
2. FAQ'S ABOUT DELAY & STATUS OF Phase-1, Renewal

201. Why was the commencement of Phase – 1 renewal delayed by 3 months?

As everyone is aware that before any group policy is incepted or renewed, there are few steps to be executed which are as follows

- Various levels of negotiations with the Insurance Companies through insurance brokers
- Drafting of MOU for terms with the insurance company
- Intimation of the policy terms to the members
- Collection of premium by JIO from members
- Sending detailed list of members with amounts of coverage by JIO to Insurance Company
- Issue of payment for Premium by JIO to Insurance Company
- Commencement of Group Insurance Policy.

Initial discussions with the National Insurance Co had started in May 2016 and MOU was signed in July 2016. Under the MOU, Phase 7 – Part 1 policy (including Gold, Silver and Women Plan) was issued in 23rd Sept. 2016, which is still continuing. It was further decided that the same terms and same amount of premium will be applicable for renewal of Phase 1.

Based on the MOU and promise of National Insurance Co to continue the same terms for other renewals also, JIO had intimated all the members that the Phase 1 policy expiring in Oct 2016 will be renewed with National Insurance Co. The premium amounts for Rs 5 Lakhs family floater policy which was Rs. 16,985/- in 2015 with ICICI Lombard shall now be Rs. 13,107/- by National Insurance. Similarly premiums for other sums insured shall also be reduced.

JIO collected the premiums from members and made payment to National Insurance co alongwith details of members in last week of Oct. 2016.

Before the policy could be issued the Senior Officer who had signed the MOU and had promised the renewal, got retired. The new senior officer reviewed the performance of the earlier years of Phase 1 and observed that the claim ratio was 180 % (i.e. the insurance company had paid claims of Rs 180 against premium receipt of Rs. 100). Further the reduced premium made the claims ratio to almost 200%. He was of the view that the company does not have a capacity to bear such a big loss and hence he denied to renew the policy.

If we talk about National Insurance Co, then it is important to note that the very first phase of JIO Medclaim was issued by National Insurance Co and they have contributed much in the welfare of members by issuing claims to the tune of 300% of the premium amount.

However, due to various legal obligations and considering the loss in this group policy, the National Insurance Co denied to renew the JIO Medclaim policy.

After further negotiations, the insurance co offered revised terms for renewal with 52% Co-pay (i.e. the insurance co will pay only 48% of the claim and the balance 52% is to be paid by the member). All the JIO directors were of the view that policy with 52% Co-pay is completely unacceptable. After deliberations of almost 45 days,

further negotiations were stopped with National Insurance and the advance premium paid was received back by JIO.

JIO then started negotiations with other insurance companies for renewal. However, it was difficult to convince the companies for taking policy with very high past claim ratio. Further, the fact that the premium amounts have already been collected from the members posed additional problems.

However, due to aashirwad and guidance of Guruji, JIO has been able to strike a deal with **Star Health and Allied Insurance Co Ltd**. The terms of the policy have been modified to some extent and the new premium amount have been negotiated.

202. How is the premium calculated for group policy ?

If a group policy is issued for the first time then the general claim ratio of individual policies is considered. Further the fact that the company receives huge number of policy holders at one time, the reduced advertisement costs can be passed on by way of discount on premium.

For renewal of group policy, the premiums are decided on the basis of past claim ratio, age composition of the policy holders, types of claims made earlier and assumptions made for future claims.

Against the premium amount of Rs. 13,107/- for 5 Lakhs floater policy, the Star Health Insurance group offered certain terms of policy which were not acceptable to JIO and the ultimate claim benefits to the members would have been very less. Hence JIO offered to accept increase in premium with relaxation in policy terms that are beneficial to the members at large. Accordingly the premium of Rs 17,950/- for 5 lakhs floater policy was fixed.

It is important to note here that ideally there has been negligible increase in premium as compare to the premium paid for renewal with ICICI Lombard in 2015. An offer for reduced premium was received from National Insurance which could not materialize and JIO is now offering renewal at premiums similar to earlier year.

203. Whether the policy will commence from 31st October, 2016 or from the current date ?

Every insurance policy with an Insurance Company commences after the payment of premium and punching of policy and in the software.

Since the premium to Star Health and Allied Insurance Co Ltd will be paid now, the policy coverage will commence from new date after completion of enrolment process and the policy period will be for 12 months from the commencement date.

204. Whether the premium paid earlier in Oct 2016 will be adjusted against the premium payable to Star Health ?

The Policy coverage could not commence in October 2016 due to reasons already discussed above and no claims were paid during the intervening period. Hence the full premium paid in Oct 2016 is now available for adjustment against the premium now payable to Star Health.

At the time of online application, the details of premium paid earlier in Oct 2016 will be reflected which will be adjusted against the new premium and ONLY the balance amount will have to be paid.

205. What are the major changes in the revised terms of policy with Star Health Insurance Co. ?

Most of the policy benefits of earlier JIO Medclaim policy have been retained. The following are changes in the terms of policy:

- a. In House TPA of Star Health Insurance Co
- b. Co-pay (Contribution of policy holder) of 10 % / 15 % on all claims
- c. Co-pay of 50% in case of Pre-existing Diseases
- d. No Co-pay In case of Cataract and maternity claims
- e. Only Cashless Claim Facility
- f. More than 8000 network hospitals
- g. Additional Co-Pay of 30% in case of Reimbursement claims.
- h. Total Knee Joint Replacement waiting period of 1 year.

206. What is the procedure for renewal?

A member is required to visit the designated website for renewal and login with JIO JAC ID. The details of proposer, family members and payment made earlier in Oct 2016 will be reflected. The member is required to confirm the complete details before proceeding. The member can also read the detailed terms and conditions of the new policy. On acceptance of the terms of the policy the member can make payment of balance premium and complete the process.

207. Whether Physical Submission of forms is allowed?

Physical forms will not be accepted at all for the renewal of policy. All the information has to be provided online as mentioned in point 6.

208. What are the options for making payment of balance premium amount?

The members can choose to make payment of balance premium amount from following options

- a. Online payment through credit / debit card or netbanking
- b. Send Demand Draft alongwith print out of online application

209. Can a member claim refund of premium paid earlier in Oct 2016?

In case a member does not want to renew his medclaim policy with the new terms, then the member can claim full refund of the premium paid by them earlier in Oct 2016.

210. What is the procedure for claiming refund of premium paid earlier?

For claiming refund of premium amount paid earlier, a member has to follow the following steps:

- a. Login to the designated website with JIO JAC id.
- b. Confirm the proposer details and the payment details of premium paid earlier.
- c. Confirm for refund of premium

d. Provide NEFT details for bank account of proposer

The refund amount will be credited directly to the proposer bank account provided above within 10-15 days.

211.If a member is not aware about the online process or the working on internet and computers, how will they be able to renew?

In this age of digitization, internet and computer facility is easily available. The members who are not very conversant with use of computers are advised to approach young members in their family for help in completing the online process.