



Ref: IRDAI/ HLT/ CIR/ MISC/ 27/ 1 / 2025

30th January 2025

Circular

To

All Non-Life and Stand-Alone Health Insurers except AIC & ECGC

**Review of revision in premium rates under health insurance
policies for senior citizens**

1. The IRDAI has undertaken a series of reforms in the recent past reinforcing empowerment of policyholders and bolstering inclusive health insurance, while enabling a conducive environment for ease of doing business for promoting innovation and providing wider choice to the customers.
2. Measures taken in the interest of policyholders includes mandatory time limits for approval of cashless claims, mandating insurers to make available products / add-ons/ riders to provide wider choice to the policyholders/prospects catering to all ages; all types of medical, pre-existing diseases and chronic conditions; all system of medicines and treatments; all types of hospitals and healthcare providers. The time period for considering pre-existing disease and moratorium period is reduced.
3. Furthermore, for the benefit of senior citizens, the regulatory framework requires all insurers to establish a separate channel to address their

1


health insurance related claims and grievances. The details of such channel are required to be published on the respective insurer's website.

4. As part of the ongoing monitoring of insurance products offered in the Indian insurance market, it is observed that there has been steep increase in premium rates under some of the health insurance products offered to senior citizens (aged 60 years and above).
5. The premium rate is primarily based on the estimated claims outgo and the expenses including acquisition costs incurred by the insurance company for acquiring and servicing the insurance policies. The claims outgo is largely dependent on the amounts charged by the hospitals for various treatments/ surgeries.
6. Unlike in case of Pradhan Mantri Jan Arogya Yojana (PMJAY) scheme where the hospitalisation expenses are negotiated centrally for package rates and are thus standardised across various hospitals, there is no such standardisation in case of health insurance products. This is leading to higher hospitalisation costs resulting in higher claims outgo under health insurance products offered by insurers.
7. In this context, the most vulnerable age group is the senior citizens having limited sources of income and this group is impacted the most when there is a steep increase in health insurance premium. This matter has been engaging the attention of IRDAI and is a regulatory concern. Therefore, under the provisions of the Section 14 of the Insurance Regulatory and Development Authority Act, 1999 read with Section 34 of the Insurance Act, 1938, the IRDAI hereby directs all general and



health insurers, offering indemnity based individual health insurance products to Senior Citizens, to take the following steps, **with immediate effect**:

- a) **The insurers shall not revise the premium for senior citizens by more than 10% per annum.**
- b) In the following cases, insurers shall undertake prior consultation with the IRDAI:
 - a. If the increase proposed in the premium for senior citizens is more than 10% per annum.
 - b. In case of withdrawal of individual health insurance products offered to senior citizens.
- c) The insurers shall give wide publicity of the various measures (including the above) taken for the benefit of senior citizens while offering health insurance products.
- d) The insurer shall take necessary steps for common empanelment of hospitals and negotiate package rates on the lines of PMJAY scheme.


30/01/2021
Deepak Sood
Member (Non-Life)