

HEALTH INSURANCE

IC 01 - PRINCIPLES OF INSURANCE

(Revised Edition: 2011)

Objectives

This course intends to provide a basic understanding of the insurance mechanism. It explains the concept of insurance and how it is used to cover risk. How insurance is transacted as a business and how the insurance market operates is also explained. The relationship between insurers and their customers and the importance of insurance contracts are discussed. Some commonly used insurance terms are also listed out. An overview of major life insurance and general insurance products is included as well.

Contents

Chapter 1: Risk Management: Provides an understanding of risk management – different types of risks – actual and consequential losses – management of risks – loss minimization techniques.

Chapter 2: The Concept of Insurance and its Evolution: The basics and nature of insurance – evolution and nature of insurance – how insurance operates today – different classes of insurance – importance of insurance – how insurance takes care of unexpected eventualities.

Chapter 3: The Business of Insurance: Management of risk by individuals – management of risk by insurers – fixing of premiums – reinsurance and its importance for insurers – role of insurance in economic development and social security – contribution of insurance to the society.

Chapter 4: The Insurance Market: The various constituents of the insurance market – operations of insurance companies – operations of intermediaries – specialist insurance companies – insurance specialists – the role of regulators – other bodies connected with insurance.

Chapter 5: Insurance Customers: Understanding insurance customers – different customer needs – importance of customers – customer mindsets – customer satisfaction – customer behavior at purchase point – customer behavior when claim occurs – importance of ethical behavior.

Chapter 6: The Insurance Contract: Terms of an insurance contract – principles which form the foundation of insurance – significance of the principle of insurable interest – the principle of indemnity – the principle of subrogation – the principle of

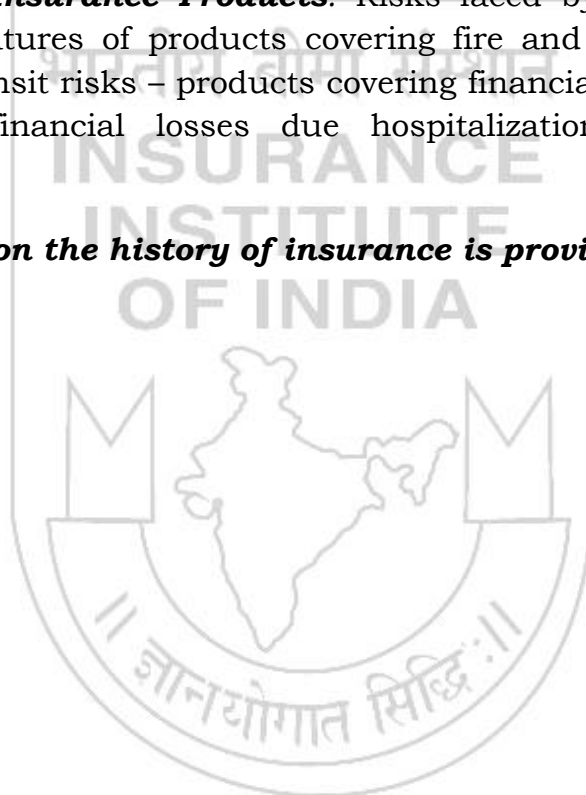
contribution – disclosure of all relevant information – principle of utmost good faith – the relevance of proximate cause – the insurance contract.

Chapter 7: Insurance Terminology: Common terms used in insurance – terms common to both life and non – life insurance – terms are specific to life and non – life insurance – how insurance terms are used.

Chapter 8: Life Insurance products: The risk of dying early – the risk of living too long – different products offered by life insurers – term plans – pure endowment plans – combinations of plans – traditional products – linked policies – features of annuities and group policies.

Chapter 9: General Insurance Products: Risks faced by the owner of assets – exposure to perils – features of products covering fire and allied perils – products covering marine and transit risks – products covering financial losses due to accidents – products covering financial losses due hospitalization – products covering miscellaneous risks.

Annexure: A write up on the history of insurance is provided.



IC 11 - PRACTICE OF GENERAL INSURANCE

(Revised Edition: 2011)

Objectives:

This course primarily deals with practical aspects of General insurance within the framework of prevailing legislation and aims at familiarizing the reader with the market structure, procedures and practices, coverages under various insurance policies, underwriting practices, claims management, accounting, investments and customer service.

Contents:

Chapter 1: Insurance Legislation: The Insurance Act 1938 – Insurance Regulatory & Development Authority (IRDA) Act 1999 – General Insurance Councils – Amendments to Life Insurance Corporation Act 1956 – Amendments to General Insurance Business (Nationalisation) Act regulations issued by IRDA – Motor Vehicles Act 1988 – Other Acts – Exchange Control Regulations – Consumer Protection Act 1986 – Insurance Ombudsman, Market – Statutes & Regulations that affect conduct of business in India,

Chapter 2: Insurance Market: Historical – Present scenario – Agents – Corporate Agents – Brokers – Third Party Administrators (TPA) – Surveyors / loss Assessors – Overseas Markets – U K – U S A,

Chapter 3: Insurance Forms: Proposal Forms – Cover Notes – Certificate of Insurance – Policy Forms – Endorsements – Interpretation of policies – Co-insurance – Standard policies.

Fire & Marine Insurance Coverages: Fire insurance Coverages – Marine insurance Coverages – Types of Marine insurance policies – Duty & increased value insurance.

Miscellaneous Coverages: Motor insurance – Liability only policy – Package policy – Personal Accident insurance – health insurance – Burglary insurance – Baggage insurance – Legal Liability insurance – Public & Product Liability insurances – Professional Indemnity insurance – Workmen's Compensation insurance – Fidelity Guarantee insurance – Banker's Indemnity insurance – Carrier's Legal Liability insurance – Jeweller's Block insurance – Composite policies – Aviation insurance – Engineering insurance – Rural insurances – Micro insurance.

Chapter 4: Specialised Insurances: Industrial All Risks insurance – Advance Loss of Profits insurance – Oil & Energy Risks insurance – Satellite insurance.

Chapter 5: Underwriting: Objectives and approach – Underwriting policy – Class Rated Products – Individually Rated Products – Filing of products – Role of Actuary – Compliance officer – Underwriting Practice in different classes of insurance – Moral

hazard – Underwriting of physical hazards – Declined risks – Risk inspections – Reinsurance – Risk Management – Insurer’s role in risk management – Documentation procedure – Renewal procedure – Customer service – IRDA Regulation Protection of Policyholder’s Interest.

Chapter 6: Rating & Premium: Classification of risks – Discrimination – Bonus/Malus – Claims cost – Acquisition cost – Management expenses – Classification of products – Premium – Short period scales – Failure of consideration – Refund / return of premium – Advance payment of premium.

Chapter 7: Claims: Preliminary procedure – Loss minimization – Procedure – Claims form – Investigation & assessment – Surveyors and loss assessors – Claims documents – Arbitration – Discharge vouchers – Post settlement actions – Recoveries – Salvage & loss minimization – In-house settlement – Practices in U K & USA.

Chapter 8: Investment & Accounting: IRDA Investment Regulations 2000 – Accounting – Reserves for outstanding claims – Unexpired risk reserves – Other reserves – Final accounts – Profit & Loss account – Balance Sheet – Returns – Returns for Management control – Claims, underwriting and general administration returns – Database on computer.

References & recommended reading:

1. General Insurance, John Magee & David Bicklhaupt
 2. Operational Transformation of General Insurance Industry during the period 1950 to 1990 & Beyond, R. D.Samarth
 3. Study on Distribution Functions in General Insurance & Role of Intermediaries, Arun Agarwal / P R Rao
 4. General Insurance for Information Technology Professionals, Martin Frappoli.
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IC35:- BASICS OF HEALTH INSURANCE

Year of Edition: 2013

Contents

CHAPTER 1: HEALTHCARE SYSTEMS, SERVICES, INDUSTRY: Importance of Health - Concept of Health - Determinants of health - Levels of healthcare - Legal provisions - Healthcare – Stakeholders in India - Healthcare – Progress since Independence - Factors affecting the health system - Current status of healthcare - Healthcare sector issues in India - Accreditation and patient safety norms and rights.

CHAPTER 2: HEALTH INSURANCE – MODELS AND OPERATING ENVIRONMENT: Health Economics and its role in health care financing - Peculiarities of healthcare - Health Financing - Health insurance models operating - Categorisation of health Systems - The Beveridge Model or Single Payer Systems - The Bismarck Model / Employment based or Multi Payer Systems - The National Health Insurance or Managed Competition Model- The Out of Pocket Model - Types of network-based managed care programs - Provision of healthcare in India - Control and balance in health insurance.

CHAPTER 3: HEALTH INSURANCE IN INDIA: Social health insurance schemes - various schemes - Growth and value of Private health insurance - Value of health insurance - The legal and regulatory environment - The role of Insurance Companies - Role of Third Party Administrator (TPA) - Functions of TPAs - Role of healthcare providers - Role of agents, brokers and other distribution channels - The Customer - Challenges to health insurance penetration - The paramount role of IRDA in promoting health insurance – Annexure.

CHAPTER 4: HEALTH INSURANCE UNDERWRITING PRINCIPLES: Need for Underwriting - Concept of Underwriting - morbidity, prevalence and incidence - Underwriting principles - Basic tenets for underwriting approach - Link to product development, pricing and claim management - Life cycle of an insurance product - Underwriting process - Measures to prevent adverse selection and moral hazard - Factors affecting health insurance markets - Health insurance underwriting - Actuarial pricing methods – underwriter Skills - Review of underwriting effectiveness – Reinsurance.

CHAPTER 5: HEALTH INSURANCE UNDERWRITING PRACTICES (NON-LIFE): Health insurance - retail underwriting - Interpreting specific medical reports - Health insurance – Group underwriting.

CHAPTER 6: HEALTH INSURANCE PRODUCTS: Classification of health insurance products - Health insurance products - fixed benefit insurance plans - Clauses in Health Policies.



IC36:- HEALTH INSURANCE CLAIMS MANGEMENT

Year of Edition: 2013

Contents

CHAPTER 1: INSTRUCTIONAL MODULE: Organisation of human body Body Systems - Classification of Nervous system - Common infections - Infections of the human body - Common conditions that affects the human body - Functional units of a hospital - Units of a hospital – healthcare.

CHAPTER 2: CLAIMS MANAGEMENT: Claims management in insurance – management of health Insurance Claims – Claim process – Domiciliary hospitalisation - Pre-existing illnesses - Initial time-period exclusions - conditions with respect to the claims - Payment of claim - health insurance claims - Claims Reserving - Rashtriya Swastha Bima Yagna - Claims Management – Personal Accident - Claim documentation - Claims Management- Overseas Travel Insurance - Claims: Achieving customer service excellence

CHAPTER 3: ROLE OF THIRD PARTY ADMINISTRATORS IN HEALTH INSURANCE CLAIMS: Role of Third party administrators, Definition, Concept of Third Party Administration, Regulations governing TPAs, Scope and relationship between insurer and TPA, Cashless access services, Customer Relationship and Contact Management, Functioning of the TPA, Managing relationship between TPA and service providers, Providing professional customer service, Monitoring TPAs performance.

CHAPTER 4: PROVIDER NETWORK MANAGEMENT: Services of the provider network, Economics of Patient Safety, Classification of providers, Classification according to individual based or facility based providers, Accreditation and categorisation of facilities, Provider Network Concept, Costing of healthcare in India, Network management and control.

CHAPTER 5: CLAIMS MANAGEMENT - COST CONTAINMENT: Cost control, Need for cost control , Importance, Cost Control Measures, Clinical audit, Scope of Clinical Audit, Scope of Medical Management, Concept of Medical Management for Health Insurance, Tools for Medical Management, Suitability of case management, Healthcare management.

CHAPTER 6: MEDICAL CODING: Definition, Types of Medical Coding, Benefits, Importance of Medical Coding for co-morbidity, International Classification of diseases, Diagnostic codes, Procedure codes used in Indian healthcare practice, Relevance of medical coding.

CHAPTER 7: FRAUD AND ABUSE CONTROL: Fraud and abuse in health insurance, Definition, Reasons behind fraud, Types of fraud, Parties involved in fraud and abuse, Detection, treatment and prevention of fraud and abuse, Verification and investigation.



IC37:- HEALTH INSURANCE OPERATIONS

Year of Edition: 2013

Contents

CHAPTER 1: POLICY ADMINISTRATION AND ACCOUNTING: Policy issuance and administration activities, Classification of proposals, Policy renewals, Reasons for endorsements, premium accounting, Modes of premium payment, Reserving and solvency margins, unearned premium reserve, Solvency Margin.

CHAPTER 2: CUSTOMER SERVICE IN HEALTH INSURANCE: Concept of Customer Service, Importance of customer service in health insurance, Challenges of customer service in health insurance, Nature of health insurance product, Rejection of claim on account, The customer service experience, Customers' expectations about customer service, Factors influencing customer's perception, Types of customer queries, Interaction with customers, Corporate Culture, Developing and Implementing Strategic Plan, Customer service process, Documenting and Sharing Information, Knowledge Management Systems, Challenges of Technology, Role of customer acquisition channel, Regulatory and legal framework, Policyholder Protection Guidelines.

CHAPTER 3: DATA MANAGEMENT & WAREHOUSING: Data warehousing concepts, Definition, Components of a Data Warehouse, types of data warehouses, Designing a Data Warehouse, Importance of data for health insurance, Requirement of data by various stakeholders, Outstanding claims data, Collection and collation of Health Insurance data, Examples of material facts, Standardisation work done by FICCI and CII.

CHAPTER 4: HEALTH INSURANCE- MIS AND ANALYTICS: Important elements of MIS, Components of information system, Process of Information system, Derived fields, Advantages of coding, Claims Analysis, Mode of Distribution, MIS – financial figures, terminology and meaning, Claims, Premium, Reserves, Ratios analyse a company's profitability, Rational reports & analytics, Solvency management, Strategic analysis.

CHAPTER 5: THE ROLE OF IT IN HEALTH INSURANCE: Need and role of IT in health insurance operations, Insurance Policy Administration System, Claims Management, Insurance Agency Management system, User Management, Quote Engine, Insurance Document Management System, Insurance Accounting, Data Migration System, Operational efficiency and cost optimisation, IT interface and architecture, Standard operating procedures and exchange of data, Use of IT in health insurance, Health Management, Improving customer management, Facilitating provider management, Improving Claims Servicing, Facilitating Fraud Detection and Prevention.

CHAPTER 6: GOVERNMENT AND SOCIAL HEALTH INSURANCE SCHEMES IN INDIA: The social healthcare scenario in India, Important Health Insurance Scheme, Implementation Mechanism, Medical Benefits, Product Feature, Management of the scheme, Aarogyashri Health Insurance Scheme, Benefit under the scheme, Chief Ministers Compressive Health Insurance Schemes, ESIC - Employees' State Insurance Corporation, Medical care after retirement and leaving employment, Central Government of Health Scheme.

CHAPTER 7: GOVERNMENT HEALTH INSURANCE SCHEME - RASHTRIYA SWASTHIYA BIMA YOJANA: Social Security in India and RSBY, Definition of RSBY, PPP Model, Insurance Coverage, Eligible beneficiaries, Hospitalization, Cashless treatment, Network Hospitals, Package Rates, RSBY Equipment, Agencies involved in RSBY, Process Flow in RSBY, Preparation of Beneficiary Data in Specified Format, Setting-up of Support Services by the Insurance Company, Enrolment of Beneficiaries, Utilisation of Services by Beneficiaries, Important Stakeholders in RSBY, Cash less and Paperless transactions.



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