

**GOVERNMENT OF INDIA
SOCIAL JUSTICE AND EMPOWERMENT
LOK SABHA**

UNSTARRED QUESTION NO:3626
ANSWERED ON:05.08.2014
PREJUDICE AGAINST DIFFERENTLY ABLED
Shetti Shri Raju alias Devappa Anna

Will the Minister of SOCIAL JUSTICE AND EMPOWERMENT be pleased to state:

(a) whether it has been brought to the notice of the Government that differently abled/ mentally challenged persons are discriminated/ being discriminated by some insurance companies providing health insurance; and

(b) if so, the details thereof and remedial steps being taken by the Government in this regard?

Answer

MINISTER OF SOCIAL JUSTICE AND EMPOWERMENT (SHRI SUDARSHAN BHAGAT)

(a)&(b) Department of Financial Services has informed that the health insurance policies issued by the Public Sector General Insurance Companies do not contain any term/condition which tantamount to any discrimination against differently abled/mentally challenged persons as compared to the normal person.

The underwriting practices of LIC are not discriminatory in nature for issuing health insurance to differently abled/mentally challenged persons. Each life proposed is evaluated individually and risk is accepted based on sound insurance principles. Insurance cover is based on the principle of equity and providing fair risk assessment in pooling of risks thereby charging appropriate premium commensurate with the risk that lives bring to the pool. Any disability, physical or mental is assessed based on the underlying medical condition and individuals contribute and pay appropriately for the risk they bring to the pool.

Further, an application for health insurance on the lives of persons with disabilities is assessed on individual merits and not on the basis of any discrimination. The risk rating is based on fair risk assessment and sound actuarial principles. Suitable loading of premium/application of exclusions/rejection of proposals is required only in cases where the disability is likely to have an impact on morbidity (incidence of ill health in a population).

Insurance Regulatory & Development Authority (IRDA) has stated that the insurance involves a pooling mechanism where policyholders pay a certain amount as premium and claims are paid out of this fund on the premise that not all those who contribute will make claims. It is necessary to ensure that the whole mechanism is viable and therefore an insurance policy is subject to certain terms and conditions. An insurance policy is meant to cover unforeseen circumstances. For instance, a known congenital disease (which could include a mental congenital disease) would generally not be covered because there is no unforeseen risk here. Moreover, there could be various degrees of disability and on the above principles some conditions would not be insurable. Further, product designing is left to the insurers and IRDA while laying down the broad prudent framework to uphold key principles, does not mandate any particular design. IRDA also advises and encourages the industry, through the insurance Councils, to devise products for various vulnerable groups of society, including the mentally ill.

Office of Chief Commissioner for Persons with Disabilities (CCPD) has however, received two complaints alleging discrimination against a woman with mental illness and a girl with mental retardation in providing health insurance by Insurance Companies. The complaint of the woman with mental retardation was taken up by Office of CCPD with Insurance Regulatory Authority (IRDA). While violation of any existing norms /rules was not found in this case, IRDA and Department of Financial Services have been advised by Office of CCPD to revise and re-visit the policy framework of insurance from the perspective of persons with disabilities. As regards the complaint from the girl with mental illness, the same has been taken up by Office of CCPD with the concerned authorities.