



बीमा विनियामक और विकास प्राधिकरण

INSURANCE REGULATORY AND
DEVELOPMENT AUTHORITY

CIRCULAR

No. IRDA/HLT/MISC/CIR/139/08/2010

August 24, 2010

To

- 1. All Life Insurance Companies**
- 2. All General Insurance Companies**

Medical insurance policies offered by different insurers to policyholders are contracts of reimbursement. However, several policies under these contracts offer a cashless facility as a facility of convenience in their Preferred Provider Network (PPN) of hospitals. This PPN is dynamic and subject to change from time to time. With effect from July 1, 2010, the four public sector general insurers have withdrawn the cashless facility to certain hospitals that were previously in the PPN at Mumbai, Delhi, Chennai and Bengaluru.

2. In order to ensure that the interests of the policyholders are not adversely affected, at times when a change in PPN is effected, the insurers are directed to inform the policyholders at all times, the nearest possible alternative hospitals where the cashless facility is available and the conditions thereof.

3. Where a policyholder has been issued a pre-authorisation for the conduct of a given procedure in a given hospital or if the policyholder is already undergoing such treatment at a hospital, and such hospital is proposed to be removed from the list of PPN, then the insurers are directed to continue to provide the benefits of cashless facility for such policyholder as if such hospital continues to be in the PPN list.

4. This circular is issued in exercise of powers conferred upon the Authority under Section 14(1) of the IRDA Act, 1999 to protect the interests of the policyholders and to regulate, promote and ensure the orderly growth of the insurance industry.

**(A Giridhar)
Executive Director**