running of the system.

The web enabled facility is being established by IRDA and the Authority will implement portability of health insurance policies across non life insurers in the country not later than 1st October 2011.

Source:

- IRDA Press Release

Read More:

- IRDA issues final guidelines, mediclaim portability starts in October
- Mediclaim portability guidelines of IRDA – True portability may remain a wish
- From Oct 1, switch your health insurer in 7 days