



THE INSTITUTE OF
Company Secretaries of India

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

(Under the jurisdiction of Ministry of Corporate Affairs)

**SUPPLEMENT
PROFESSIONAL
PROGRAMME
(NEW SYLLABUS)**

for

December, 2020 Examination

INSURANCE - LAW AND

PRACTICE MODULE 3

PAPER 9.2

This supplement is for the subject – **Insurance Law and Practice, Professional Programme**. The students are advised to read their Study Material along with these updates. These academic updates are to facilitate the students to acquaint themselves with the amendments in the relevant law upto **30th June 2020, applicable for December 2020 Examination**. The students are advised to read all the relevant regulatory amendments made and applicable upto 30th June 2020 along with the study material. In the event of any doubt, students may write to the Institute for clarifications at ***academics@icsi.edu***.

The students are also advised to refer the websites of respective regulators for updated legislative provisions.

Disclaimer

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| Lesson No. and Name | Particulars of Change | Remarks |
|---------------------------------------|---|-------------------|
| Lesson 3 - Life Insurance – Practices | Section 47A. [Claims on small life insurance policies] is omitted https://www.irdai.gov.in/ADMINCMS/cms/frmGeneral Layout.aspx?page=PageNo4119&flag=1 | Regulatory Change |

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| Lesson 7- Health Insurance | <p>New Amendment in Health Insurance Policy as per IRDA</p> <p>HEALTH INSURANCE CLAIMS NOT CONTESTABLE AFTER 8 YEARS OF PREMIUM PAYMENT</p> <p>Health insurers will not be allowed to contest claims once the premium has been paid for a continuous period of eight years, regulator Ir dai said in a fresh set of guidelines. Ir dai said the objective of the guidelines is to standardize the general terms and clauses incorporated in indemnity based health insurance (excluding personal accident and domestic/overseas travel) products by simplifying the wordings of general terms and clauses of the policy contracts and ensure uniformity across the industry</p> <p>“All policy contracts of the existing health insurance products that are not in compliance with these guidelines shall be modified as and when they are due for renewal from April 1, 2021 onwards.</p> <p>“After completion of eight continuous years under the policy no look back to be applied after expiry of moratorium period (of eight years) no health insurance claim shall be contestable except for proven fraud and permanent exclusions specified in the policy contract,” “After completion of eight continuous</p> | Regulatory change |
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| | <p>years under the policy no look back to be applied...After expiry of moratorium period (of eight years) no health insurance claim shall be contestable except for proven fraud and permanent exclusions specified in the policy contract,” This period of eight years is known as the moratorium period. The moratorium would be applicable for the sums insured of the first policy and subsequently completion of 8 continuous years would be applicable from date of enhancement of sums insured only on the enhanced limits, the regulator said in the guidelines on Standardization of General Terms and Clauses in Health Insurance Policy Contracts’. On claim settlement, Irdai said the insurance company should settle or reject a claim, as the case may be, within 30 days from the date of receipt of last necessary document. In the case of delay in the payment of a claim, the company will be liable to pay interest to the policyholder from the date of receipt of last necessary document to the date of payment of claim at a rate 2 per cent above the bank rate. It also said the policy will become void and all premium paid will be forfeited to the company in the event of misrepresentation, mis description or non-disclosure of any material fact by the policyholder. On portability, the guidelines said the insured person will have the option to port the policy to other insurers by applying to such insurer to port the entire policy along with all the members of the family, if any, at least 45 days before, but not earlier than 60 days from the policy renewal date. If such person is presently covered and has been continuously covered without any lapses under any health insurance policy with an Indian general/ health insurer, the proposed insured person will get the accrued continuity benefits in waiting periods.</p> | |
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