

## The Viewpoint: COVID Insurance or General Health Insurance?



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COVID-19 first instilled in us fear for our health, as we were scared of contracting a disease which has neither a cure nor a vaccine. This gave rise to another fear, the fear of affordability of the treatment for such a novel disease. Facing the combined fear of the two, I started scrutinizing the terms of those insurance policies, which I bought predominantly for the purpose of availing tax benefits. I eagerly hoped that the terms of my existing policy would cover such a pandemic.

There was absolute uncertainty, I was now neither sure about the disease and its impact nor did I have any idea whether we are 'covered'. To gage some clarity, I frantically called the insurance companies but to no avail. The companies barely provided clarifications, and, given the limited impact of SARS in India, they could not draw an analogy basis their past experience.

I then wishfully waited for Insurance Regulatory and Development Authority of India (IRDAI) to address this issue, as to my mind I was convinced that insurance companies always want to wriggle out of their obligations in the insurance policies.

To curb the public's growing uncertainty, IRDAI first addressed the most obvious domain of Life Insurance. IRDAI on March 23, 2020 *vide* a circular advised Life Insurers to settle claims expeditiously. They were also directed to provide more information on their websites '*about admissibility or otherwise of COVID-19 death claims*' for all existing life and health insurance policies issued by them. In effect, the ball was again passed to the insurance companies to decide what is covered and what is not.

The insurance companies started introducing various indemnity based health insurance products specialised for COVID-19 treatment. This aggravated my confusion, whether I was required to buy these specialized COVID-19 policies and by adverse inference did this mean that the existing health insurance policies were useless when it came to treatment of COVID-19. The lawyer in me, could not stop but wonder.

Finally, on April 1, 2020, IRDAI clarified in a press release that '*indemnity based health insurance products that cover the treatment costs of hospitalization offered by all general and health insurance companies cover the costs of hospitalization treatment on account of COVID-19*'. Insurers were advised to expedite COVID-19 related claims and to display FAQs on COVID-19 claims on their websites.

In this press release IRDAI also announced release of 'Arogya Sanjeevani' health insurance policy and issued clearance to 29 general and health insurance companies to market it. It was further clarified that 'Arogya Sanjeevani' policy offered by those 29 notified companies, covered the hospitalization treatment costs of COVID-19.

While extending the lockdown, the Government on April 15, 2020, introduced certain relaxations and permitted industrial and commercial establishments, workplaces, offices, etc. to resume operations provided they implement standard operating procedures (SOP) prescribed by it. Interestingly, by way of SOP, the Government mandated medical insurance cover for the workers by offices, factories and other establishments before resuming functions. Following suit, IRDAI on April 16, 2020, suggested to the insurance companies to 'offer comprehensive health insurance policies either to individuals or groups in order to enable the listed organizations, employers and establishments to comply with the above referred directions'.

To alleviate pressure of the healthcare infrastructure, IRDAI on April 18, 2020, issued norms for fast-tracking the handling of health insurance claims. For example, decisions regarding authorization for cashless treatment and final discharge shall be communicated to the hospital within 2 hours from the time of receipt of authorization or final bill respectively.

Be that as it may, social media, text messages, news channels etc., continue to spread fear of the unknown from COVID-19 and unaffordability of its treatment. Reportedly, availing a ventilator or intensive care facility in a private hospital could cost one around INR 50,000/day to INR 1 lac/day and INR 5 lacs respectively, at the minimum. While the health care warriors are battling it out in the hospitals, to reduce their burden, IRDAI, on June 11, 2020, issued guidelines advising insurers to cover telemedicine consultation claims wherever consultation with medical practitioners is otherwise allowed under the policy.

With all this information and knowledge of the subject, I browsed the Internet for hours looking for the 'right' policy which would offer coverage during the present COVID-19 times. Rather than clearing my confusion, it added to it. There are various parameters that decide the rate of the premium under the policy, age, risk of exposure, existing morbidities, whether one has contracted COVID-19, etc.

Notably, it is seen that the usual rate of premium of these policies is also increasing due to the increase in the associated risk i.e. due to rapid spread of the virus. In all these policies, there is a starting cooling-off period, which is usually 30-60 days from the date of the policy. Within this period even if one contracts any ailment including COVID-19, the same would not be covered by the policy. The medical check-up requirement before buying the policy varies depending on one's age. If the person is younger, then usually this requirement is dispensed with. Additionally, due to COVID-19, this requirement is seen to be relaxed/waived due to the lockdown or the spread of the virus.

In the end, the only question I ended up asking myself is how much 'cover' is enough? This question would probably always be a subject-matter of speculation. But the realist in me decided to buy a general health insurance policy with a reasonable cover which covered COVID-19, rather than only a COVID-19 specific policy. If the present situation has taught us anything, it is that anything can happen at any time.

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