

K. J. SOMAIYA INSTITUTE OF MANAGEMENT STUDIES AND RESEARCH

Program: PGDM (HCM) Fourth Trimester (Batch 2018-2020)

Subject: Health Financing & Insurance
(End Term examination)

Maximum Marks: 50

Date: 16/09/2019

Notes:

1. Q1 to Q6 are descriptive questions carrying 5 marks each
2. Q7 carries total marks of 10 and each subquestion has 1 mark with no negative marking
3. Q8 carries total marks of 10 and each subquestion has 1 mark with no negative marking

Q1: Describe the general health ecosystem in which Indian Health Insurance companies operate and the influencing factors (External & Internal)

OR

Q1: Describe are the common challenges that Indian Health Insurance companies face today

Q2: What is Underwriting? Describe the types, process and various decisions taken by a medical Underwriter

OR

Q2: Insurance is a legal contract between the Insured & Insurer. Describe the concept of 'Uberima fidae' (Utmost good faith) in Insurance and how does it affect the contract execution

Q3: Describe the general Health claims process in a flow chart

OR

Q3: What are the parameters that a claims assessor has to check in a claim file? What are the different types of claims decisions taken and in which scenarios?

Q4: Describe the core functions of IRDAI (Insurance Regulatory & Development Authority of India) and its responsibilities

OR

Q4: Describe the components of Health Insurance premium & how does that vary from company to company

Q5: Define FWA (Fraud, Waste & Abuse) & its types in Health Insurance. Describe how does any Health Insurer defends itself from the same in brief.

OR

Q5: Describe the types of Health Insurance products in India with some common terms and conditions.

Q6: A 45 yr old Insured bought a policy from your company 1 yr back for a Sum Assured of INR 5 Lacs. He suffered a Heart attack and underwent Angioplasty for the same. The Hospital generated a total bill of INR 2 lacs. Medical records mention that he had suffered chest pain 2 yrs back which he had not disclosed at Underwriting. How would you approach this claim? (Describe the parameters that you would check/Investigate and what would be your claim decision and why?)

OR

Q6: A 50 yr old Housewife with no apparent health issues (and hence no proposal disclosure) applied for a health insurance policy in your company for a Sum Assured of INR 5 lacs. You are the underwriter and want to assess the risk. How would you approach this proposal? (Describe the parameters that you would assess in details and what would be your UW decision and why?)

Q7: Mark whether the Statements are True/False

- a. Fixed Benefit Health products pay the Insured expenses incurred for the Insured's medical treatment in the hospital.
- b. IRDAI can revoke licence of Hospitals in case of established fraud in India
- c. Vaccination is generally excluded from Health Insurance coverage
- d. Insurance company can deny a renewal of policy to an Insured who has claimed in the last year
- e. Post Hospitalization benefit can be claimed only within 60 days of discharge from the hospital
- f. Health Insurance claims received by Insured are subject to tax
- g. A claim can be denied for pre-existing disease anytime during the tenure of the policy
- h. Insurance Ombudsman can pass a binding order against an Insurance company on the premise of customer complaint
- i. Critical Illness product need to be renewed & re-underwritten every year
- j. Customer can request for increase in Health Insurance coverage anytime during the policy year

Q8: MCQs

- a. Who amongst the following is not regulated by IRDAI:
 1. Insurer
 2. TPA
 3. Hospital
 4. Insurance broking companies
- b. Which of the following is not a flexible component of the Health Insurance premium?
 1. Pure risk premium
 2. UW premium
 3. Mandatory taxes
 4. Operating costs

- c. Which of the following is not generally excluded from the traditional Health Indemnity policy coverage:
1. Vaccination costs
 2. Cosmetic surgery
 3. Dental
 4. Implants e.g Stents
- d. Latest Health Insurance regulations were released by IRDAi in:
1. 2014
 2. 2015
 3. 2016
 4. 2017
- e. Claims loss ratio is defined as:
1. Total no of claims/Total no of customers
 2. Total amount of claims paid/Total amount of premiums collected
 3. Total amount of claims paid/Total no of customers claiming
 4. Change in total claims amount over last year
- f. Which of the following is an UW decision:
1. Denial
 2. Postpone
 3. Loading
 4. All of the above
- g. Insurance is based on core concept of:
1. Risk modelling
 2. Risk pooling
 3. Risk avoidance
 4. Risk transferring
- h. Which of the following is hard fraud;
1. Hospital inflating the bills for genuine treatment
 2. Customer chooses the hospital for his treatment
 3. Customer delaying document submission
 4. Forging of document submitted for claim
- i. Which of the following is a relatively weak link in Indian Health Insurance industry:
1. IRDAi- Insurer
 2. Insurer- TPA
 3. TPA- Hospital
 4. IRDAi- Hospital
- j. Which of the following is not a mandatory criteria necessary for acquiring licence for TPA as per IRDAi
1. Min Working capital of INR1 Crore
 2. Atleast 1 Medical Director fulltime registered with MCI
 3. Mandatory registration with SEBI
 4. Mandatory registration as per Companies Act, 1956

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