

CFN/IRA/00/001/03

31st March, 2021

CIRCULAR No.02/2021

TO: ALL REGULATED ENTITIES

ENHANCED MEDICAL INSURANCE POLICY WORDINGS

The Authority has been receiving complaints and enquiries from policyholders and beneficiaries of medical insurance covers where their claims have been declined by insurers. The main reasons cited for the declinatures have been policy conditions relating to: -

- i). Chronic and pre-existing conditions;
- ii). waiting period of the cover; and
- iii). authorization for admission to hospital.

In response to these complaints, the Authority undertook an exercise to review the current medical insurance policies in order to address the above and provide clarity.

Consequently, medical insurers are hereby advised to harmonise the terms, conditions and definitions in their medical policies as follows in order to ensure that policyholders and beneficiaries are served effectively.

Chronic Conditions

A chronic condition is a disease, illness or injury which has at least one of the following characteristics; has no known cure, likely to recur, needs indefinite prolonged supervision and treatment by a specialist, permanent in nature and caused by changes in the body that cannot be reversed

Pre-Existing Conditions

A pre-existing condition is a medical condition; which can be medically proven that a member had, or was known by the member to exist prior to the commencement date or prior to upgrading, whether or not treatment or advice or diagnosis was sought and received. It is any condition diagnosed before expiry of 90 days from the commencement date.

Pre-Authorization

Pre authorization is a written approval that an insured member may need to access certain medical services according to the scope of their medical cover.

It is a promise to cover the medical case as per the medical report received by the insurer.

Waiting Period

Waiting period is the period of time set by the insurer that the member will not get services upon approval of membership. The waiting period applies to specific illnesses, procedures and medical treatment. Waiting period will be waived where renewals are effected with another insurance service provider within one month of expiry.

Dependants

Scope for dependants includes; spouse, children who are 38 weeks and discharged from hospital or children who are discharged from hospital and students up to age 25. Disabled children to be covered without any age limit since they are not self-supporting.

Covid-19 Vaccination

As a risk mitigation measure, insurers are advised to provide for payment of COVID-19 vaccination for their medical insurance clients.

Arbitration

- a) Any dispute on matters involving a medical decision including reasonable and customary medical services and charges which cannot be settled by the parties **may** be referred to the arbitration of two qualified doctors to be agreed upon by the parties and in default of such agreement both to be nominated by the Medical Practitioners and Dentists Board.
- b) Any other disputes between the parties, not being a medical matter, with reference to or in connection with any part of the contract regarding the construction, meaning or effect of any provision hereof, the duties of the parties hereunder which cannot be settled by the parties **may** be referred to a single arbitrator to be agreed upon between the parties and in default of agreement, one to be nominated by the Chartered Institute of Arbitrators of Kenya, with each party bearing its own costs of Arbitrators.

All medical underwriters should review their medical insurance contract wordings and harmonize as indicated. The revised medical insurance policies should then be submitted to the Authority for **approval by 30th May 2021**.



GODFREY KIPTUM

COMMISSIONER OF INSURANCE & CHIEF EXECUTIVE OFFICER