

**PGDM (Insurance Business, 2013-15)**  
**Health Insurance**  
**INS-301**  
**Trimester –III, End-Term Examination, April - 2014**

Time allowed: 2 Hours 30 Minutes

Max Marks: 50

Roll No: \_\_\_\_\_

**Instruction:** Students are required to write Roll No on every page of the question paper, writing anything except the Roll No will be treated as Unfair Means. In case of rough work please use answer sheet.

**Section-A**

*There are 5 questions in this section. Attempt any 3 questions. Each question carries 5 marks and the Word limit is 200 words.* [15]

- A1. Differentiate between medical and non-medical underwriting and compare their merits.
- A2. Explain the role of a TPA in Health Insurance.
- A3. Describe the salient points of "Bhavishya Arogya" policy.
- A4. What is "Budget Indemnity Insurance" in U.K.?
- A5. 'High Deductible Insurance is the same as Top-up cover' comment and explain.

**Section-B**

*[Note: Answer 2 out of the 3 Questions below. Each Question carries 10 marks and word limit is 500.]* [20]

- B1. 'Most of the Hospital Indemnity plans offered in Indian Market today are modifications of the traditional Mediciclaim'. Discuss in detail.
- B2. Describe elaborately the Healthcare and Health Insurance Scenario prevailing in U.S.A..
- B3. Discuss how 'Effective Customer Service is the backbone of Health Insurance Business.' Give parameters of customer service and explain the provisions in respect of Redressal of Grievances of customers.

**Contd/-2-**

Section-C

**Case Study**

**Marks: 15**

**Compulsory question-**

A. You have taken over as C.E.O. of The India First Health Insurance Co. Ltd.. While studying the performance of the company, you find that the Eastern Region is producing very high underwriting losses. Your Claims Manager tells you that such losses could be due only to frauds. Write to Mr. Rakesh, the Regional Manager for that area in detail about your concern, pointing out to him about how he should deal with frauds without substantial loss of business. Advise him as to -

- i) From what triggers he can suspect frauds?
- ii) What measures should he adopt to prevent or deal with frauds to make his portfolio profitable? (10)

**B. UNITED INDIA INSURANCE CO.LTD. VS MANUBHAI DHARMSHIBHAI GAJERA**

The insured had taken a mediclaim policy with the above insurer for a sum of Rs.55000/- for the period 1-7-98 to 30-6-99 and the insured availed of indemnity under the said policy in respect of the angioplasty undergone by him during November and December 1998. The insured again took a mediclaim policy in January 1999 for Rs.2.5 lacs in which it was duly disclosed that the ailment of heart and angioplasty having been undergone under the previous policy. In spite of this fact the insurer issued a new policy for Rs.2.5 lacs. The insured thereafter had undergone angiography and bye-pass surgery in April 1999 and he remained hospitalized between 17-4-99 to 26-4-99. It was this operation which resulted into submission of the claim in question to the insurer. The insurer repudiated the claim on the ground of exclusion clause being operative. The insured filed a complaint with the Consumer Forum which allowed the same with an order directing the insurer to pay Rs.151845/- to the insured/complainant. The insurer preferred an appeal against the order with the state commission. The said exclusion clause read: "all diseases, injuries which are pre-existing when the cover incepts for the first time". It was submitted that the new policy for Rs.2.5 lacs taken by the insured was fresh policy and therefore the pre-existing ailment of heart was excluded. The court observed that at least to the extent of Rs.55000/- for which insured already had cover, the second cover amounted to the renewal of the mediclaim policy or it can well be said that the cover did not incept for the first time to that extent.

Held: The court directed the insurer to pay the complainant Rs.55000/- with interest and costs within 8 weeks of the order.

- Q. Why did the Court decide that the exclusion of P.E.D. did not operate for Rs. 55,000/-? (5)