

## **Insurance & HealthCare Tidings- 25<sup>th</sup> November, 2011**

### **Ceres Man Sues Insurance Co. For Denying Claim\***

A couple has filed a claim against Mid-Century Insurance Co., alleging when their home caught fire in November 2010, the company did not cover it due to the fact that there was medical marijuana inside the house. Muon Thach and his wife Montha Thach say an insurance adjuster initially came to the home and said the damages would be covered, but when medical marijuana was discovered in the backyard, the insurance company later changed its minds about the claim.

\*Source: <http://www.claimspages.com/news/ceres-man-sues-insurance-co-for-denying-claim/>

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### **Atlanta Pays More Than \$1M for Damage Claims\***

The city of Atlanta has shelled out about \$1.25 million since 2010 to settle damage claims related to broken water meter covers, potholes, sewer backups and other issues. The Atlanta Journal-Constitution reported that that the property damage and personal injury claims were filed between Jan. 1 2010 and Oct. 21 of this year. That doesn't include settlements related to the police and fire rescue departments. The newspaper reported that some of the payouts could have been avoided because the city had been alerted to the problems.

\*Source: [http://www.claimspages.com/news/atlanta-pays-more-than-\\$1m-for-damage-claims/](http://www.claimspages.com/news/atlanta-pays-more-than-$1m-for-damage-claims/)

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### **NFIP extended through Dec. 16; insurers call for long-term extension\***

Congress has approved another short-term extension of the National Flood Insurance Program, which was slated to lapse Friday. The extension was part of a spending bill that was approved Thursday to fund federal government, including the NFIP, through Dec. 16. The previous extension of six weeks was approved in October as part of stopgap funding bill.

\*Source: <http://www.claimspages.com/news/nfip-extended-through-dec-16-insurers-call-for-long-term-extension/>

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### **Insurers braced for Thai flood bill topping \$10 Billion\***

Insurers are bracing themselves for claims in excess of \$10 billion after floods in Thailand disabled major foreign-owned manufacturing operations there, adding to an already record-breaking natural catastrophe bill this year. Analysts and industry executives say it is too soon to gauge the full impact of the floods, Thailand's worst in 50 years, as the waters have only just started to recede more than three months after they first rose.

\*Source: [http://www.claimspages.com/news/insurers-braced-for-thai-flood-bill-topping-\\$10-billion/](http://www.claimspages.com/news/insurers-braced-for-thai-flood-bill-topping-$10-billion/)

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### **BIG "I" PRAISES NAIC RESOLUTION ON MEDICAL LOSS RATIOS\***

The Independent Insurance Agents & Brokers of America (IIABA or the Big "I") today expressed support for a National Association of Insurance Commissioners (NAIC) resolution asking Congress and the U.S. Department of Health and Human Services (HHS) to take action to provide relief for agents and brokers from the medical loss ratios (MLRs) as enacted under the Patient Protection and Affordable Care Act.

\*Source:

[http://www.iiaba.net/na/02\\_News/02\\_PressRelease/NA20111122174534?ContentPreference=NA&ActiveState=0&ContentLevel1=NEWS&ContentLevel2=NEWSPRESS&ContentLevel3&ActiveTab=NA&StartRow=0](http://www.iiaba.net/na/02_News/02_PressRelease/NA20111122174534?ContentPreference=NA&ActiveState=0&ContentLevel1=NEWS&ContentLevel2=NEWSPRESS&ContentLevel3&ActiveTab=NA&StartRow=0)

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### **INVEST INTRODUCES NEW BOARD MEMBER\***

InVEST, the insurance industry's premier classroom to career education program, recently appointed James Bradner to its national board. Bradner is president of select business and personal lines of Towne Insurance Agency, LLC, in Virginia Beach, Va. In 1988, Bradner started The Chesapeake Agency, an independent insurance agency, and in 2001 sold it to Towne Bank, a community bank located in Eastern Virginia. He remains on the team of the growing organization. Bradner has long been active in the association and formerly served on the IIAV legislative committee. In 1999, he was elected chairman of the Independent Agents of Virginia (IIAV) and was named IIAV Agent of the Year (Golden Eagle) in 2009. Bradner currently serves on the Big "I" national board of directors from Virginia.

\*Source:

[http://www.iiaba.net/na/02\\_News/02\\_PressRelease/NA20111121101052?ContentPreference=NA&ActiveState=0&ContentLevel1=NEWS&ContentLevel2=NEWSPRESS&ContentLevel3&ActiveTab=NA&StartRow=0](http://www.iiaba.net/na/02_News/02_PressRelease/NA20111121101052?ContentPreference=NA&ActiveState=0&ContentLevel1=NEWS&ContentLevel2=NEWSPRESS&ContentLevel3&ActiveTab=NA&StartRow=0)

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### **Cigna in Deal to Sell Health Insurance in India\***

Cigna, the health insurance company, will enter the fast-growing Indian market in a joint venture with a consumer goods company best known for its pressure cookers and other appliances. The joint venture, which the companies expected to announce on Monday, comes as Indian policy makers are trying to increase the use of health insurance in the country. About 15 percent of Indians have some form of health insurance, according to industry estimates, far less than other large developing nations, like China, where about 90 percent of the population has at least basic health coverage.

\*Source: [http://www.nytimes.com/2011/11/21/business/cigna-to-sell-health-insurance-in-india.html?\\_r=1](http://www.nytimes.com/2011/11/21/business/cigna-to-sell-health-insurance-in-india.html?_r=1)

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### **Fixing Medicare\***

There is no way to wrestle down the deficit without reining in Medicare costs. Ensuring that the program provides quality health care coverage to millions of older and disabled Americans is essential. These goals are not incompatible, but they require a judicious approach to policy making that is depressingly absent in Washington. Medicare is nothing less than a lifeline for 49 million older and disabled Americans. It helps pay for care in a wide range of settings, including hospitals, nursing homes, outpatient clinics, doctors' offices, hospices and at home, as well as for prescription drugs.

\*Source: <http://mobile.nytimes.com/article?a=870727&f=28&sub=Editorial&p=0>

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### **Allstate Drops North Carolina Homeowners Who Insure Autos Elsewhere\***

Some North Carolina residents who insure their residences through Allstate are finding themselves dropped by the company for refusing to bundle their home and auto coverage. Allstate Insurance Co. has informed 45,000 homeowners that it will non-renew their homeowner's policy unless they also purchase a commercial or private automobile insurance from the insurer by Dec. 15, 2011.

\*Source: <http://www.claimsjournal.com/news/southeast/2011/11/23/195553.htm>

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### **Eight Arrested in California for Defrauding Insurance Carriers\***

The California Department of Insurance (CDI) Fraud Division conducted an arrest warrant sweep that resulted in the arrests of eight suspects in Tulare, Fresno and San Luis Obispo counties. The suspects in these cases are being prosecuted by the District Attorney's offices in Fresno and Tulare counties. The cases involve fraudulent claims made against both automobile and homeowners'/renters' insurance policies.

\*Source: <http://www.claimsjournal.com/news/west/2006/05/26/68896.htm>

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### AIG Unlikely to Take Q4 Reserve Charges\*

Bailed-out insurer American International Group is unlikely to add to reserves in the current quarter, though investors may not be convinced the reserves are adequate, Barclays Capital said.

\*Source: <http://www.claimsjournal.com/news/national/2011/11/23/195603.htm>

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### U.S. Healthcare Cuts Minimal, More Pain Looms\*

The breakdown of deficit talks in Congress will exact little pain on the U.S. healthcare industry, but it's a temporary reprieve from steeper cuts that could be put back on the table in 2013. The failure of the congressional "super committee" to reach a deal triggers a 2 percent across-the-board cut to Medicare, the government program that provides coverage to millions of older and disabled Americans.

\*Source: <http://www.insurancejournal.com/news/national/2011/11/22/225016.htm>

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### Starr International Files \$25B Suit Against U.S. Over AIG Takeover\*

A company run by former American International Group Inc Chief Executive Maurice "Hank" Greenberg sued the U.S. government for \$25 billion, calling the 2008 federal takeover of the insurer unconstitutional. The lawsuit marks an unusual effort to force the government to pay shareholders, who have seen AIG's stock price tumble 98 percent since the middle of 2007, when the insurers' risky bets on mortgage debt through credit default swaps began to falter.

\*Source: <http://www.insurancejournal.com/news/national/2011/11/21/224905.htm>

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### Some hospitals left out of Medicare Advantage providers network\*

A Medicare Advantage **provider** is advertising for new customers in Kanawha County and surrounding areas, but officials with one local health system wonder why they are not part of the **provider's** network.

\*Source: <http://www.medicarenews.net/some-hospitals-left-out-of-medicare-advantage-providers-network-11-2011.htm>

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### Medicare patients could face insurance ouster\*

Group Health Cooperative says it plans to drop Medicare patients who are not enrolled in a supplemental plan that costs an additional \$20 a month. It's a step the Seattle-based managed care company has been considering for years as Medicare's fee-for-service reimbursements don't adequately fund nor fit Group Health's integrated care model.

\*Source: <http://www.medicarenews.net/some-medicare-patients-could-face-insurance-ouster-thu-24-nov-2011-pst-11-2011.htm>

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### Medicare chief steps aside in political impasse\*

The point man for carrying out President Barack Obama's **health care** law will be stepping down after Republicans succeeded in blocking his confirmation by the Senate, the White House announced Wednesday.

\*Source: <http://www.medicarenews.net/medicare-chief-steps-aside-in-political-impasse-3-11-2011.htm>

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### Medicare to cover infusion costs for prostate cancer vaccine\*

In Medicare news, the drug maker Dendreon says federal officials have said they will pay doctors to administer the drug. Also, policymakers are studying **medigap** to see if curbs on those policies could help cut Medicare costs.

\*Source: <http://www.medicarenews.net/medicare-to-cover-infusion-costs-for-prostate-cancer-vaccine-company-says-11-2011.htm>

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### IRDA favours zonal banc assurance tie-ups\*

New insurance companies are likely to benefit from the Insurance Regulatory Development Authority draft guidelines on banc assurance. The regulator has divided the country into geographical zones. The IRDA's exposure guidelines on banc assurance have said that banks cannot tie up with more than one life, one non-life and one standalone health insurance company in any of the States.

\*Source: <http://www.thehindubusinessline.com/industry-and-economy/banking/article2653814.ece>

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### Life Insurance sector may grow at 13-14% over four years\*

Indian life insurance industry is likely to grow at 13-14% over the next four years and contribute 10% to total global premium income growth, according to a report by McKinsey. Indian life insurers' total premium income is expected to reach 5,50,000 crore by 2015. The insurance industry in Asia's third-largest economy will be one of the few major markets globally to grow at double digits during the period, the report said.

\*Source: [http://articles.economicstimes.indiatimes.com/2011-11-24/news/30437515\\_1\\_premium-income-indian-life-life-insurance](http://articles.economicstimes.indiatimes.com/2011-11-24/news/30437515_1_premium-income-indian-life-life-insurance)

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### Life insurance premium collection down 2%\*

The life insurance industry reported 2 per cent dip in premium collections to Rs 1,22,661 crore in the first half of this fiscal because of fall in new business. Total premium collected by the life insurance industry stood at Rs 1,25,179 crore during April-September 2010-11, according to the Life Insurance Council.

\*Source: <http://www.financialexpress.com/news/life-insurance-premium-collection-down-2/879191/>

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### **IRDA tightens rules for web portals selling insurance products\***

The Insurance Regulatory and Development Authority (IRDA) have tightened rules for Web sites and portals vending insurance products. At present, there are no standards that these sites (also known as Web aggregators) follow. Web aggregators are dedicated sites or portals that offer information on insurance products, including premiums and key features across companies and enable comparison. For every deal that materializes through them, they earn a commission (that varies) from the insurance company or broker they tie-up with.

\*Source: <http://www.thehindubusinessline.com/industry-and-economy/banking/article2647757.ece>

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### **Kotak Life launches two traditional child plans\***

Kotak Life Insurance today announced the launch of two traditional child plans — Kotak Child Edu Plan and Kotak Child Future Plan. Kotak Child Edu Plan addresses the future financial requirements of children aged between 0 (newborns) and 10 years and Kotak Child Future Plan addresses the future financial requirements of children aged between 11 and 15 years.

\*Source: <http://www.thehindubusinessline.com/industry-and-economy/banking/article2646179.ece>

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### **Hungary Turns to I.M.F. For an 'Insurance' Pact\***

Hungary is heading back to the International Monetary Fund for help, a year after slamming the door on the fund, the government said Friday. The move is the latest proof that the European debt crisis is spreading east.

\*Source: <http://www.nytimes.com/2011/11/19/business/global/hungary-turns-to-imf-for-insurance.html?scp=4&sq=insurance&st=cse>

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### **I.M.F. Offers Short-Term Credit as Insurance for Nations\***

The International Monetary Fund on Tuesday announced a set of measures intended to “bolster the flexibility and scope” of its emergency programs to aid nations that may face liquidity problems. The I.M.F., in addition, is gearing up to take a bigger role in helping ease the European debt crisis. Risk-averse investors are paring back exposure to Europe, raising borrowing costs across the Continent. Many countries, including Italy, Spain and Hungary, are struggling to finance their debt.

\*Source: <http://www.nytimes.com/2011/11/23/business/imf-provides-new-short-term-credit.html?scp=5&sq=insurance&st=cse>

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### **Bharti ends talks with Reliance to sell insurance JVs stake\***

Bharti Enterprises said on Friday it has mutually agreed to terminate negotiations with Reliance Industries to sell its stake in two insurance joint ventures that it has with France's AXA .Bharti and AXA's life insurance and general insurance joint ventures will continue to develop their operations in India, Bharti said in a statement.

\*Source: <http://economictimes.indiatimes.com/personal-finance/insurance/insurance-news/bharti-ends-talks-with-reliance-to-sell-insurance-jvs-stake/articleshow/10869732.cms>

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### US health insurer to sell cover via JV with TTK\*

Cigna, one of the America's largest health insurers, has entered into a joint venture agreement with the TTK Group to sell covers to the middle-class through a direct distribution model. The kitchenware-to-condoms TTK Group has had a presence in the health business as a third-party administrator providing services to other insurance companies. The group has entered into an agreement for a management buyout of the TPA business which is awaiting IRDA clearance.

\*Source: <http://timesofindia.indiatimes.com/city/mumbai/US-health-insurer-to-sell-cover-via-JV-with-TTK/articleshow/10850458.cms>

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### LIC employees flay insurance policy\*

The Insurance Employees Association criticized the Insurance Lodge Amendment Bill-2008 and LIC Act Amendment Bill 2009 on Tuesday and decided to stage a countrywide strike soon.

\*Source: <http://timesofindia.indiatimes.com/city/kanpur/LIC-employees-flay-insurance-policy/articleshow/10837035.cms>

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### Insurance firm told to pay Rs 13 lakh for deficiency in service\*

District consumer disputes redressal forum-I, Chandigarh, has held United India insurance company of deficient in its services and directed it to pay a compensation of Rs 13,29,794 to the complainant.

\*Source: <http://timesofindia.indiatimes.com/city/chandigarh/Insurance-firm-told-to-pay-Rs-13-lakh-for-deficiency-in-service/articleshow/10813686.cms>

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### Insurers Pile On Sovereign Debt Gloom\*

The law of unintended consequences continues to wreak havoc in the euro zone. Caught in the middle of a desperate banking-sector deposit war, Europe's insurers are pulling back from savings markets in Italy, France and Spain. That in turn reduces their demand for sovereign bonds, adding to concerns over government funding, which increases pressure on the banks.

\*Source: <http://online.wsj.com/article/SB10001424052970204630904577058381796960736.html?KEYWORDS=insurance>

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### Japanese Life Insurers Cut Europe Bond Holdings\*

Major Japanese life insurers cut their exposure to debt issued by Portugal, Italy, Ireland, Greece and Spain over the past few months, company officials said Thursday, underscoring widening concerns among Japanese investors over Europe's deepening debt crisis. The disclosure follows decisions by several other large Japanese investors to turn away from debt issued by some euro-zone nations.

\*Source: <http://online.wsj.com/article/SB10001424052970204630904577057952433477684.html?KEYWORDS=insurance>

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### **UnitedHealth to Buy Special-Needs Insurer XLHealth\***

UnitedHealth Group Inc. has agreed to buy XLHealth Corp., a privately owned sponsor of Medicare Advantage health plans with about 113,000 members and a focus on people with special needs, for undisclosed terms. XLHealth will help UnitedHealth expand in a potentially profitable market, according to analysts. Financial terms for the deal weren't disclosed, although XLHealth's expected 2012 revenue above \$2 billion and rapid growth plans.

\*Source: <http://online.wsj.com/article/SB10001424052970204443404577054261528529818.html?KEYWORDS=insurance>

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### **Alleghany to Buy Transatlantic for \$3.4 Billion\***

Transatlantic Holdings Inc., a reinsurer that has been the target if a number of takeover attempts this year, on Monday said it had reached a \$3.4 billion deal to be acquired by Alleghany Corp. Alleghany, a property-casualty insurer based in New York, said it would pay 0.145 Alleghany common shares and \$14.22 in cash for every Transatlantic share, equaling \$59.79 a share as of Alleghany's Friday closing price. The offer marks a 9.8% premium to Transatlantic's Friday close of \$54.43.

\*Source: <http://online.wsj.com/article/SB10001424052970204443404577051793258155150.html?KEYWORDS=insurance>

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### **Philippines Overtakes India as Hub of Call Centers\***

Americans calling the customer service lines of their airlines, phone companies and banks are now more likely to speak to Mark in Manila than Bharat in Bangalore. Over the last several years, a quiet revolution has been reshaping the call center business: the rise of the Philippines, a former United States colony that has a large population of young people who speak lightly accented English and, unlike many Indians, are steeped in American culture.

\*Source: [http://www.nytimes.com/2011/11/26/business/philippines-overtakes-india-as-hub-of-call-centers.html?\\_r=1&n=Top/Reference/Times%20Topics/People/B/Bajaj,%20Vikas?ref=vikasbajaj](http://www.nytimes.com/2011/11/26/business/philippines-overtakes-india-as-hub-of-call-centers.html?_r=1&n=Top/Reference/Times%20Topics/People/B/Bajaj,%20Vikas?ref=vikasbajaj)

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