

Insurance & HealthCare Tidings- 16th December, 2011

Bigger Share of State Cash for Medicaid*

Medicaid has steadily eaten up a growing share of state budgets over the past three years, while education has been getting a smaller slice of the pie. That is one of the changes that the lingering economic downturn and the changing American economy have wrought on state finances, according to an analysis of state spending over the last few years released Tuesday by the National Association of State Budget Officers.

*Source: <http://www.nytimes.com/2011/12/14/us/in-downturn-medicaid-takes-up-more-of-state-budgets-analysis-finds.html>

A Leader in the Cloud Gains Rivals*

For over a decade, Marc Benioff has had to listen to dismissals of the company he founded, Salesforce.com, as a marginal player in the business software industry. But recently Salesforce has won the sincerest form of flattery known in tech: its competitors are spending billions of dollars to acquire firms that do the sort of thing it does, which is to offer business software as a kind of rental service using a cloud of computers inside the Internet.

*Source: http://www.nytimes.com/2011/12/12/technology/companies/salesforce-a-leader-in-cloud-computing-draws-big-rivals.html?_r=1

Why buying a policy online makes sense*

Everyone is busy with their tax planning. As is the norm, many people finish touching up their tax-saving investments in December - just in time to submit investment proofs to the employer - and one of the favourite investment options is buying insurance covers. The task of buying insurance covers - both life and non-life - is going to be easier this year, as many insurance companies offer covers designed exclusively for online customers. Apart from the convenience, online insurance policies are also relatively cheap. However, experts warn against the casual approach to purchasing insurance online, and urge individuals to do their homework thoroughly, just as they would otherwise, before buying an insurance cover online.

*Source: http://articles.economicstimes.indiatimes.com/2011-12-14/news/30515960_1_insurance-products-term-insurance-plans-insurance-companies

Insurance company seeks claims limit in turnpike mess*

An insurance company says its liability for a pre-Thanksgiving asphalt spill on the Pennsylvania Turnpike should be limited to \$1 million. Hundreds of vehicles were reportedly damaged when a leaking valve on a tanker spread the gooey substance over part of the turnpike in western Pennsylvania.

*Source: <http://www.claimspages.com/news/insurance-company-seeks-claims-limit-in-turnpike-mess/>

Fighting Fraud One SIU at a Time*

Insurers are always on the lookout for ways to spot fraud, and with good reason. The instances of fraud, and the variety of fraudulent activities, continue to rise. According to the National Insurance Crime Bureau's (NICB) ForeCAST Report, the number of questionable claims increased to 48,887 in the first half of 2011 from 46,766 in the first half of 2010 and 41,309 in the first half of 2009. That represents an increase of 18.3% over the two-year period.

*Source: <http://www.claimspages.com/news/fighting-fraud-one-siu-at-a-time/>

Senate Passes Six-month Flood Fix*

With another expiration of funding for the National Flood Insurance Program looming, a continuing resolution to keep the program afloat has passed the Senate by unanimous consent. Sponsored by Sen. David Vitter (R-La.), the bill, S. 1958, funds the NFIP through May 31, 2012. S. 1958 will now be considered by the House of Representatives as the latest short-term extension of the NFIP expires Dec. 16, 2011.

*Source: <http://www.claimspages.com/news/senate-passes-six-month-flood-fix/>

Consumer Agent Portal Project to Launch in 2012*

That's the share of the personal lines market independent agents currently claim. And with 75% of consumers starting their search for insurance online, how do independent agents fit in to the new buying dynamic? Over the next three weeks, IN&V will get three key perspectives on Project CAP, the working name for the Consumer Agent Portal, LLC (CAP). Project CAP is an initiative led by the Big "I" and six independent agency carriers (Central Insurance, Main Street America, Safeco, Selective, State Auto and Westfield) to help agents regain personal lines market share.

*Source: http://www.iamagazine.com/NewsViews/2011/December_08/P-C-Trends.aspx

Appeals Court Tosses JPMorgan Lawsuit Against Insurers*

A JPMorgan unit cannot force insurers to pay a \$250 million settlement between failed investment bank Bear Stearns and government regulators, a state appeals court ruled on Tuesday. Reversing a trial court, the appeals court threw out a lawsuit against Chubb Corp's Vigilant Insurance and other insurers, holding that the money paid in the settlement between the U.S. Securities and Exchange Commission and Bear Stearns did not constitute an "insurable loss" because the actions that led to the agreement represented an intentional violation of the law.

*Source: <http://www.claimsjournal.com/news/national/2011/12/14/196860.htm>

CSC Forms Insurance Cybersecurity Advisory Council*

CSC, a provider of technology-enabled services, announced the establishment of the Insurance Cybersecurity Advisory Council for life insurance and annuity providers and property/casualty insurers to facilitate the development of best practices and technology strategies that effectively mitigate the risk of cyber attacks on the insurance industry. The Council, to comprise business and IT executives representing a cross-section of insurance companies, will also collaborate with CSC to promote awareness and information sharing throughout the industry. The Council's first meeting is slated for January 2012 in Washington, D.C.

*Source: <http://www.claimsjournal.com/news/national/2011/12/14/196844.htm>

18 People Arrested on Workers' Comp Fraud Charges in New York*

New York State Department of Financial Services announced last week that 18 people in 13 New York counties have been arrested on workers' comp fraud charges. These arrests were the result of joint investigations led by the Department of Financial Services. Joining the department in the investigations was the Office of the Inspector General of the New York State Workers' Compensation Board, the New York State Insurance Fund and other insurers.

*Source: <http://www.claimsjournal.com/news/east/2011/12/13/196786.htm>

U.S. Healthcare Law Keeps More Young Adults Insured*

U.S. healthcare reforms have enabled 2.5 million young adults to join or remain in their parents' health insurance plans, the U.S. government said this week, up from 1 million reported earlier this year. Federal officials fully credited the gains to the Affordable Care Act, legislation championed by President Barack Obama that took effect last year and is deemed the biggest overhaul of the U.S. healthcare system in nearly 50 years.

*Source: <http://www.insurancejournal.com/news/national/2011/12/16/227749.htm>

RIMS Tells Treasury: Industry Needs More Uniform, National Regulations*

A major group for risk management professionals sent a letter to the U.S. Treasury Department, asking for a bigger federal role in regulating insurance. The Risk and Insurance Management Society sent its letter to Michael McRaith, director of U.S. Treasury's new Federal Insurance Office, on Wednesday. RIMS is a global nonprofit organization representing more than 3,500 industrial, service, nonprofit, charitable and government entities.

*Source: <http://www.insurancejournal.com/news/national/2011/12/15/227669.htm>

Fitch Says Insurers' Capital Position Is Strong, Issues Stable Outlook*

Fitch Ratings said in its new 2012 outlook report that the P/C insurers' capital position remains strong. It observed that most P/C insurers have sufficient capital to manage through significant future adversity. The New York-based ratings agency has issued a "Stable" outlook for the industry.

*Source: <http://www.insurancejournal.com/news/national/2011/12/15/227635.htm>

Frank Crystal & Co. Establishes Art Finance Group*

One of the country's largest independent insurance brokerage firms has launched an art finance group to reflect the recognition of fine art and other collectibles as an alternative asset class. The New York-based Frank Crystal & Co. will help manage risks associated with financial transactions where fine art and other collectibles is the underlying asset. The company will use the experience of its financial institutions and private client groups and offer private collectors and institutions access to the global art insurance market.

*Source: <http://www.insurancejournal.com/news/national/2011/12/15/227559.htm>

Mutual Insurers Pleased with FDIC Rule Clarifying Dodd-Frank*

Mutual insurers are pleased with a new proposal that makes it clear they would continue under state regulation and not be governed by the liquidation provision of the new federal Dodd-Frank Act. The proposed rule issued by the Federal Deposit Insurance Corporation (FDIC) recognizes state regulation of mutual insurance holding companies while providing insurers with greater certainty and clarity, according to the National Association of Mutual Insurance Companies (NAMIC).

*Source: <http://www.insurancejournal.com/news/national/2011/12/13/227275.htm>

Willis Launches Global Insurance Placement Tool*

Willis has announced the global launch of its insurance placement system, WillPLACE. The online tool was designed to help the broker place its clients with the most appropriate insurers. WillPLACE will let Willis gather data about the risk appetites of insurers around the world and import it to the Market Match tool. A proprietary algorithm will use this information to match specific risks with insurers.

*Source: <http://www.insurancejournal.com/news/national/2011/12/13/227224.htm>

Chubb Creates Online System for Private Companies and Nonprofits*

The Chubb Group of Insurance Companies has developed an online system to make it easier for producers to procure professional liability and management liability insurance for private companies and nonprofit organizations. Chubb DecisionPoint automates the submission process for agents and brokers working with small to mid-size private companies. Coverages available include crime, employment practices liability, fiduciary liability and miscellaneous professional liability.

*Source: <http://www.insurancejournal.com/news/national/2011/12/13/227157.htm>

SEC Sues Brokerage Insurance Fund Over Stanford Victims' Claims*

Federal securities regulators have sued a brokerage industry backed fund on behalf of victims who lost money in Allen Stanford's alleged \$7 billion Ponzi scheme and have yet to recover any funds. The U.S. Securities and Exchange Commission

asked a federal court on Monday to order the Securities Investor Protection Corp. (SIPC) to begin a proceeding that would allow Stanford investors to file claims for coverage with the fund.

*Source: <http://www.insurancejournal.com/news/national/2011/12/13/227112.htm>

Report Says M&A Deal Flow Will Pick Up, Lists Potential Candidates*

The insurance industry is likely to see more robust mergers-and-acquisitions activities in 2012, according to a New York investment and research firm. In 2011, the M&A deal volume started off relatively slowly, followed by a notable pick up in the latter half of the year. Keefe, Bruyette & Woods said in its Dec. 11 report that it expects the M&A deal flow to pick up even more next year because of continuation of limited organic growth opportunities, coupled with declines in investment returns and excess capital placing a drag on returns on equity (ROEs).

*Source: <http://www.insurancejournal.com/news/national/2011/12/13/227073.htm>

Citigroup to Sell Remaining Stake in Primerica*

Primerica Inc. said Citigroup had begun a public offering of its remaining stake in the life insurer, a little over a year after the company was spun-off from the bank through a public listing. Primerica, which went public in 2010 and is now partly owned by private equity firm Warburg Pincus, said Citigroup would sell about 8 million Primerica shares in the offering. Last month, Primerica bought back \$200 million of its shares from Citigroup, as the bank looks to reduce its non-core assets.

*Source: <http://www.insurancejournal.com/news/national/2011/12/13/227071.htm>

The Next Big Thing in Insurance Coverage Is Here*

Some in the insurance industry are staking their futures on the reputations of others. That is, they are looking to insure reputational risk. With the boom in social media, interest in reputational risk has itself boomed. The term refers to a company's risk of having its reputation damaged because of certain events or incidents and the fallout that takes place because of these incidents. In some cases, the effects can be severe enough to put a company out of business.

*Source: <http://www.insurancejournal.com/news/national/2011/12/13/226947.htm>

Hanover Insurance Executive Elected Co-Chair of Anti-Fraud Coalition*

Frank Sztuk of Hanover Insurance was elected co-chair of the Coalition Against Insurance Fraud at the public-interest group's annual membership meeting last week. Sztuk is Hanover's National Special Investigation Unit (SIU) strategist and has chaired the Massachusetts fraud bureau. He will share Coalition leadership with incumbent co-chair Steve Perry, head of the D.C. Department of Insurance, Securities & Banking.

*Source: <http://www.insurancejournal.com/news/national/2011/12/12/227009.htm>

Plan to raise Medicare premiums for upper-income retirees would affect middle class as well*

Republicans may have found a way to squeeze more money out of well-to-do Americans without raising their taxes. A year-end economic package expected to gain House approval Tuesday prescribes a Medicare premium increase for “high-income” beneficiaries. Although the bill faces a veto threat from the White House, that specific provision may turn out to have staying power.

*Source: <http://www.medicarenews.net/plan-to-raise-medicare-premiums-for-upper-income-retirees-would-affect-middle-class-as-well-12-2011.htm>

Medicare, Medicaid Must Change, Says Former Head*

Donald Berwick resigned as administrator of the Centers for Medicare and Medicaid services in December. Berwick explains why he thinks much of the spending in the U.S. health care system is wasted, and the need to reform Medicare and Medicaid to improve coordination of care.

*Source: <http://www.medicarenews.net/medicare-medicare-must-change-says-former-head-12-2011.htm>

Physicians Facing Medicare Payment Nightmare*

It's that time of the year when doctors throughout the nation are sweating out Congressional action that will once again save them from a deep cut in what Medicare pays them for caring for our nation's elderly. This year, America's physicians may have to prescribe themselves an extra-strength dose of antacid.

*Source: <http://www.medicarenews.net/physicians-facing-medicare-payment-nightmare-12-2011.htm>

The Federal Government's Deeply Flawed System For Controlling Medicare Costs*

The world capital market allocates investment resources in accordance with expected returns. An auction that drives prices below competitive levels inexorably will do the same to investment.

*Source: <http://www.medicarenews.net/the-federal-governments-deeply-flawed-system-for-controlling-medicare-costs-12-2011.htm>

Medicare Special Enrollment Period Means Good News for Seniors*

The 2012 Annual Election Period to choose a Medicare health plan ended December 7, but eligible seniors have another opportunity to join a high-quality Medicare Advantage plan. For the first time ever, the U.S. government has extended the enrollment period.

*Source: <http://www.medicarenews.net/medicare-special-enrollment-period-means-good-news-for-seniors-12-2011.htm>

Highmark sells off Medicare processing*

Highmark Inc. is selling its lucrative Medicare processing business to a Florida-based Blue Cross Blue Shield insurer to quell federal officials' concerns that its purchase of West Penn Allegheny Health System would represent a conflict of interest.

*Source: <http://www.medicarenews.net/highmark-sells-off-medicare-processing-12-2011.htm>

Lawmakers Add to 2012 Fodder By Unveiling New Bipartisan Medicare Plan*

Republican Rep. Paul Ryan has joined forces with Democratic Sen. Ron Wyden on a new Medicare proposal that, unlike the Wisconsin Congressman's original plan, would preserve traditional Medicare as a choice for seniors.

*Source: <http://www.medicarenews.net/lawmakers-add-to-2012-fodder-by-unveiling-new-bipartisan-medicare-plan-12-2011.htm>

Three arrested in \$90 million Medicare fraud scheme*

Three arrested in \$90 million Medicare fraud scheme HOUSTON CHRONICLE Copyright 2011 HOUSTON CHRONICLE. All rights reserved. This material may not be published, broadcast, rewritten or redistributed. All three are charged with conspiracy to commit health care fraud and conspiracy to pay and receive illegal health care kickbacks.

*Source: <http://www.medicarenews.net/three-arrested-in-90-million-medicare-fraud-scheme-12-2011.htm>

Medicare Painkiller Abuse Prompts Crackdown By Health Authorities*

Health authorities are directing Medicare prescription drug plans to withhold payments for popular painkillers when they suspect patient abuse, part of a wider effort to combat fraud.

*Source: <http://www.medicarenews.net/medicare-painkiller-abuse-prompts-crackdown-by-health-authorities-12-2011.htm>

Medicare's 'SGR' formula has snowballed to budget-busting juggernaut*

It was adopted by Congress in 1997 almost as an afterthought — a new formula to keep Medicare spending on doctors from growing faster than the economy as a whole. But like a snowball that swells in size as it rolls down a mountain, the rate-setting formula has transformed into a budget-busting juggernaut that will hit doctors with a 27.4 percent pay cut for their Medicare patients in January.

*Source: <http://www.medicarenews.net/medicare%e2%80%99s-%e2%80%98sgr%e2%80%99-formula-has-snowballed-to-budget-busting-juggernaut-12-2011.htm>

White House blasts new Medicare plan by GOP's Ryan*

White House spokesmen Thursday blasted a new bipartisan plan to overhaul Medicare, saying it would undermine the health care program for seniors and disabled people, leaving it to "wither on the vine."

*Source: <http://www.medicarenews.net/white-house-blasts-new-medicare-plan-by-gops-ryan-12-2011.htm>

Overall Hospital Admission Rates In US Linked With High Rates Of Readmission*

High hospital readmission rates in different regions of the U.S. may have more to do with the overall high use of hospital services in those regions than with the severity of patients' particular conditions or problems in the quality of care during and after hospital discharges, according to a new study from researchers at Harvard School of Public Health (HSPH).

*Source: <http://www.medicalnewstoday.com/releases/239226.php>

MetLife unveils insurance plan for child education*

MetLife India on Wednesday launched a new unit-linked plan for the coverage of child's higher education, even in the absence of parents. The new insurance plan, named Met Smart Child, would be the second Child Savings Plan in MetLife's portfolio after Met Bhavishya. In the new plan, the fund would remain locked in for the benefit of the child till the child turns 18 and offers a differentiated death benefit, the company said in a statement.

*Source: <http://www.thehindubusinessline.com/industry-and-economy/banking/article2714732.ece>

Panel to look into revamp of third party motor pool*

The Insurance Regulatory and Development Authority on Thursday formed a sub-committee to examine the issue of reforms in the third party motor pool. The Authority had convened a meeting with the general insurers and general insurance council here today to convince them on the need to dismantle the motor pool.

*Source: <http://www.thehindubusinessline.com/industry-and-economy/banking/article2717614.ece>

Parliamentary panel opposes hike in FDI limit for insurance sector*

Standing Committee on Finance headed by Mr. Yashwant Sinha has opposed any further hike in foreign direct investment limit in the insurance sector. In its report tabled in Lok Sabha today, the committee has said that in the present global economic scenario any further hike in FDI, at this juncture, may not be in the interest of the Indian insurance industry.

*Source: <http://www.thehindubusinessline.com/industry-and-economy/banking/article2711587.ece>

LIC to be allowed to sell bonds to raise working capital*

Life insurance major LIC may soon be allowed to issue and sell bonds and debentures to raise working capital. A proposal to this effect was made in the amendments moved by the Centre to the LIC (Amendment) Bill 2009 in Lok Sabha on Monday. The Centre would, however, prescribe the amount that LIC can raise through bonds, debentures or any other instrument. LIC will also be empowered to pay interest on such debt instruments. The Bill, which was introduced in August 2009, was passed by the Lower House after Mr. Namo Narain Meena, Minister of State for Finance, moved several amendments.

*Source: <http://www.thehindubusinessline.com/industry-and-economy/banking/article2709667.ece>

LS passes Bill to hike LIC's paid-up capital to Rs 100 cr*

Lok Sabha today passed a Bill to increase the paid-up capital of Life Insurance Corporation of India (LIC) from Rs 5 crore to Rs 100 crore and make it conform to the same regulatory requirements as other life insurers. "The Bill provides for raising the minimum capital of LIC from Rs 5 crore to Rs 100 crore..." according to the statement of objects and reasons of the LIC Amendment Bill, 2009

*Source: <http://www.financialexpress.com/news/ls-passes-bill-to-hike-lics-paidup-capital-to-rs-100-cr/886972/>

New vehicle insurance law will limit the liability*

There would soon be a separate Motor Vehicles Insurance Act (MVIA) that will do away with the controversial "unlimited liability" clause applicable in the current Motor Vehicles Act, 1988 (MVA). All the insurance-related provisions including insurance of motor vehicles, payment of compensation, and commissions would be deleted from the MVA and incorporated into the new Act which would be formulated and later administered by the Ministry of Finance.

*Source: <http://www.financialexpress.com/news/new-vehicle-insurance-law-will-limit-the-liability/886616/>

Insurance brokers turn consultants, officially*

Having a tough time getting your insurance claims settled? Turn to your broker, for, the IRDA has now permitted them to offer claim consultancy. Broking firms can help you with claims up to Rs 1 crore. Note that a written mandate permitting the broker to represent the policyholder while dealing with the insurer for the claim is also necessary. The quantum of fee for claim consultancy can be mutually decided by the insurance broker and the policyholder. However, it should not be expressed as a percentage of the claim.

*Source: <http://www.thehindubusinessline.com/features/investment-world/personal-finance/article2704296.ece>

How many mHealth startups make \$10M a year?*

"The entrepreneurs in the mHealth space tend to be young and often new to healthcare, though of course there are the exceptions-those few old-timers who remember the days before iPhones were issued upon one's birth," Lisa Suennen, a founding partner at investment firm Psilos Group, wrote last week in a widely syndicated (must-read) column about her experiences at the mHealth Summit. "The young upstarts are full of energy and absolutely certain that their product or service will be the one to change the healthcare system for the better. God knows some of them will be right."

*Source: <http://mobihealthnews.com/>

Perverse incentives still holding back home telehealth*

Mobile adoption just keeps marching forward, but someone had best solve the payment issue sooner rather than later. The move toward accountable care organizations and Medicare's denial of reimbursements for certain preventable readmissions certainly will put some of the onus on hospitals and integrated delivery networks to keep post-discharge patients and those with chronic diseases healthy. It is starting to make economic sense for health systems to invest in remote monitoring for managing complex cases in patients' homes rather than in costly hospital settings.

*Source: <http://mobihealthnews.com/>

Sotera Wireless nets \$12.2M and Cerner deal*

Sotera Wireless announced that it had raised \$12.2 million in its fourth round of funding. Singapore-based global fund EDBI led the round, which included participation from new investor Cerner Capital and existing investors Sanderling Ventures, Qualcomm Ventures, Intel Capital and the West Health Investment Fund. The latest round of funding brings total investment in Sotera to nearly \$50 million by our count.

*Source: <http://mobihealthnews.com/>

El Camino Hospital offers family medical officer app*

The El Camino Hospital in California launched its first mobile application, called Family Medical Officer (FMO), this week. The FMO app, which is free for Android and iOS devices, is a consumer-facing app intended for a household's family medical officer, or primary healthcare decision maker.

*Source: <http://mobihealthnews.com/>

Researchers developing portable HIV tracker*

A team of Canadian researchers have invented a portable device for analyzing the blood of HIV patients that could greatly increase the speed and ease of HIV tracking in remote or developing areas, according to a report by the Vancouver Sun. The device, a cell analyzer, includes a chip that provides blood test results within minutes and could allow healthcare workers to easily administer tests outside of hospitals, forgoing the need for specialists.

*Source: <http://mobihealthnews.com/>

Flagstaff rolls out CHF monitoring program*

Northern Arizona's Flagstaff Medical Center (FMC) announced this week collaboration with Qualcomm, Verizon, the NIH, and Zephyr Technology on a remote monitoring program for some of its patients with congestive heart failure (CHF). The collaboration, called Care Beyond Walls and Wires, will use technology from each of the companies. The NIH is acting as an adviser.

*Source: <http://mobihealthnews.com/>

Family safety apps startup snags \$3.5 million*

San Francisco-based Life360, which develops mobile applications focused on family, raised \$3.5 million in its first round of funding. Investors included Fontinalis Partners, Bessemer Venture Partners, 500 Startups, Kapor Capital, Venture51, Bullpen Capital, Social Leverage and EchoVC Partners.

*Source: <http://mobihealthnews.com/page/2/>

Top 10 iPhone medical apps for 2011*

As the end of 2011 approaches, online marketplaces are publishing the usual flurry of year-end lists compiled from the best 2011 had to offer. Apple is no exception. Its recently launched its annual “App Store Rewind 2011” section in iTunes. The lists include Apple’s picks for the year’s best overall games and apps for iOS devices: the iPhone, iPad and iPod touch.

*Source: <http://mobihealthnews.com/page/2/>

FDA panel rejects CardioMEMS wireless, implantable heart monitor*

CardioMEMS ran into a regulatory roadblock last week, when an FDA advisory panel recommended that the agency not approve the company’s Champion HF Monitoring System. The device is said to be the first permanently implantable, wireless device for remote monitoring of patients with heart failure.

*Source: <http://mobihealthnews.com/page/2/>

The road ahead for health games*

Health games have the difficult task ahead of them to be fun, yet taken seriously by physicians, according to a panel held at the mHealth Summit in Washington, D.C. last week. The panel, “The Evolution of Gaming and its Effect on Prevention and Wellness,” included Dr Ravi Komatireddy (West Wireless Health Institute), Iana Simeonov (University of California, San Francisco), Debra Lieberman (University of California, Santa Barbara) and Doug Goldstein (eFuturist.net).

*Source: <http://mobihealthnews.com/page/2/>

Workout marketplace app raises \$650K*

GAIN Fitness raised \$650k in seed funding this week, led by InterWest Partners, Keith Rabois, Ben Ling, Michael Tanne, Brent Hurley, Seraph Group and others. The company offers an in-app marketplace for personalized workouts designed by professional trainers.

*Source: <http://mobihealthnews.com/page/2/>

Morgan Stanley and MBIA End Dispute Over Insurance*

Morgan Stanley said on Tuesday that it had agreed to give up insurance claims over guarantees on mortgage bonds against MBIA, the ailing insurer, in exchange for a \$1.1 billion payment. As the result of the settlement, confirmed by MBIA, Morgan Stanley will take a pretax \$1.8 billion charge in the fourth quarter for the deal. After accounting for tax benefits, the deal will reduce Morgan Stanley's earnings by \$1.2 billion.

*Source: <http://www.nytimes.com/2011/12/14/business/morgan-stanley-and-mbia-settle-dispute-on-derivative-contracts.html?scp=5&sq=insurance&st=cse>

Insurance Institute Names a Record Number of Top Safety Picks*

For the second consecutive year, car buyers with safety at the top of their shopping list have a record number of choices at their dealerships. This conclusion was reached by the Insurance Institute for Highway Safety, a nonprofit group financed by the insurance industry, which released its list of Top Safety Picks for 2012.

*Source: <http://wheels.blogs.nytimes.com/2011/12/15/insurance-institute-names-a-record-number-of-top-safety-picks/?scp=4&sq=insurance&st=cse>

Under-26 Gain Insurance Under Health-Care Overhaul*

About 2.5 million young adults have gained health-insurance coverage since the health-overhaul law let people stay on their parents' plan until they turn 26, according to government figures released Wednesday. The results could help President Barack Obama's re-election campaign boost support among young voters, whose turnout figures to be crucial to his winning a second term. While the 2010 overhaul law remains unpopular with voters overall, the young-adult insurance extension has emerged as a rare selling point liked even by opponents of the law.

*Source: <http://online.wsj.com/article/SB10001424052970203893404577098711020155588.html?KEYWORDS=insurance>

Insurers Pay Up on Unclaimed Benefits*

Three children of a New York City firefighter who died in 2005 at age 91 and the daughter of a dentist who died in 2000 as an octogenarian are among the 1,209 New Yorkers benefiting from a crackdown on insurers to pay overdue death benefits. State residents have received a total of \$16.9 million in recent months, thanks to the push by officials here and in other states to make life insurers cross-check customer rosters against a Social Security Administration death database, according to a report released last week by the New York's Department of Financial Services.

*Source: <http://online.wsj.com/article/SB10001424052970203430404577094282626545886.html?KEYWORDS=insurance>

The Future of U.S. Health Care*

Amid enormous pressure to cut costs, improve care and prepare for changes tied to the federal health-care overhaul, major players in the industry are staking out new ground, often blurring the lines between businesses that have traditionally been separate. Hospitals are bulking up into huge systems, merging with one another and building extensive new doctor work

forces. They are exploring insurance-like setups, including direct approaches to employers that cut out the health-plan middleman.

*Source: <http://online.wsj.com/article/SB10001424052970204319004577084553869990554.html?KEYWORDS=insurance>

Prudential Wins Ruling Over \$10 Million Life-Settlement Case*

Prudential Financial Inc. won a federal judge's approval to void a \$10 million insurance policy on the life of a Delray Beach, Fla., retiree, the latest setback to investors who buy older people's policies in order to later collect the death benefit. Prudential alleged the policy was an example of unlawful so-called stranger-originated life insurance, in which agents and other middlemen financially induce elderly people to take out policies to resell to investors, and that the application was tainted by fraud.

*Source: <http://online.wsj.com/article/SB10001424052970204083204577078343484838710.html?KEYWORDS=insurance>
