

# Underwriting Policy

Underwriting Philosophy of offering insurance coverage to Person with Disability & Mental illness and People affected with HIV/AIDS

VERSION 1.0



## Offering Insurance to Persons with Disability and Mental Illness

### Introduction:

The purpose of this document is to lay down a broad underwriting philosophy to offer Life & health insurance coverage to Person with Disabilities and people with Mental illness. The document is prepared keeping in mind the larger principle of ensuring that there is no discrimination bias and keeping in mind the provisions under the Mental Health Act 2017

“Mental Illness” refers to a variety of illness and medical conditions as listed in widely accepted manuals like the Diagnostic and Statistical manual of Mental disorders (DSM) or the International classification of Disease (ICD). Likewise, there are a wide range of medical conditions classified under Disabilities, most common being physical and mental disabilities.

### Types of Disabilities:

- Physical disability- disability pertaining to person's mobility - Level of disability
- Intellectual or Learning Disabilities
- Psychiatric disabilities
- Visual or hearing impairments
- Neurological disabilities

To ensure fair underwriting decision, the following information will be considered whilst underwriting the proposal for health insurance from applicants with disability and/or mental illness. The underwriting practice for these illnesses is in line with the underwriting practices followed for any other medical conditions. (eg: Diabetes, Heart Disease etc)

Below information will assist the Underwriter in fair risk assessment and equitable underwriting decision on the proposal.

- Insurable interest & need for Insurance cover
- Ability of the applicant to enter a legally valid contract, in case the applicant is Life Assured as well as Policyholder
- Exact medical diagnosis, cause and duration of onset and progress - Treatment modalities
- since inception of the medical condition, including previous medical records.
- Gainful employment details through occupation questionnaire and other related relevant evidences
- Daily routine and Lifestyle related information
- Medical examination as required under the product and underwriting guidelines
- Other relevant documents based on the exact medical condition

The intent is to ensure that every applicant is underwritten on merit, based on the board approved underwriting policy under which it is established that there is no discrimination in granting Health insurance coverage to people suffering from Disabilities or Mental illnesses.

The on boarding of risk will be based on objective underwriting criteria and basis the risk represented. The insurance and reinsurance underwriting manuals have detailed evidence-based guidelines for most of the conditions, approved by the Board of insurance company concerned and will be referred to for making an objective decision.

In rare case, where objective criteria are not defined in the manuals, the application will be underwritten basis medical assessment & case merits specifically ensuring that there is no discrimination or bias. An example of Mild Mental Illness is provided below

Mental health disorders are syndromes characterized by significant disturbance in a person's cognition, emotional regulation and behavior resulting from a disturbance in the psychological, biological or developmental processes that underpin mental functioning

#### **Mild risk mental health disorders are characterized by:**

- No or minimal suicide risk
- No or minimal comorbidities: Physical, mental or substance misuse
- Minor symptoms of short duration
- No or minimal impairment of social, occupational and personal roles

#### **Negative features:**

- More than one mental health diagnosis
- Persistent drug or alcohol misuse
- Suicide attempts
- Frequent episodes or persistent symptoms
- Poor compliance with treatment
- Persistent impairment of social, occupational and personal roles

Actual selection criteria & extra premiums for each condition depends on variability of presentation of the case.

#### **Note:**

- Establishment of insurable interest is a very important factor.
- Life to be assured should be adult & gainfully employed to be eligible for insurance cover.
- Classification & rating applicable for base plan & riders to be referred from reinsurer Manual
- For proper assessment of the case Attending Physician's Statement should be procured along with treatment records & Mental Health Questionnaire
- If the condition/defect/illness is part of exclusion, the product/rider should not be offered.



## UW philosophy for offering Insurance to People affected by HIV/AIDS

### Introduction-

HIV (human immunodeficiency virus) is a virus that attacks the body's immune system and if not treated, it can lead to AIDS (acquired immunodeficiency syndrome). As per Section 3(j) of the HIV and AIDS (Prevention and control) Act, 2017, "no person shall discriminate against the protected person on any ground including any of the following, namely—the denial of, or unfair treatment in, the provision of insurance unless supported by actuarial studies."

The detailed Underwriting philosophy for offering Insurance coverages to people affected by HIV/AIDS is largely guided by the *Standard Guidelines with respect to underwriting, claims etc. for people living with HIV or vulnerable to HIV/AIDS, formulated by Life Insurance Council Committee. (Refer IRDA Draft Circular on Life Insurance Products for People Living with HIV / AIDS (PLHA) dated 11.10.2013)*

### Broad Guidelines for Underwriting-

To ensure fair underwriting decision, the following information will be considered whilst underwriting the proposal for health or Life insurance from applicants affected by HIV/AIDS.

- Confirmation of Diagnosis with Stage of Disease.
- Details of treatment –
  1. Mandatory registration with government approved ART nodal agency for a consecutive period of preceding 2 years (Green book to be provided) OR
  2. Detailed records of treatment and medical history for a consecutive period of preceding 2 years, if the treatment is taken from a private hospital.
- HIV Questionnaires to be completed by the applicant and treating physician.
- Daily routine, occupation and Lifestyle related information
- Medical examination and blood tests as required under the product and underwriting guide lines.
- Details of any past or current complications
- Other relevant details of comorbidities, if any

The above information will assist the Underwriter in fair risk assessment and equitable underwriting decision on the proposal.

Note: People detected with HIV/AIDS as an incidental finding during the pre-insurance medical examination process OR people with significant co-morbidities OR with major systemic (e.g. renal/hepatic/cardiac) complications or side effects of treatment may not be on-boarded for Insurance coverage since treatment modality and improvement in the medical condition cannot be established .

The intent is to ensure that every applicant is underwritten on merit based on the guidelines under the Underwriting policy and there is no discrimination in granting Health or Life insurance coverage to people affected by HIV/AIDS. The onboarding of risk will be based on objective underwriting criteria and basis the risk represented, ensuring that there is no moral hazard. While the insurance and reinsurance underwriting manuals have evidence-based guidelines and extra mortality ratings which each company will follow as per the product and treaty guidelines, the detailed guidelines formulated by Life Insurance Council Committee 2013 will form the basis of philosophy for making an objective decision