

## Insurance & HealthCare Tidings- 18<sup>th</sup> November, 2011

### **Auto-Owners Gets Top Score for Car Insurance Claims Service\***

All auto accidents are stressful, but those that result in the total loss of your vehicle can be especially distressing. We all learn how dependent we are on cars when we temporarily lose our set of wheels. This is a time when your auto insurance company can make your life easier or simply add to your anxiety. A recent study found that carriers can deliver a satisfying experience if they address a few key needs during the claims process. Unfortunately, not all insurers were found to be meeting those needs.

\*Source: <http://www.claimspages.com/news/auto-owners-gets-top-score-for-car-insurance-claims-service/>

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### **Agencies Saw Business Interruption Claims After October Nor'easter\***

Local agencies in the Northeastern region say they saw cases of business interruption claims following the unusual, freak snowstorm that swept through the area last month. Many claims came from local restaurants and diners whose refrigerated foods went bad and couldn't serve their customers during power outages.

\*Source: <http://www.claimspages.com/news/agencies-saw-business-interruption-claims-after-october-noreast>

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### **Owners Harm Pets, Make Fake Claims on Pet Insurance Policies for Money\***

Would pet owners really maim or even kill their pets in order to make claims for the insurance money? Apparently, the answer to that question is yes. A new and disturbing report from the Daily Mail says that fake pet insurance claims in the UK have quadrupled in the past year.

\*Source: <http://www.claimspages.com/news/owners-harm-pets-make-fake-claims-on-pet-insurance-policies-for-money/>

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### **Connecticut had 58,002 Claims for Irene, with \$161M paid out So Far\***

Connecticut Insurance Commissioner Thomas Leonardi told a legislative committee that Connecticut saw 58,002 claims for Hurricane Irene. Of those claims, 84.8 percent have been closed (88 percent for homeowners' claims) and \$161 million have been paid out to policyholders as of Oct. 31, 64 days after Irene, he said.

\*Source: [http://www.claimspages.com/news/connecticut-had-58002-claims-for-irene-with-\\$161m-paid-out-so-far/](http://www.claimspages.com/news/connecticut-had-58002-claims-for-irene-with-$161m-paid-out-so-far/)

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### **The Impact of Social Media on EPLI Loss Trends\***

Cathy Padalino, vice president and EPL Product Manager for Chubb, discusses employment practices liability insurance loss trends and the impact of social media on EPLI claims with Claims Journal and Insurance Journal at this year's PLUS conference in San Diego.

\*Source: <http://www.insurancejournal.tv/videos/6129/>

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### **Nevada's New Insurance Commissioner Lays out Pro-insurance Agenda\***

This is the second time Scott Kipper has assumed the role of insurance commissioner for Nevada. His start date was Oct. 24, and now that he's back he says he plans to bolster the state's insurance business and the business environment in general.

\*Source: <http://www.insurancejournal.tv/videos/6122/>

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### **Company Execs Anticipate Rise in Whistleblower Claims\***

Littler Mendelson, P.C. (Littler), a nationwide employment and labor law firm representing management, has released results of its National Whistleblower Survey. The firm surveyed a cross-section of senior executives, most of whom represent S&P 500 organizations, to determine how the new whistleblower rules are impacting their companies.

\*Source: <http://www.claimsjournal.com/news/national/2011/11/15/195082.htm>

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### **Intellectual Property Litigation Costs and Claims Are Everywhere\***

The costs associated with patent infringement litigation are high and rising, according to intellectual property insurance experts. In smaller cases, litigation costs can be as much as the value of the intellectual property (IP) asset is protected. In larger asset cases, there is more at risk, which causes people to fight harder.

\*Source: <http://www.claimsjournal.com/news/national/2011/11/17/195295.htm>

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### **Supreme Court to Hear Healthcare Law in March\***

The Supreme Court agreed Monday to decide the fate of President Barack Obama's healthcare law, with an election-year ruling due by July on the U.S. healthcare system's biggest overhaul in nearly 50 years. The decision had been widely expected since late September, when the Obama administration asked the country's highest court to uphold the centerpiece insurance provision and 26 states separately asked that the entire law be struck down.

\*Source: <http://www.insurancejournal.com/news/national/2011/11/14/223923.htm>

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### **Flood Insurance Program Extended Until Dec. 16\***

Congress has approved yet another resolution to fund parts of the federal government including the nation's flood insurance program on a short-term basis. This time the funding runs until Dec. 16. The Senate passed the short-term funding bill on Thursday evening after the House passed it in the afternoon.

\*Source: <http://www.insurancejournal.com/news/national/2011/11/17/224558.htm>

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### **Doctors Back 'Open Market' Health Insurance Exchanges for States\***

The American Medical Association added pressure on U.S. states to steer toward the system that opens doors to all insurers who meet minimum standards as they build up their health insurance exchanges. The influential doctors group Tuesday put its weight behind the so-called "open marketplace" structure of a health insurance exchange, as opposed to a model called "active purchaser."

\*Source: <http://www.insurancejournal.com/news/national/2011/11/16/224231.htm>

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### **Banks Having to Defend Credit Card Insurance\***

Consumers are increasingly vulnerable as banks try to make up for lost revenue because of recent government restrictions on other financial products, and as persistently high unemployment makes promises of debt insurance more appealing.

\*Source: <http://www.insurancejournal.com/news/national/2011/11/16/224227.htm>

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### **NIF Group Launches Social Services Product with Admiral Insurance\***

NIF Group, Inc., a program administrator and specialty brokerage firm, launched a new product to address retail agency's needs in specific segments of the social service niche. Coverage will be provided on a non-admitted basis for general and professional liability by Admiral Insurance Co. Occurrence general liability and claims made professional liability combined forms are available.

\*Source: <http://www.insurancejournal.com/news/national/2011/11/15/224191.htm>

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### **Employer-Sponsored Health Insurance Hits New Low\***

The percentage of Americans who have health insurance through their employer slipped to a new low of 44.5 percent in the third quarter, a drop of over 5 percentage points in three years, according to a poll released on 11 November.

\*Source: <http://www.insurancejournal.com/news/national/2011/11/14/223813.htm>

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### **Insurance Mandate May Be Health Bill's Undoing\***

As Barack Obama battled Hillary Rodham Clinton over health care during the Democratic presidential primaries of 2008, he was adamant about one thing: Americans, he insisted, should not be required to buy health insurance.

\*Source: [http://www.nytimes.com/2011/11/16/health/policy/insurance-mandate-may-be-health-bills-undoing.html?\\_r=1&scp=4&sq=insurance&st=cse](http://www.nytimes.com/2011/11/16/health/policy/insurance-mandate-may-be-health-bills-undoing.html?_r=1&scp=4&sq=insurance&st=cse)

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### **Smokers Penalized With Health Insurance Premiums\***

More and more employers are demanding that workers, who smoke, are overweight or have high cholesterol shoulder a greater share of their health care costs, a shift toward penalizing employees with unhealthy lifestyles rather than rewarding good habits.

\*Source: <http://www.nytimes.com/2011/11/17/health/policy/smokers-penalized-with-health-insurance-premiums.html?ref=healthinsuranceandmanagedcare>

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### **Health cover for domestic helps launched\***

Domestic helps thronged the labor commissioner's office in hundreds on Wednesday to get themselves registered under new insurance scheme floated for them by the state government. The plan has been floated under state's Domestic Welfare Act 2008.

\*Source: <http://timesofindia.indiatimes.com/city/nagpur/Health-cover-for-domestic-helps-launched/articleshow/10776135.cms>

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### **LIC to pay maturity proceeds of policies through Federal Bank\***

Federal Bank has signed a pact with the country's largest insurer Life Insurance Corporation of India (LIC) for paying maturity proceeds of policies. Till now, the maturity proceeds were paid by cheques from the respective branch offices of LIC across the country and it used to be sent to the beneficiaries one month prior to the due date. Now the proceeds will be credited directly to the beneficiary's account by way of NEFT on due date, Federal Bank said in a statement today.

\*Source: <http://economictimes.indiatimes.com/personal-finance/insurance/insurance-news/lic-to-pay-maturity-proceeds-of-policies-through-federal-bank/articleshow/10772211.cms>

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### **IRDA to curb 'highest NAV' schemes\***

Insurance Regulatory and Development Authority (IRDA) may soon curb unit-linked products that offer investors the highest net asset value (NAV) on the grounds that they are misleading. The regulator also plans to come out with norms for initial public offering by non-life companies.

\*Source: <http://timesofindia.indiatimes.com/business/india-business/IRDA-to-curb-highest-NAV-schemes/articleshow/10760694.cms>

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### **SBI General garners Rs 117 crore in premium collection\***

SBI General Insurance, a subsidiary of State Bank of India, today said it has garnered Rs 117.02 crore premiums by the end of October 2011. The current financial year also saw the total number of policies crossing the one lakh mark.

\*Source: <http://economictimes.indiatimes.com/personal-finance/insurance/insurance-news/sbi-general-garners-rs-117-cr-in-premium-collection/articleshow/10742525.cms>

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### **Obama administration launches \$1 billion healthcare drive\***

The Obama administration on Monday said \$1 billion of federal funds allocated in last year's health reform law will go toward innovation programs designed to boost jobs and improve patient care. The announcement is the administration's latest attempt to show that it is working outside of a deeply divided U.S. Congress to create jobs.

\*Source: <http://economictimes.indiatimes.com/news/international-business/obama-administration-launches-1-bn-healthcare-drive/articleshow/10734473.cms>

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### **Bharti AXA Life launches two products\***

Private insurer Bharti AXA Life Insurance today launched two new products, namely, Bharti AXA Life Future Invest and Bharti AXA Life Power Kid Insurance Plan.

\*Source: <http://economictimes.indiatimes.com/personal-finance/insurance/insurance-news/bharti-axa-life-launches-two-products/articleshow/10727742.cms>

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### **Health insurance rate hike requests go online \***

Consumers can check out detailed information regarding health insurers' rate hike requests on a new website set up by the state Department of Financial Services. Through the agency's website ([www.dfs.ny.gov](http://www.dfs.ny.gov)), the public can see documents submitted by companies to support rate hike requests. Gov. Andrew Cuomo said rising health insurance costs hit everyone, and the public has the right to know how premiums are set.

\*Source: <http://online.wsj.com/article/AP9ef6442a034b4e3da3c7a9b805a09f6e.html?KEYWORDS=insurance>

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### **\$407 million processing deal with Medicare will mean 500 new jobs\***

Highmark Inc.'s Medicare division has won a five-year, \$407 million contract to process Medicare parts A and B claims for seven southern and western states, and says it will add 500 jobs because of the new contract.

\*Source: <http://www.medicarenews.net/407-million-processing-deal-with-medicare-will-mean-500-new-jobs-11-2011.htm>

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### **Medicare uncovers prevalent outdated prescriptions at hospital\***

The U.S. Department of Health & Human Services Center for Medicare and Medicaid services recently issued a report to the Commonwealth Healthcare Corp. enumerating several deficiencies it uncovered during its last resurvey at the Commonwealth Health Center.

\*Source: <http://www.medicarenews.net/medicare-uncovers-prevalent-outdated-prescriptions-at-hospital-2-11-2011.htm>

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### **Medicare cuts could reduce senior care\***

Dr. Walter Reiling has been hearing the same question from some of his patients: Will he continue to see them if Congress decides to cut Medicare payments to physicians and hospitals? It is a question that nobody, including Reiling, can answer right now.

\*Source: <http://www.medicarenews.net/medicare-cuts-could-reduce-senior-care-11-2011.htm>

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### **New rating system can help seniors choose Medicare Advantage plan\***

Seniors trying to wade through the complicated process of choosing a Medicare Advantage plan have a new tool this year.

\*Source: <http://www.medicarenews.net/new-rating-system-can-help-seniors-choose-medicare-advantage-plan-11-2011.htm>

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### **IRDA scraps 4.5% guarantee clause\***

With the increasing longevity and inflation risks, retirement planning has gained importance over the years. Pension's products by insurance companies along with other options such as New Pension Scheme cater to the need of developing a retirement corpus. Recently, Insurance Regulatory and Development Authority (IRDA) came up with a circular which instructs life insurance companies to do away with the current 4.5 per cent guarantee benefit clause.

\*Source: <http://www.indianexpress.com/news/Irda-scraps-4-5--guarantee-clause/875237/>

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### **Caliper's Greenberg Receives Big 'I's' Chairman's Award\***

The Independent Insurance Agents and Brokers of America (Big "I") recently presented Caliper Corporation's Founder and CEO, Herb Greenberg with the association's chairman's award for his numerous accomplishments in his business, civic and personal life, including his efforts to improve the performance of the IIBA's state associations and member agencies for nearly five decades. He accepted the award during a gala celebration of Caliper's 50th anniversary.

"Our association and its members rely heavily on the Caliper Profile, which Herb Greenberg developed, for hiring, coaching and managing employees. The Caliper Profile is the gold standard in personality assessments," said the Big "I's" President

Paul Buse. "The Chairman's Award is a great honor to me and to Caliper, which has the pleasure of working closely with about 1,000 insurance agencies across the United States," said Greenberg.

\*Source: <http://www.insurancejournal.com/news/national/2011/11/17/224497.htm>

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### **Small Business Owners Report High Trust in Agents, Survey Reports\***

Small business owners trust their independent insurance agents and commercial insurance carriers more than other financial services businesses, reports a new study, commissioned by The Hanover Insurance Group Inc. The study found that trust is the single most important consideration for small business owners when choosing an insurance provider, with 86 percent of the survey respondents rating trust as "very important." The study also found that small business owners have a higher level of trust in independent agents than they do with professionals in other financial services industries. The majority of small business owners reported that they consider independent agents as being trustworthy.

This study was conducted by The Pert Group, a third party independent consulting and research firm with broad experience in financial services industries. Results for this survey are based on online interviews conducted Sept. 14-23, 2011, among 501 small business owners with less than 30 employees.

\*Source: <http://www.insurancejournal.com/news/national/2011/11/14/224000.htm>

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### **Property Catastrophe Market to See Price Hikes: Lockton\***

Large catastrophe losses and the prospect of poor investment returns are paving the way for much tougher market conditions for commercial property insurance buyers, according to the new report — the Lockton Market Update — which provides a snapshot of market conditions in key commercial insurance markets including commercial property and property catastrophe markets in the U.S. and globally.

According to Jim Rubel, director of property and energy insurance for Lockton in New York, Insurers "have put the brakes on price reductions in the property catastrophe market and are raising rates as they reduce capacity,". "For catastrophic risks, market conditions are now difficult, meaning that buyers could face dramatic price increases. Even so, this is not yet a true hard market, where capacity is not available at any price. It may not take much more, however, to trigger a hard market."

Rubel says that the transition away from the soft market conditions of the last several years continues to develop and is tied to a sharp increase in catastrophe losses.

\*Source: <http://www.insurancejournal.com/news/national/2011/11/17/224444.htm>

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### **Intellectual Property Litigation Costs and Claims Are Everywhere\***

The costs associated with patent infringement litigation are high and rising, according to intellectual property insurance experts.

In smaller cases, litigation costs can be as much as the value of the intellectual property (IP) asset being protected. In larger asset cases, there is more at risk, which causes people to fight harder, Robert Fletcher, president of Intellectual Property Insurance Services Corp., said at the Professional Liability Underwriting Society's conference held recently in San Diego, Calif.

A 2011 American Intellectual Property Law Association survey found that for amounts in controversy valued at less than \$1 million, litigation costs through trial will total approximately \$916,000.

\*Source: <http://www.claimsjournal.com/news/national/2011/11/17/195295.htm>

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### **Health Insurance Non-Benefit Expenditures Unnecessarily Excessive\***

The U.S. remains on track to spend twice as much for health care as for food, yet millions are without insurance or uninsured. "Health insurance premiums also continue to rise on average another 9 percent in 2011," says Merton Bernstein, JD, leading health insurance expert and the Walter D. Coles Professor of Law Emeritus at Washington University in St. Louis. He estimates, using Best's Insurance data, that about one billion non-Medicare billings are processed yearly. "Even with modest non-benefit costs for each step in the billing and payment process, the resulting national health care bill is enormous," Bernstein says.

\*Source: <http://www.medicalnewstoday.com/releases/237806.php>

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### **"Don't Force Healthcare on Us" Say American People\***

Obama's grand plans for universal healthcare slipped further into trouble today with a survey conducted by Gallup indicating that 47% percent of those questioned favor repealing the Affordable Care Act. Only 42% said the law should remain, with 11% not having a strong opinion about whether the government should mandate and effectively force people to have health insurance. When divided into political categories, only 10% of republicans favored the law, against 43% of independents and 64% of democrats.

\*Source: <http://www.medicalnewstoday.com/articles/237794.php>

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### **Future Generali Launches Wealth Protect\***

Private Insurer Future Generali India Life Insurance Company launched a flexible Unit Linked Insurance Plan that offers protection as well as the opportunity to create wealth. "Wealth Protect has been designed from the very start with a singular objective - to provide maximum flexibility and protection to customers seeking long term wealth creation," Future Generali India Life Insurance Company Managing Director and CEO Deepak Sood said.

\*Source: <http://www.medindia.net/news/Future-Generali-Launches-Wealth-Protect-93449-1.htm>

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### **Insurance Company Cannot Deny Claim Because of Invalid Driving License\***

The Delhi State Consumer Commission has ruled out that insurance companies have to pay claim to the driver injured in an accident of his vehicle due to mechanical defects even if he did not had the valid driving license at the time of accident.

\*Source: <http://www.medindia.net/news/Insurance-Company-Cannot-Deny-Claim-Because-of-Invalid-Driving-License-93541.htm>

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### **Companies Share Increasing Health Premium with Employees\***

As the group health insurance costs for India Inc have shot up significantly, by around 25% in 2010, health insurers are making all-out efforts to reduce the costs through new measures. The insurers are now adopting co-pay practice which is not as prevalent in the country as it is in foreign countries.

\*Source: <http://www.medindia.net/news/Companies-Share-Increasing-Health-Premium-With-Employees-93551-1.htm>

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### **India to be Among Top 3 Life Insurance Markets by 2020\***

The insurance industry will continue to outpace the rapid economic growth to reach \$350-400 billion in premium income by 2020, making India amongst the top 3 life insurance markets and top 15 non-life insurance markets by the year, a study said. It stated that the total penetration of insurance (premium as percentage of GDP) has increased from 2.3% in 2001 to 5.2% in

2011. In addition, there has been a vast increase in the coverage of insurance. The number of life policies in force has increased nearly 12 fold over the past decade and health insurance, nearly 25 fold.

\*Source: <http://www.medindia.net/news/India-to-be-Among-Top-3-Life-Insurance-Markets-by-2020-93398-1.htm>

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### **Insurance Policies in Electronic Form\***

After stocks, mutual funds and bonds in demat format, investors have got the option to keep their insurance policies in the electronic form. All individual life insurance policies, health and pension policies and group policies issued by insurance companies can be held in the demat format.

The Insurance Regulatory and Development Authority (IRDA) has come out with guidelines to form an insurance repository on the lines of National Securities Depository or the Central Securities Depository. The repository will be licensed by IRDA and will be connected to all insurance companies.

\*Source: <http://www.medindia.net/news/Insurance-Policies-in-Electronic-Form-93210-1.htm>

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