

NOTICE TO PUBLIC BY PUBLIC SECTOR GENERAL INSURANCE COMPANIES

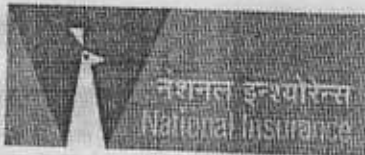
Recently there have been reports in print/electronic media about withdrawal of cashless facility by us from some hospitals for settlement of claims under our health insurance policies. To avoid misinformation, we would like to clarify the position as below:

We, along with some TPAs, worked out package rates for some of the procedures/hospitalisation expenses, which are commonly claimed under our health insurance policies. We had worked out the process of Preferred Provider Network (PPN) over a period of several months and offered rates for specified procedures to various hospitals. Those hospitals which have agreed to our package rates, would be part of our Preferred Providers, and thus a network of hospitals, which in short is called Preferred Provider Network (PPN) has been created. It has been decided to provide 'CASHLESS FACILITY' through our TPAs, for settling claims under our health insurance policies, only for treatments from the PPN hospitals. For any treatment from other hospitals, our health insurance policies will respond by way of reimbursement of expenses instead of 'cashless facility'.

Presently, this system of PPN would be operational in four cities- Mumbai, Delhi NCR, Chennai and Bangalore. Our PPN includes 74 hospitals in Mumbai, 131 hospitals in Delhi NCR, 65 hospitals in Chennai, 58 hospitals in Bangalore. Many more hospitals have evinced interest in joining our PPN and we would be including them too. We also held a meeting on 13.07.2010 with some of corporate hospitals and other stakeholders and agreed to work with various stakeholders to work out a structure for expanding the PPN.

The purpose of working out such package rates and stabilising the hospitalisation costs, will benefit the insured in many ways. Lower cost of every hospitalisation will leave a larger balance in the Sum Insured in the policy for future hospitalisation within the policy period. Lower cost will also reduce loading on policy premium at the time of renewal. We wish to clarify that this step is in the interest of all health insurance policy holders.

Our TPAs will be informing the policyholders about the revised list of hospitals in various cities/ towns for the 'cashless' facility. The list is also available in our respective company web sites. We request the understanding and support for this initiative by all stakeholders, which is in the interest of policyholders.



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