

Underwriting Philosophy

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Underwriting Philosophy

Health Underwriting Approach at Raheja QBE General Insurance Company Limited

The Company's approach towards health underwriting is to follow the balance approach between business and risk. Company's objective is to cover lives across all the geographies and all age bands with prudent underwriting guidelines and without any prejudice.

Underwriting philosophy for coverage of mental health under health insurance

While mental health is as important as physical health, it has neither been given due attention till the recent years nor has it been made part of the inclusive well being. In the recent past, importance of mental health has been acknowledged and positive actions are being taken up by authorities, including health organizations, governments & social bodies all over the world. In line, the Mental Health Act 2017 has been passed in India and, thereafter, IRDAI, through various guidelines, has advised the insurers to make provision for covering mental/psychiatric conditions/disorders under the health insurance products.

At Raheja QBE, we strongly believe that mental health is essential to one's overall wellbeing and it is as important as physical health. Our approach is driven with the idea that as a society, inclusion is the way forward and it is our constant endeavor to turn the same into a working reality.

Taking cue, we wish to highlight that there are several types of mental illnesses and each of them are recognized and acknowledged by us. Herein, we mention the ones generally found/observed amongst people so as to be able to establish the inclusivity that our endeavor is towards.

1] Anxiety Disorders

Generalized Anxiety Disorder (GAD)
Obsessive-Compulsive Disorder (OCD)
Panic Disorder & Panic Attacks
Perfectionism
Separation anxiety disorder
Social anxiety disorder / Social Phobia

2] Affective (Mood) Disorders

Bipolar Disorder

Clinical Depression (Major Depressive Disorder)
Self-Harm (Cutting)

3] Autistic Disorders & Developmental Disorders

Asperger Syndrome
Autism Spectrum Disorders (ASD)
Intellectual Development Disorder (form. Mental Retardation)

4] Behavioral, Self-Regulation and Attention Disorders

Attention deficit disorder (ADD) and Attention deficit hyperactivity disorder (ADHD)
Attachment Disorder
Intermittent Explosive Disorder (Uncontrolled Anger)

5] Eating Disorders

Anorexia Nervosa
Binge-Eating Disorder
Bulimia Nervosa

6] Personality Disorders/ Self-Perception/Self-identity Disorders

Antisocial Personality Disorder
Avoidant Personality Disorder
Dissociative Identity Disorder (Multiple Personality Disorder)
Gender Dysphoria (form. Gender Identity Disorder)

7] Substance-Dependence Disorders and Addictions

Cocaine Dependence
Hypersexuality (Sex Addiction)

8] Stress-Related/Reactive disorders

General Adaptation Disorder (Adjustment Disorder)
Post- Traumatic Stress Disorder (PTSD)

9] Psychotic/Thought Disorders

Schizophrenia

10] Sleep Disorders

Insomnia Disorder
Sleep terror disorder

For all of the above, there are effective strategies for prevention and treatment. And our inclusive approach acknowledges such treatments and ways to alleviate the suffering caused. It is our strong belief that access to healthcare services capable of providing treatment and social support are the keys to fight such illnesses and we shall strive to design our products in a manner that enables us to be inclusive.

Underwriting Guidelines for Proposals Containing Mental Health Conditions

Underwriting of psychiatric conditions varies upon their declaration & time of its identification.

Psychiatric conditions declared or identified on Proposal Stage of policy:

We will evaluate Medical condition by Psychiatric Disorder Questionnaire, Tele Medical Examination, Medical Examination Report & Pre-Policy Medical Check-up. Based Upon Mental Condition & Severity of illness. If Proposal found at all acceptable, there will be Waiting Period applicable of Pre-Existing Diseases as per policy terms & conditions, Mostly 36/48months. There may be illness Sublimit as per Product-Plan.

Psychiatric condition developed after purchasing of policy:

Considering the completed number of years continuous coverage under the policy, for upcoming policy period, there will be Illness specific waiting period (2yr/3yrs/4yrs) applicable for same as per policy terms & conditions. Also, Illness Sublimit applicable if product-plan have it.

The challenges that we face while underwriting proposals involving psychiatric/mental disorders/illnesses within a specific framework are owed to the following reasons:

- i] Each case is different in multiple aspects and needs to be assessed case to case basis as per age, gender, occupation, education, location, community, family background, Mental disorder type, treatment pattern, Hospitalization history, Disease duration, comorbidity, Psychiatrist/doctor & Psychologist/counsellor Access & follow-ups, dependency on others & Socio-economic Condition.
- ii] Complex process issues exist between the medical profession and the insurance industry as a result of varying medical diagnosis and varying treatment options.
- iii] Insured & Service Provider may have lack of understanding of insurance principles and products.
- iv] There are various treatment patterns & duration of treatment in case of Mental Conditions, specifically in Inpatient hospitalization. Some Cases may require 1-2weeks hospitalization & Some may require months. There may be multiple hospitalization in single policy period.

It, therefore, has been and shall continue to be our endeavor to overcome these challenges and be able to underwrite proposals that serve the proposers positively, while keeping our assessment of risks in view.

Underwriting philosophy for coverage of HIV-AIDS infected persons under health insurance

It is a known fact that there exists a lot of social stigma around HIV-AIDS, which, in all probability, stems from lack of information. It has taken considerable efforts from the governmental organizations to spread awareness about these infections and remove the attached stigma, including enactment of laws.

We, at Raheja QBE, support these efforts of the government and, in practice, have an inclusive approach so as to be able to bring persons affected by these infections into the fold of insurance.

In line, we have attempted to provide a basic understanding of the infections and the present scenario in India hereinbelow.

HIV: The human immunodeficiency virus (HIV) targets cells of the immune system, called CD4 cells, which help the body respond to infection. Within the CD4 cell the HIV replicates and in turn damages and destroys the cell.

Without effective treatment, using a combination of antiretroviral drugs, the immune system will become weakened to the point that it can no longer fight infection and disease.

AIDS: Acquired immunodeficiency syndrome (AIDS) is a term that applies to the most advanced stages of HIV infection. It is defined by the occurrence of any of the more than 20 life-threatening cancers or “opportunistic infections”, so named because they take advantage of a weakened immune system. AIDS was a defining feature of the earlier years of the HIV epidemic, before antiretroviral therapy (ART) became available. Now, as more and more people access ART, most people living with HIV do not progress to AIDS. However, it is more likely to occur in people with HIV who have not been tested, in people who are diagnosed at a late stage of infection, and in people who are not taking ART.

For people living with HIV who are not diagnosed or taking ART, signs of HIV-related illness may develop within 5–10 years, although it can be sooner. The time between HIV transmission and an AIDS diagnosis is usually 10–15 years, but sometimes longer.

HIV-AIDS was first identified & reported in 1980-81, but it has been believed that HIV originated in Kinshasa, in the Democratic Republic of Congo around 1920 when HIV crossed species from chimpanzees to humans.

It has been close to 4 decades that HIV exists & almost 3.8 Crore people living with HIV & 2.5 Crore on antiretroviral therapy all over the Globe. (Source UNAIDS, WHO).

HIV-AIDS & India

To give a perspective to the situation in India with respect to these infections, we may take stock of the following:

1. India has the third largest HIV epidemic in the world, with 21 Lakh people living with HIV.
2. HIV incidence per 1000 uninfected—the number of new HIV infections among the uninfected

population over one year—among all people of all ages was 0.1.

Adhering to The HIV AND AIDS Prevention and Control ACT, 2017, IRDAI has issued several circulars & guidelines through the years to enable inclusion of persons infected with HIV-AIDS under health insurance covers. In view of the same, we have structured our underwriting guidelines, as below.

Underwriting Guidelines for Proposals Concerning Persons With HIV-AIDS

Underwriting of HIV-AIDS condition varies upon the declaration & time of identification of these infections.

HIV-AIDS condition declared or identified on Proposal Stage of policy:

Based upon complete case evaluation & our Underwriting Guidelines, if a proposal is found to be acceptable, the case will be accepted with permanent exclusion for HIV-AIDS as per specifications in the policy.

HIV-AIDS condition developed after purchasing of policy:

If an Insured person infected with HIV-Aids post purchase of policy, there will be no waiting period or exclusion applicable. However, we may verify details of the incident. If there is any illness sublimit as per the relevant product or plan, the same will be applicable.

The challenges that we face while underwriting proposals involving HIV-AIDS disease

To underwrite proposals which contain medical conditions of HIV-AIDS, it is required to be considered that these medical conditions either do not have definite treatment procedures or cannot be cured. Further, these medical conditions lead to several other infections along with complications, thereby, making it much more complex for insurers to underwrite. The challenges that insurers face while underwriting proposals involving these medical conditions within a specific framework are owed to the following reasons:

- i]. Lack of awareness & social stigma about HIV-AIDS, there may be unavailability of proper data and medical records.
- ii]. Each case is different in multiple aspects and needs to be assessed individually & as per age, gender, occupation, education, location, community, family background, treatment pattern, hospitalization history, disease duration, co-morbidity, physician/doctor & counsellor access, follow-ups, dependency on others & socio-economic condition.
- iii]. Complex nature of illness & due to immune suppression, infected persons may have other possible viral & bacterial infections or, be led to other medical conditions, or may need medical attention several times on a repetitive frequency.
- iv]. Prospects, insured persons & service providers may have lack of understanding of insurance principles and products.

Underwriting philosophy for coverage of Persons with Disabilities (PWD) under health insurance

In our approach to be inclusive with regard to persons with specific medical conditions, we consider PWD as ones who ought to be part of this approach. And at the base of this approach of ours, is the following understanding.

According to The Rights of Persons with Disabilities Act, 2016, "Person with disability" means a person with long term physical, mental, intellectual or sensory impairment which, in interaction with barriers, hinders his full and effective participation in society equally with others.

While a "disability" is any condition that makes it more difficult for a person to do certain activities or interact with the world around them. These conditions, or impairments, may be cognitive, developmental, intellectual, mental, physical, sensory, or a combination of multiple factors. Impairments causing disability may be present from birth or occur during a person's lifetime.

All PWD have the same general healthcare needs as everyone else. However, they have greater unmet healthcare needs than people without disabilities. Evidence suggests that PWD face barriers in accessing the health and rehabilitation services they need in many scenarios.

Considerations for underwriting proposals covering Persons with Disabilities (PWD)

As per RPWD Act 2016, the ones mentioned below are the disabilities considered for PWD. We take these into consideration while assessing health insurance proposals of PWD.

1. Physical disability

A. Locomotor disability (a person's inability to execute distinctive activities associated with movement of self and objects resulting from affliction of musculoskeletal or nervous system or both), including

(a) "**leprosy cured person**" means a person who has been cured of leprosy but is suffering from

(i) loss of sensation in hands or feet as well as loss of sensation and paresis in the eye and eye-lid but with no manifest deformity;

(ii) manifest deformity and paresis but having sufficient mobility in their hands and feet to enable them to engage in normal economic activity;

(iii) extreme physical deformity as well as advanced age which prevents him/her from undertaking any gainful occupation, and the expression "leprosy cured" shall construed accordingly;

(b) "**cerebral palsy**" means a group of non-progressive neurological condition affecting body movements and muscle coordination, caused by damage to one or more specific areas of the brain, usually occurring before, during or shortly after birth;

(c) "**dwarfism**" means a medical or genetic condition resulting in an adult height of 4 feet 10 inches (147 centimetres) or less;

(d) "**muscular dystrophy**" means a group of hereditary genetic muscle disease that weakens the muscles that move the human body and persons with multiple dystrophy have incorrect and missing information in their genes, which prevents them from making the proteins they need for healthy muscles. It is characterised by progressive skeletal muscle weakness, defects in muscle proteins, and the death of muscle cells and tissue;

(e) "**acid attack victims**" means a person disfigured due to violent assaults by throwing of acid or similar corrosive substance.

B. Visual impairment

(a) "**blindness**" means a condition where a person has any of the following conditions, after best correction.

(i) total absence of sight; or

(ii) visual acuity less than 3/60 or less than 10/200 (Snellen) in the better eye with best possible correction; or

(iii) limitation of the field of vision subtending an angle of less than 10 degree.

(b) "**low-vision**" means a condition where a person has any of the following conditions, namely:

(i) visual acuity not exceeding 6/18 or less than 20/60 upto 3/60 or upto 10/200 (Snellen) in the better eye with best possible corrections;

(ii) limitation of the field of vision subtending an angle of less than 40 degree up to 10 degree.

C. Hearing impairment

(a) "**deaf**" means persons having 70 DB hearing loss in speech frequencies in both ears;

(b) "**hard of hearing**" means person having 60 DB to 70 DB hearing loss in speech frequencies in both ears;

D. "speech and language disability" means a permanent disability arising out of conditions such as laryngectomy or aphasia affecting one or more components of speech and language due to organic or neurological causes.

2. Intellectual disability

a condition characterised by significant limitation both in intellectual functioning (reasoning, learning, problem solving) and in adaptive behaviour which covers a range of every day, social and practical skills, including

(a) "**specific learning disabilities**" means a heterogeneous group of conditions wherein there is a deficit in processing language, spoken or written, that may manifest itself as a difficulty to comprehend, speak, read, write, spell, or to do mathematical calculations and includes such conditions as perceptual disabilities, dyslexia, dysgraphia, dyscalculia, dyspraxia and developmental aphasia;

(b) "**autism spectrum disorder**" means a neuro-developmental condition typically appearing in the first three years of life that significantly affects a person's ability to communicate, understand relationships and relate to others, and is frequently associated with unusual or stereotypical rituals or behaviours.

3. Mental behaviour

"**mental illness**" means a substantial disorder of thinking, mood, perception, orientation or memory that grossly impairs judgment, behaviour, capacity to recognise reality or ability to meet the ordinary demands of life, but does not include retardation which is a condition of arrested or incomplete development of mind of a person, specially characterised by subnormality of intelligence.

4. Disability caused due to—

(a) **chronic neurological conditions**, such as

(i) "**multiple sclerosis**" means an inflammatory, nervous system disease in which the myelin sheaths around the axons of nerve cells of the brain and spinal cord are damaged, leading to demyelination and affecting the ability of nerve cells in the brain and spinal cord to communicate with each other;

(ii) "**parkinson's disease**" means a progressive disease of the nervous system marked by tremor, muscular rigidity, and slow, imprecise movement, chiefly affecting middle-aged and elderly people associated with degeneration of the basal ganglia of the brain and a deficiency of the neurotransmitter dopamine.

(b) **Blood disorder**

(i) "**haemophilia**" means an inheritable disease, usually affecting only male but transmitted by women to their male children, characterised by loss or impairment of the normal clotting ability of blood so that a minor would may result in fatal bleeding;

(ii) "**thalassemia**" means a group of inherited disorders characterised by reduced or absent amounts of haemoglobin.

(iii) "**sickle cell disease**" means a hemolytic disorder characterised by chronic anemia, painful events, and various complications due to associated tissue and organ damage; "hemolytic" refers to the destruction of the cell membrane of red blood cells resulting in the release of hemoglobin.

5. Multiple Disabilities

More than one of the above specified disabilities, including deaf blindness which means a condition in which a person may have combination of hearing and visual impairments causing severe communication, developmental, and educational problems, is considered as a case of multiple disabilities.

6. Any other category as may be notified by the Central Government

The ones mentioned above bear reference to the World Health Organisation (WHO), THE RIGHTS OF PERSONS WITH DISABILITIES ACT, 2016 (RPWD Act 2016) & National Health Portal (NHP).

Underwriting Guidelines for PWD

Underwriting of proposals for PWD requires specific assessment in terms of risk analysis & risk management, which is largely owed to the factors below:

- 1] Depending on the group and setting, persons with disability may experience greater vulnerability to secondary conditions,
- 2] co-morbid conditions,
- 3] age-related conditions,
- 4] engaging in health risk behaviors and higher rates of premature death.

Underwriting of lives of PWD relates to two stages of an insurance policy, as detailed below

Noted PWD condition/s at proposal stage:

a) Proposer declared PWD condition/s

b) PWD condition identified at our end during proposal verification & risk identification for underwriting, like through tele-calling or pre-policy medical check-up.

Underwriter will assess the case based on information about PWD condition/s & all other subsequent information like pre-policy medical check-up, PWD questionnaire, medical record, age, gender, occupation, education, other medical and lifestyle information, co-morbid conditions, income & level of dependency on others (family members).

Underwriting decisions in such cases (if the proposal is found to be acceptable) are as below:

- a) Accept with pre-existing condition/s, with waiting period as specified under the policy terms.
- b) Accept with loading/extra premium & pre-existing condition/s, with waiting period as specified under the policy terms. If the issued policy contains illness-specific sublimit(s), the same will be applicable.
- c) Accept with permanent exclusion for PWD condition/s, like 'Loss of Hearing', 'Parkinson's Disease' and such others.

Noted PWD condition/s post issuance of policy:

- a) Insured person(s) develop(s) or is/are diagnosed with any PWD condition/s, or
- b) PWD condition/s is/are notified during preference of a claim under the policy;

Underwriting decisions, in such cases, shall be as under:

- a) if condition is found to be under the category of non-disclosure of information, the policy will be rendered null & void;
- b) if condition is found to be diagnosed fresh after policy issuance, it will be covered under the policy without exclusion or waiting period; and
- c) if condition is found to be diagnosed fresh after policy issuance & if the policy contains illness-specific waiting period and/or illness-specific sub-limit(s) for such conditions, it may get covered under the policy with waiting period, subject to completed number of policy years & being upto the specified sub-limit under such policy.