

## Insurance & HealthCare Tidings- 2<sup>nd</sup> December, 2011

### **Outsourcing Giant Finds It Must Be Client, Too\***

Every three months, India's prime minister, Manmohan Singh, meets with a special panel assigned the ambitious task of figuring out how to produce 500 million skilled workers over the next two decades. The panel is a cross section of India's power elite, including many of the usual figures like the education minister, the finance minister and the former chief executive of the country's biggest software outsourcing company.

\*Source: [http://www.nytimes.com/2011/12/01/world/asia/for-india-outsourcing-does-the-job-at-home-too.html?\\_r=2&ref=india](http://www.nytimes.com/2011/12/01/world/asia/for-india-outsourcing-does-the-job-at-home-too.html?_r=2&ref=india)

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### **How to get best deal on motor insurance\***

Save 20% on your car insurance." You may have noticed this or similar such claims screaming for your attention from the wayside hoardings on your drive to office. Instinctively, you ask yourself: Really? Is it possible? Typically, you would have forgotten all about it by the time you reached office. But, if you had fallen for the claim, would you have managed to reduce your motor insurance premium by 20%? Not really, say insurance experts. If you are buying a new car, it is definitely easy to get a "very cheap" cover. However, if you are shopping for a cover for your old car, don't look for hefty savings, they warn. You can instead try your luck online for a small saving, they say. "Some insurers offer the best insurance rates to customers going online through the website. Generally, the savings quoted in advertisements are in comparison to the premium offered by other insurers for the same vehicle," says Amitabh Jain, VP - customer service (motor), ICICI Lombard.

\*Source: <http://m.economictimes.com/PDAET/articleshow/msid-10926106,curpg-1.cms>

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### **\$2.2 million car insurance claim is going to court\***

A Texas jury will get its hands on one of the sexiest car insurance claims ever filed. Philadelphia Indemnity Insurance Co. has accused a Texas man of borrowing \$1 million to buy a \$1 million Bugatti Veyron supercar, insuring it for twice that much, then driving it into a swamp and filing a claim. Last week, a U.S. District Court judge rejected a request for a summary judgment that would have decided the case without a trial.

\*Source: [http://www.claimspages.com/news/\\$2.2-million-car-insurance-claim-is-going-to-court/](http://www.claimspages.com/news/$2.2-million-car-insurance-claim-is-going-to-court/)

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### **Insurer Must Pay for Florida Rental Car Crash by Unauthorized Driver\***

A Florida rental car customer's auto insurer must cover crash injuries, even though the driver was someone not authorized under the rental car company's contract. In a 5-2 opinion on Nov. 23, the Florida Supreme Court overturned a district court ruling and reaffirmed its own earlier rulings that a rental car contract may not restrict the insured's auto coverage. The majority ruled in the Gadsden County case that the rental car was covered by Katusha Shazier's insurance policy because the rental car was a "temporary substitute auto" and the accident occurred when the car was being driven by someone to whom she had given permission.

\*Source: <http://www.claimspages.com/news/insurer-must-pay-for-florida-rental-car-crash-by-unauthorized-driver/>

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### **Insured loss estimate from Irene rises to \$4.3 billion\***

An insurance industry service that tracks catastrophe losses has sharply raised its estimates for August's Hurricane Irene, projecting insured property damage of \$4.3 billion from the first hurricane to hit the United States in three years. The Insurance Services Offices Inc.'s Property Claim Services unit, which bases its estimates on confidential insurer surveys and its own database of houses across the country, raised its estimate by nearly 18% from its previous report in late September.

\*Source: [http://www.claimspages.com/news/insured-loss-estimate-from-irene-rises-to-\\$4.3-billion/](http://www.claimspages.com/news/insured-loss-estimate-from-irene-rises-to-$4.3-billion/)

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### **Workers' Compensation System's 'Elephant in the Room'\***

The workers' compensation system has evolved and survived for 100 years but it could face tough challenges in the coming years as the country struggles to dig itself out of the deep recession. The recession has caused an "unprecedented disruption of the labor market" that will have widespread and long-term effects, according to a leading workers' compensation researcher and economist.

\*Source: <http://www.claimsjournal.com/news/national/2011/11/29/195831.htm>

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### **Liquid Claims Introduces New Forecast Plus Software Tool\***

Liquid Claims LLC, a claims settlement services provider for investors involved in securities class action suits, has launched Forecast Plus, a software tool designed to provide clients with a detailed analysis of their losses and possible recoveries. Forecast Plus analyzes and calculates a recognized loss –i.e. the basis for determining how much an investor may receive according to the guidelines set forth by the courts in allocation structures. A recognized loss is calculated using trading data that shows when an investment was made, how long the investor held the security, and other complex factors.

\*Source: <http://www.claimsjournal.com/news/national/2011/11/30/195927.htm>

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### **Murray Named CRDN National Sales & Operations Manager\***

Robert Murray has been named national sales & operations manager for the Certified Restoration Dry cleaning Network (CRDN), an international organization of textile restoration specialists serving the insurance industry. Previously, Murray spent four years as Select Customer Sales Executive with The Hartford. His background includes advanced marketing and business development skills, as well as solid operational expertise.

\*Source: <http://www.claimsjournal.com/news/national/2011/11/29/195822.htm>

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### **Calif. SCIF cat bond to cover earthquake-related workers comp claims\***

The California State Compensation Insurance Fund is expected to close a new catastrophe bond next week that would cover earthquake-related workers compensation claims—a move that an analyst says could be followed by other workers comp insurers. A recent report from Standard & Poor's Corp. said that undefined amounts of three-year, Class A senior notes are to be issued on behalf of SCIF by Golden State Re Ltd., a newly incorporated special-purpose insurer based in Bermuda.

\*Source: <http://www.claimspages.com/news/calif-scif-cat-bond-to-cover-earthquake-related-workers-comp-claims/>

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### **Use of Physician Networks in California Workers' Comp at Record High\***

A California Workers' Compensation Institute study released on Tuesday shows the use of network physicians to provide medical care to injured workers in California has continued to grow over the past five years and now stands at a record high. The use of network physicians to provide medical care to injured workers in California rose sharply in 2005, immediately after Medical Provider Networks (MPNs) first became available in California workers' compensation, expanding employer medical control from 30 days to the life of the claim, according to the study.

\*Source: <http://www.claimspages.com/news/study-use-of-physician-networks-in-california-workers-comp-at-record-high/>

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### **Subway franchising firm not liable for uninsured franchisee claims: Ky. Court\***

Doctor's Associates Inc., the franchising company for Subway restaurants, can't be held liable for workers compensation claims stemming from an uninsured franchisee, the Kentucky Supreme Court have ruled. The Kentucky Uninsured Employers' Fund had sought payment from Milford, Conn.-based Doctor's Associates for medical and temporary total disability benefits it paid to the employee of a Subway restaurant in Whitesburg, Ky.

\*Source: <http://www.claimspages.com/news/subway-franchising-firm-not-liable-for-uninsured-franchisee-claims-ky-court/>

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### **Feds extend deadline for NC flood insurance claims\***

People in North Carolina looking to file flood insurance claims related to Hurricane Irene now have more time to do it. The Federal Emergency Management Agency said Wednesday it is extending the deadline to Jan. 23. The extension is being granted in North Carolina and 14 other states because people have been reporting problems filing the claim, known as a proof of loss.

\*Source: <http://www.claimspages.com/news/feds-extend-deadline-for-nc-flood-insurance-claims/>

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### **Part of Mississippi Healthcare Suit Placed on Hold\***

A federal judge has put on hold portions of a Mississippi lawsuit against Obama administration's health care law. U.S. District Judge Keith Starrett, in a ruling issued Nov. 23, stayed consideration of parts of the April 2010 lawsuit not involving medical privacy issues. He said those issues were pending before the Supreme Court in a case out of Florida.

\*Source: <http://www.insurancejournal.com/news/southeast/2011/12/02/225727.htm>

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### **Arizona Gets \$30 Million Grant for Health Exchange\***

Arizona is getting a \$30 million federal grant to implement part of the federal health care overhaul. The Arizona grant is among 13 state grants awarded Tuesday totaling nearly \$220 million awarded for setting up health insurance exchanges.

\*Source: <http://www.insurancejournal.com/news/west/2011/12/01/225830.htm>

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### **Markel Launches Data Breach Endorsement for Healthcare Risks\***

Healthcare providers insured by Markel now have access to a free DataBreach endorsement. The new endorsement covers liability resulting from a compromise of confidential patient information and the associated costs. These costs can include notification expenses, credit monitoring and data restoration with limits up to \$50,000.

\*Source: <http://www.insurancejournal.com/news/national/2011/11/29/225480.htm>

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### **Can Claims Handling Cause an Errors & Omissions Claim?\***

The answer to the question posed in the headline is a definite “yes.” This has actually developed into a significant issue for agents and is one of the current errors and omissions (E&O) hotspots agents must be aware of. It is currently projected that approximately 10 percent of all E&O claims are due to alleged mishandling of the underlying claim by the agency. What could go wrong?

\*Source: <http://www.insurancejournal.com/news/national/2011/12/01/225720.htm>

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### **Most Health Insurers Meet Controversial Medical Loss Ratio\***

Most U.S. health insurers last year would have satisfied the much-disputed spending rules under President Barack Obama’s healthcare reform, according to a new report by a congressional watchdog agency. The rules require insurers such as Aetna and UnitedHealth to spend most of customers’ premium payments on medical care, not administrative costs or profit, or risk paying patients a rebate. The Patient Protection and Affordable Care Act (PPACA) established minimum “medical loss ratio” (MLR) standards for insurers. Beginning in 2011, PPACA required insurers to meet minimum standards of 85 percent in the large group market and 80 percent in the small group and individual markets or pay rebates to their enrollees.

\*Source: <http://www.insurancejournal.com/news/national/2011/12/01/225685.htm>

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### **India’s Bharti, Reliance End Talks on Insurance Joint Ventures Deal\***

Reliance Industries has mutually agreed to end negotiations with Bharti Enterprises to buy its stakes in two insurance joint ventures with France’s AXA, the two Indian companies said on Friday. Reliance said the negotiations to acquire Bharti’s 74 percent stakes in the life insurance and general insurance joint ventures were terminated as it was “unable to reach agreement on the long-term vision and joint governance of the ventures” with AXA.

\*Source: <http://www.insurancejournal.com/news/international/2011/11/28/225281.htm>

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### **India's Insurance Regulator Issues IPO Guidelines\***

India's insurance regulator on Thursday notified guidelines for life insurers to raise capital via initial public offering (IPO) or subsequent public fund raising from the equity markets. The Insurance Regulatory and Development Authority (IRDA) has stipulated that life insurance firms must be operating for at least 10 years before planning such fund raising.

\*Source: <http://www.insurancejournal.com/news/international/2011/12/01/225709.htm>

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### **Medicare to Cover Anti-Obesity Services\***

Medicare will now cover preventive services meant to reduce obesity, the Centers for Medicare and Medicaid services said Tuesday. Under the new coverage, all Medicare beneficiaries can get a free obesity screening by their primary care providers. Those who screen positive, which is defined as having a body mass index greater than 30, can get counseling.

\*Source: <http://www.medicarenews.net/medicare-to-cover-anti-obesity-services-12-2011.htm>

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### **Medicare Offers Expanded Coverage To Battle Expanding Waistlines\***

Medicare will now cover screening and counseling for obesity as a free preventive service. Advocates hope the decision will encourage private insurers and Medicaid to do the same.

\*Source: <http://www.medicarenews.net/medicare-offers-expanded-coverage-to-battle-expanding-waistlines-3-11-2011.htm>

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### **Medicare Buys Unneeded Anti-Psychotic Drugs for Nursing Homes\***

Medicare paid nursing homes to administer powerful anti-psychotic drugs to elderly residents who shouldn't take the medicines, the program's inspector general told Congress.

\*Source: <http://www.medicarenews.net/medicare-buys-unneeded-anti-psychotic-drugs-for-nursing-homes-11-2011.htm>

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### **Democrats to attack Republicans for pushing Medicare cuts\***

The Democratic Party will begin a campaign on Wednesday to attack Republican lawmakers for pushing cuts to Medicare benefits during the latest round of failed federal deficit talks, a new turn in a drama that not long ago featured top Democrats expressing a willingness to tinker with the popular entitlement program.

\*Source: <http://www.medicarenews.net/democrats-to-attack-republicans-for-pushing-medicare-cuts-11-2011.htm>

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### **Obama's Medicare nominee gets GOP leader's support\***

President Barack Obama's Medicare nominee Tuesday got unexpected support from one of Congress' Republican stars. House Majority Leader Eric Cantor told The Associated Press that Marilyn Tavenner is "eminently qualified" to run Medicare.

\*Source: <http://www.medicarenews.net/obamas-medicare-nominee-gets-gop-leaders-support-11-2011.htm>

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### **Medicare 'doughnut hole' expenses fall in 2011\***

Medicare's prescription coverage gap is getting noticeably smaller and easier to manage this year for millions of older and disabled people with high drug costs.

\*Source: <http://www.medicarenews.net/medicare-doughnut-hole-expenses-fall-in-2011-2-11-2011.htm>

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### **Marilyn Tavenner: Medicare's new pragmatist-in-chief?\***

What Eric Swanson remembers the most about working with incoming Medicare head Marilyn Tavenner is when they brought a woman back from the dead. It was the middle of the night at Chippenham Hospital in Richmond, Va., where Tavenner worked as an intensive care unit nurse in the 1980s. Swanson, the on-call surgeon, got notice around 2 a.m.

\*Source: <http://www.medicarenews.net/marilyn-tavenner-medicare%e2%80%99s-new-pragmatist-in-chief-11-2011.htm>

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### **Unlikely to tap the market immediately: Private insurance companies\***

Even as the insurance regulator IRDA has come out with the final IPO guidelines, leading private insurance companies say that they have no immediate plans on hitting the capital market soon.

\*Source: <http://www.thehindubusinessline.com/industry-and-economy/banking/article2678370.ece>

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### **Life insurers with 10 years of operations can go public: IRDA\***

The much-awaited norms for public issues of life insurance companies have been notified in the Gazette by the Insurance Regulatory and Development Authority. As per the norms, only those companies which completed 10 years of operations can apply for permission to go for public issues. Before filing the Draft Red herring Prospectus with the Securities Exchange Board of India, insurers will have to obtain permission from insurance regulator.

\*Source: <http://www.thehindubusinessline.com/industry-and-economy/banking/article2678389.ece>

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### **Thomas Cook ties up with Bajaj Allianz General Insurance\***

Leading integrated travel and travel related financial services company, Thomas Cook (India), on Wednesday said it has entered into a tie up through its subsidiary — Thomas Cook Insurance Services (India) Limited — as a corporate agent of Bajaj Allianz General Insurance Company. This partnership will allow Thomas Cook to offer travel insurance and other general insurance products from Bajaj Allianz to its customer across the country, TCIL said in a release issued here.

\*Source: <http://www.thehindubusinessline.com/companies/article2674830.ece>

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### **IRDA asks LIC to settle death claims within 6 months\***

To ensure prompt settlement of claims, IRDA has asked Life Insurance Corporation of India (LIC) to complete all claims-related investigations within the stipulated time-frame of six months.

\*Source: <http://www.financialexpress.com/news/irda-asks-lic-to-settle-death-claims-within-6-months/882068/>

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### **Soon, banks to sell specialized health insurance products\***

You may be able to bring home a comprehensive health plan from a specialized health insurance company from your regular bank branch, if the IRDA's banc assurance draft guidelines are implemented. As a customer your choice of health insurance products are now wider. That may not necessarily come cheap. But it is good news for standalone health insurance companies, such as Max Bupa, Apollo Munich and Star Health, which will benefit from the IRDA's new guidelines (on insurers' tie-up with banks for distribution).

\*Source: <http://www.thehindubusinessline.com/industry-and-economy/banking/article2671973.ece>

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### **Buffet-Bajaj to up India insurance surge\***

Berkshire India, an arm of Warren Buffett-owned Berkshire Hathaway, today said it plans to sell either health or life insurance products of Bajaj Allianz to retail customers. Berkshire India, which is a corporate agent of Bajaj Allianz, currently sells motor and travel insurance products online through its distribution portal BerkshireInsurance.com.

\*Source: <http://www.financialexpress.com/news/buffetbajaj-to-up-india-insurance-surge/881533/>

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### **12 States Make Progress on Health Insurance Exchanges\***

The Obama administration announced Tuesday that a dozen more states have crossed the first big threshold in setting up health insurance exchanges – including seven of the Republican states that are suing the administration to overturn the health care law passed last year. Under the 2010 law, the state-run exchanges will be launched in 2014, opening a marketplace where private insurers compete to offer health plans to the uninsured and to small businesses. If a state hasn't established a framework for the exchanges by 2013, the federal government will step in and run it.

\*Source: <http://blogs.wsj.com/washwire/2011/11/29/12-states-make-progress-on-health-insurance-exchanges/?KEYWORDS=Insurance>

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### **Humana announces deal to buy chronic-care provider\***

Health insurer Humana Inc. says it is acquiring SeniorBridge, a New York-based chronic-care provider best known for offering in-home care for the elderly. Terms of the deal were not disclosed Tuesday. Humana CEO Michael B. McCallister says SeniorBridge fits into Humana's focus on delivering clinical care for seniors in their homes. The acquisition will add SeniorBridge's national network of 1,500 care managers.

\*Source: <http://online.wsj.com/article/AP6c869d7291ca428aa2f12d4d68c45679.html?KEYWORDS=Insurance>

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### **BPO biz: Philippines overtake India\***

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

\*Source: <http://timesofindia.indiatimes.com/tech/news/movements/BPO-biz-Philippines-overtakes-India/articleshow/10902430.cms>

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