



Chartered
Insurance
Institute

IN7

Indian healthcare insurance products

**Based on the 2021/2022 syllabus
examined from 1 May 2021 until 30 April 2022**

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Contents

Introduction to Examination Guide	3
IN7 Syllabus	7
Specimen Examination	10
Specimen Examination Answers and Learning Outcomes Covered	30

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IN7 – Indian healthcare insurance products

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Introduction

This examination guide has been produced by the Examinations Department at the Chartered Insurance Institute to assist students in their preparation for the IN7 examination. It contains a specimen examination with answer key.

Ideally, students should have completed the majority of their studies before attempting the specimen examination. Students should allow themselves two hours to complete the examination. They should then review their performance to identify areas of weakness on which to concentrate the remainder of their study time.

Although the specimen examination in this guide is typical of an IN7 examination, it should be noted that it is not possible to test every single aspect of the syllabus in any one particular examination. To prepare properly for the examination, candidates should make full use of the tuition options available and read as widely as possible to ensure that the whole syllabus has been covered. They should also endeavour to keep as up-to-date as possible with developments in the industry by reading the periodicals listed in the IN7 reading list, which is located on the syllabus in this examination guide and on the CII website at www.cii.co.uk.

Background Information

CII examination questions undergo a rigorous writing and editing process before reaching an examination. The questions are written to strict guidelines by practitioners with relevant technical knowledge and experience. Questions are very carefully worded to ensure that all the information required to answer the question is provided in a clear and concise manner. They are then edited by an independent panel of experienced practitioners who have been specifically trained to ensure that questions are technically correct, clear and unambiguous. As a final check, each examination is scrutinised by the Senior Examiner and a CII assessment expert.

Occasionally a question will require amendment after the examination guide is first published. In such an event, the revised question will be published on the CII website:

- 1) Visit www.cii.co.uk/qualifications/unit-indian-healthcare-insurance-products-in7/
- 2) Select 'examguide update' on the right hand side of the page

Candidates should also refer here for the latest information on changes to law and practice and when they will be examined.

Syllabus

The IN7 syllabus is published on the CII website at www.cii.co.uk. **Candidates should note that the examination is based on the syllabus, rather than on any particular tuition material.** Of course, the tuition material will provide the vast majority of the information required to perform well in the examination, but the CII recommends that students consult other reference materials to supplement their studies.

Skill Specification

The skill level tested in each examination question is determined by the syllabus. Each learning outcome specifies the level of skill required of candidates and thus the level at which candidates may be tested. Learning outcomes for IN7 begin with *understand*. Different skill levels lead to different types of question, examples of which follow.

Understand - To answer questions based on understanding, the candidate must be able to link pieces of information together in cause-and-effect relationships. Typically questions may ask 'Why'. Questions set on an *understand* learning outcome can test either knowledge or understanding or both.

Examination Information

The method of assessment for the IN7 examination is 100 multiple choice questions (MCQs). 2 hours are allowed for this examination.

The IN7 syllabus provided in this examination guide will be examined from 1 May 2021 until 30 April 2022.

Candidates will be examined on the basis of English law and practice unless otherwise stated.

The general rule is that legislative and industry changes will not be examined earlier than 3 months after they come into effect.

A multiple choice question consists of a problem followed by four options, labelled A, B, C and D, from which the candidate is asked to choose the correct response. Each question will contain only one correct response to the problem posed.

One mark is awarded for each correct response identified by the candidate. No mark is awarded if the candidate either chooses an incorrect response, chooses more than one response or fails to choose any response. No marks are deducted for candidates choosing an incorrect response.

While no questions involve complex calculations, candidates are permitted to use calculators during the examination. If you bring a calculator into the examination room, it must be a silent battery or solar-powered non-programmable calculator. The use of electronic equipment capable of being programmed to hold alphabetic or numerical data and/or formulae is prohibited. You may use a financial or scientific calculator, provided it meets these requirements.

Candidates are permitted to make rough notes. Candidates are **not** permitted, under any circumstances, to remove any papers relating to the examination from the examination room.

Examination Technique: Multiple Choice Questions

The best approach to multiple choice examinations is to work methodically through the questions.

The questions are worded very carefully to ensure that all the information required is presented in a concise and clear manner. It cannot be emphasised too strongly that understanding the precise meaning of the question is vital. If candidates miss a crucial point when reading the question it could result in choosing the wrong option. Candidates should read carefully through the question and all the options before attempting to answer.

Candidates should pay particular attention to any words in the question which are emphasised in bold type, for example, **maximum**, **minimum**, **main**, **most**, **normally** and **usually**. Negative wording is further emphasised by the use of capital letters, for example **NOT**, **CANNOT**.

Candidates should not spend too much time on any one question. If they cannot make up their mind, they should leave the question and come back to it later.

When all of the questions have been answered, it is prudent to use any remaining time to go through each question again, carefully, to double-check that nothing has been missed. Altering just one incorrect response to a correct response could make the difference between passing and failing.

After the Examination

Rigorous checks are made to ensure the correctness of the results issued. A pre-defined quota of passes to be awarded does not exist. If all candidates achieve a score of at least the pass mark, then all candidates will be awarded a pass grade. Individual feedback on the candidate's examination performance is automatically provided and will indicate the result achieved and, for each syllabus learning outcome, the percentage of questions in the examination that were answered correctly.

Indian healthcare insurance products

Objective

To provide knowledge and understanding of the fundamental principles and practices relating to healthcare insurance in India.

Summary of learning outcomes	Number of questions in the examination*
1. Understand the history and structure of the Indian healthcare insurance market	10
2. Understand healthcare product types	20
3. Understand the different roles and responsibilities of intermediaries and insurers	15
4. Understand and apply risk assessment, rating and underwriting considerations	20
5. Understand and apply claims management	20
6. Understand the legal and regulatory considerations	15

* The test specification has an in-built element of flexibility. It is designed to be used as a guide for study and is not a statement of actual number of questions that will appear in every exam. However, the number of questions testing each learning outcome will generally be within the range plus or minus 2 of the number indicated.

Important notes

- Method of assessment: 100 multiple choice questions (MCQs). 2 hours are allowed for this examination.

1. Understand the history and structure of the Indian healthcare insurance market

- 1.1 The history of the Indian healthcare insurance market
- 1.2 The organisation and function of:
 - Insurance companies
 - Intermediaries
 - Third party administrators
 - Government schemes
 - Reinsurers of healthcare products
- 1.3 The main distribution channels and marketing methods used in the healthcare insurance market.
- 1.4 The organisation, advantages and disadvantages of:
 - Direct sales methods
 - Intermediated sales methods

2. Understand healthcare product types

- 2.1 The main features and benefits of the following core products and services:
 - Individual healthcare insurance products: hospitalisation expenses (medicclaim), travel, personal accident and critical illness insurance
 - Group insurance products
 - life insurance
 - personal accident/disability insurance
 - pension
 - healthcare insurance (including small and medium enterprise schemes and large group schemes)
 - critical illness insurance

3. Understand the different roles and responsibilities of intermediaries and insurers

- 3.1 Fact-finding for individuals and corporate customers:
 - Fact-finding process
 - Health questioning
 - Obtaining quotations
- 3.2 The role and responsibilities of the insurer:
 - Assessing the risk
 - Completing the quotation
 - Accepting risk for the cover
 - The on-going administration of cover
- 3.3 The role of third party administrators.

- 3.4 The features and operation of policy renewals, customer loyalty mechanisms and switching for:
 - Individual customers
 - Small and medium enterprise customers
 - Corporate customers

4. Understand and apply risk assessment, rating and underwriting considerations

- 4.1 The main risk considerations and general underwriting principles of healthcare insurance with specific reference to:
 - General exclusions and exceptions
 - Medical conditions and procedures
 - Acute and chronic conditions
 - Cancer
 - Experimental treatments
 - Excesses and co-payments
- 4.2 The ratings and underwriting considerations for the core healthcare products specific to:
 - Corporate schemes
 - Small and Medium Enterprises schemes (SMEs)
 - Individual plans

5. Understand and apply claims management

- 5.1 The principles of claims assessment applied to core healthcare insurance products.
- 5.2 Interpreting policy conditions.
- 5.3 The processes involved in a claim, including the role of electronic data interchange (EDI) in pre-authorisation and billing of claims.
- 5.4 The elements of and the factors that contribute to healthcare claims costs.
- 5.5 The main methods by which claims costs may be managed.
- 5.6 The role of the Dispute Resolution Mechanism proposed by the Confederation of Indian Industry study group.

6. Understand the legal and regulatory considerations

- 6.1 Insurance Regulatory and Development Authority of India (IRDAI) initiatives in the health insurance field.
- 6.2 Government initiatives in the health insurance field.
- 6.3 The taxation implications for both holders and corporate purchasers of healthcare insurance.

Reading list

The following list provides details of further reading which may assist you with your studies.

Note: The examination will test the syllabus alone.

The reading list is provided for guidance only and is not in itself the subject of the examination.

The resources listed here will help you keep up-to-date with developments and provide a wider coverage of syllabus topics.

CII/PFS members can access most of the additional study materials below via the Knowledge Services webpage at <https://www.cii.co.uk/knowledge-services/>.

New resources are added frequently - for information about obtaining a copy of an article or book chapter, book loans, or help finding resources, please go to <https://www.cii.co.uk/knowledge-services/> or email knowledge@cii.co.uk.

CII study texts

Indian Healthcare insurance products.
London: CII. Study text IN7.

Books

Health insurance in India – a Review. Dr Rakesh Agarwal. The Insurance Times, 2009.

Indian insurance industry: transition and prospects. D.C.Srivastava (ed). New Delhi: New Century Publications, 2011.

Insurance law in India. K.B Agrawal, Vandana Singh. Alphen aan den Rijn: Kluwer Law International, 2012.

The game is changing: insurance reloaded. K.C.Mishra. Hyderabad: ICFAI University Press, 2005.

Reports

Health insurance in India – K. Sujatha Rao, Secretary, National Commission on Macro Economics and Health, Government of India. Available online at www.who.int.

Reference materials

Dictionary of insurance. C Bennett. 2nd ed. London: Pearson Education, 2004.

Concise encyclopedia of insurance terms. Laurence S. Silver, et al. New York: Routledge, 2010.

Websites

Insurance regulatory and development authority of India: www.irdai.gov.in.

Health insurance India:
www.healthinsuranceindia.org.

Exam technique/study skills

There are many modestly priced guides available in bookshops. You should choose one which suits your requirements.

The Insurance Institute of London holds a lecture on revision techniques for CII exams approximately three times a year. The slides from their most recent lectures can be found at www.cii.co.uk/iilrevision (CII/PFS members only).

- 1 The Employees' State Insurance Scheme (ESIS) initially provided healthcare insurance in India to which category of worker?
 - A Central Government employees only.
 - B Part-time employees only.
 - C Those with fluctuating hours and levels of pay.
 - D Those employed in the formal sector.

- 2 The **main** similarity between the health insurance companies Apollo Munich and Max Bupa, is that they both
 - A launched in 2006.
 - B operate as standalone healthcare insurance companies.
 - C decline to provide personal accident cover.
 - D receive a significant Government subsidy.

- 3 Dilip, a corporate agent, has arranged health insurance policies for 10 customers. This confirms that all these policies
 - A provide critical illness benefits.
 - B require third party administration.
 - C have been issued by the same insurer.
 - D are subject to reinsurance.

- 4 If a healthcare insurer appointed a third party administrator, this would **normally** indicate a significant increase in which area of the insurer's business?
 - A Claims.
 - B Marketing.
 - C Premium lapses.
 - D Reinsurance.

- 5 The Universal Health Insurance Scheme (UHS) is ideally suited to Rajesh and his family. This is because the family is classified as
 - A formal.
 - B public sector.
 - C below the poverty line (BPL).
 - D domiciled in the State of Andhra Pradesh.

- 6 A healthcare insurer wishing to increase its capacity to write new business is **most likely** to seek assistance from
- A a general insurance company.
 - B the Insurance Regulatory and Development Authority.
 - C a life assurance company.
 - D a specialist reinsurance company.
- 7 Shobha wants to arrange a group health insurance scheme for the benefit of her employees. Who is she **most likely** to approach?
- A A corporate agent.
 - B Her accountant.
 - C Her independent intermediary.
 - D A product provider directly.
- 8 Gaurav is a corporate agent obtaining all business from direct sales. He is **least likely** to achieve this by
- A online sales.
 - B referrals.
 - C telemarketing.
 - D sales through a public office.
- 9 The **main advantage** to insurers of intermediated sales is
- A higher premiums.
 - B lower claims costs.
 - C lower staffing costs.
 - D lower excesses.
- 10 Karthik is authorised to provide advice on healthcare insurance across the entire market place. An advantage of any advice he gives is that it should be
- A generic and free.
 - B free and independent.
 - C independent and impartial.
 - D impartial and generic.

- 11 Whilst on holiday, Palash received treatment for nervous and mental problems. What **maximum** percentage, if any, of the sum insured under the healthcare section of his travel insurance policy, is he **likely** to be able to claim for the cost of this treatment?
- A None.
 - B 10%
 - C 20%
 - D 30%
- 12 The sum insured under Omkar's Mediclaim policy is Rs.5,00,000. Assuming typical levels of cover, the **maximum** amount his policy will pay out for each claim in respect of surgeons' or consultants' fees is **likely** to be
- A Rs.5,000.
 - B Rs.1,50,000.
 - C Rs.2,50,000.
 - D Rs.3,00,000.
- 13 If Ashwin received his Mediclaim policy on 1 August, the free look-in period on this policy expired on
- A 3 August.
 - B 16 August.
 - C 22 August.
 - D 31 August.
- 14 Pooja has a standard Mediclaim policy and wishes to obtain maternity benefits. To do this, she should **normally**
- A retain her existing policy and start a new comprehensive policy.
 - B pay an additional premium under her existing policy.
 - C request the removal of maternity benefits from her existing policy exclusions.
 - D take out a second standard policy with specified benefits.
- 15 Hari and Atul are planning their holiday. They have both been advised that a standalone health emergency policy is **most** suited to their current needs. This would indicate their intended mode of transport is
- A train.
 - B cruise ship.
 - C aeroplane.
 - D motorcycle.

- 16 In the healthcare market, which companies are **likely** to offer personal accident policies?
- A General insurance and life insurance companies only.
 - B Life insurance and standalone healthcare insurance companies only.
 - C Standalone healthcare insurance and general insurance companies only.
 - D General insurance, life insurance and standalone healthcare insurance companies.
- 17 Cover under a critical illness insurance policy would **usually** cease at what **maximum** age?
- A 65 years old.
 - B 70 years old.
 - C 75 years old.
 - D 80 years old.
- 18 A policyholder is diagnosed on 1 August as suffering from an illness specified under his individual standalone critical illness policy. What is the **earliest** date that benefits will be paid out?
- A 8 August.
 - B 15 August.
 - C 22 August.
 - D 29 August.
- 19 Soham's critical illness policy includes a 90-day exclusion period for submitting a valid claim. When will this period begin?
- A On the policy date.
 - B 90 days before the renewal date.
 - C On the renewal date.
 - D 90 days before the maturity date.
- 20 A group life insurance scheme has allowed a number of employees to opt out of participation. This indicates that the plan
- A has a maximum sum insured of Rs.2,00,000.
 - B has more than 100 members.
 - C is reinsured.
 - D is contributory.
- 21 A group life insurance scheme consists of 12 employees, across 2 categories of employee, split equally between males and females. The insurer is **likely** to issue a **maximum** of
- A 1 policy.
 - B 2 policies.
 - C 4 policies.
 - D 12 policies.

- 22 Prashant's personal accident and disability benefits are provided as a rider under a different type of group policy. What type of primary group insurance product is this **most likely** to be?
- A Critical illness.
 - B Healthcare.
 - C Life.
 - D Pension.
- 23 Upon retirement, Kapil and Arvind **must** both receive their group pension plan entitlement as a single lump sum, but only Kapil's payment includes accrued interest. This indicates that Arvind's plan
- A pays out before Arvind reaches ages 65.
 - B is a gratuity from his employer.
 - C includes contributions made by Arvind.
 - D has received a transfer from a superannuation plan.
- 24 Kavitha is soon to retire and will receive monthly payments from her group pension plan. This confirms her plan is a
- A formal sector scheme.
 - B superannuation scheme.
 - C provident fund.
 - D public sector scheme.
- 25 Yash has submitted a claim under a typical group healthcare insurance policy for the **maximum** possible pre-hospitalisation and post-hospitalisation expenses. The **total** number of days he can claim for is **likely** to be
- A 30 days.
 - B 45 days.
 - C 60 days.
 - D 90 days.
- 26 A large group healthcare insurance scheme has stipulated that all employees **must** join. The **primary** reason for this action is to
- A enable pre-existing conditions to be covered.
 - B apply a 'cost plus' rating.
 - C avoid anti-selection.
 - D adopt community pricing.

- 27 Krishna and Darshan both have a sum insured of 10 lakhs under a group critical illness insurance policy and have both contracted a disease listed in the policy. If the cost of the treatment has been 1 lakh for Krishna and 3 lakhs for Darshan, how much will each receive from the policy?
- A Krishna will receive 9 lakhs and Darshan will receive 7 lakhs.
 - B Krishna will receive 9 lakhs and Darshan will receive 8 lakhs.
 - C Krishna will receive 10 lakhs and Darshan will receive 8 lakhs.
 - D Both Krishna and Darshan will receive 10 lakhs.
- 28 Latif has recently started a new job with a new employer. He has just joined the employer's group health insurance scheme and used the health screening facility offered by this scheme. The screening has confirmed a long-standing heart condition requiring further treatment. Subject to the policy's terms and conditions, how will the insurer **usually** treat a claim for the treatment costs?
- A The claim will be automatically rejected.
 - B The claim will be settled in full.
 - C Payment will be subject to the outcome of treatment.
 - D Payment will be subject to a substantial excess.
- 29 Vivek has submitted a claim under his typical personal accident policy following a bacterial infection whilst working in another part of India. What payment, if any, can he expect to receive from his insurer?
- A None.
 - B A specified percentage of his current salary.
 - C A specified percentage of the sum insured.
 - D The full sum insured.
- 30 Anish and Sahil have applied to join different group healthcare insurance schemes, but only Anish can include cover for pre-existing conditions. This is because
- A Anish is joining a large corporate scheme, Sahil a Small and Medium Enterprise (SME) scheme.
 - B Anish has a higher salary than Sahil.
 - C Sahil has spent time in hospital during the last 12 months.
 - D Sahil has transferred from an individual healthcare insurance scheme with a different provider.
- 31 Rahul and Manoj both have typical healthcare cover under their individual travel insurance policies. If, whilst outside of India, Rahul was to suffer a medical emergency and Manoj was to have a fatal accident, whose policy, if either, is likely to pay repatriation expenses?
- A Both policies.
 - B Rahul's policy only.
 - C Manoj's policy only.
 - D Neither policy.

- 32 What information is **normally** obtained as part of the fact-finding process with a new customer?
- A Personal information only.
 - B Lifestyle and occupation information only.
 - C Lifestyle and occupation information, needs and objectives only.
 - D Personal, lifestyle and occupation information, needs and objectives.
- 33 The **main** purpose of a fact-find for private medical insurance is to
- A select an appropriate financial adviser.
 - B understand the customer's requirements in order to identify a suitable policy.
 - C find the most favourable price from a range of similar products.
 - D ensure the customer's personal details are accurately recorded on the application form.
- 34 A personal healthcare insurance applicant in 2020 is **likely** to be asked questions about all medical treatments received since
- A 2010.
 - B 2013.
 - C 2015.
 - D 2017.
- 35 What fundamental action **must** be taken before an intermediary can be issued with a quotation from a healthcare insurer?
- A A deposit premium must be paid.
 - B A risk assessment must be carried out.
 - C The customer must be provided with a generic quotation.
 - D The insurer must countersign the fact-find.
- 36 Sunil requests a quotation for an annual premium for a Medclaim policy. He will be 40 next month. How will a quotation for cover to start today be affected by his imminent birthday?
- A The quotation will be based on the rate for a 39-year-old only.
 - B The quotation will be based on the rate for a 40-year-old only.
 - C The quotation will include an adjustment to cover an increase in premium applicable from Sunil's birthday.
 - D The quotation will be based on the rate for a 39-year-old but will be reviewed on his next birthday.

- 37 A healthcare insurer is preparing a quotation for an intermediary and **must** identify the associated administration costs. This would suggest the quotation is in relation to what size of arrangement?
- A An individual plan.
 - B A small to medium private sector plan.
 - C A Government employee scheme.
 - D A large corporate scheme.
- 38 By analysing a completed proposal form, the insurer is
- A assessing the risk.
 - B providing a quotation.
 - C placing the risk.
 - D reinsuring the risk.
- 39 When an intermediary is placing a risk with an insurer on a medically underwritten basis on behalf of his customer, the intermediary **must** ensure he has
- A fully completed the application form himself.
 - B informed the insurer of any inducements he has accepted.
 - C asked the customer for full disclosure of any existing medical conditions.
 - D obtained the customer's medical history from his doctor.
- 40 When a risk is accepted for cover, this forms the basis of an agreement between the
- A insurer and the policyholder only.
 - B intermediary and the insurer only.
 - C policyholder and the intermediary only.
 - D insurer, the intermediary and the policyholder.
- 41 In respect of a healthcare insurance plan recently started for a Small and Medium Enterprise (SME) customer, the insurer will generally need to reassess medical inflation and claims performance
- A annually.
 - B biannually.
 - C every 5 years.
 - D every 10 years.
- 42 A group secretary of a Small and Medium Enterprise (SME) group insurance scheme informs his intermediary that an employee has left the company mid-term. To whom, if anyone, **must** the intermediary forward this information?
- A No one.
 - B The employer.
 - C The insurer.
 - D The Central Board of Taxes.

- 43 At the time of a hospitalisation claim under a healthcare insurance policy, the role of the third party administrator is to act as intermediary between the insurer and the insured and perform which other **primary** function?
- A Obtain a second medical opinion prior to hospital admission.
 - B Request and evaluate quotations from the three nearest hospitals.
 - C Submit hospital and policyholder invoices to the insurer on a weekly basis.
 - D Facilitate a cashless service to the policyholder.
- 44 When a healthcare insurance policy incorporates a loyalty bonus which is triggered after the first year, what form does that bonus **usually** take?
- A A cash refund.
 - B Goods to the equivalent value.
 - C An increase in the level of cover.
 - D A premium reduction.
- 45 Healthcare insurance for a Small and Medium Enterprise (SME) customer was started on 1 January 2020. If, on 1 October 2020, the customer wants to transfer to a new provider on the most favourable terms, the transfer needs to be completed by which latest date?
- A 31 October 2020.
 - B 30 November 2020.
 - C 31 December 2020.
 - D 31 January 2021.
- 46 Which factor is **most likely** to cause the renewal premium for a group healthcare insurance corporate scheme to rise significantly?
- A Inflation.
 - B Switching from a 'cost plus' calculation basis.
 - C Adopting a fully self-fund approach.
 - D Poor claims experience.
- 47 Vivek has declared a pre-existing condition at the time of applying for individual healthcare insurance. How is the insurer **most likely** to respond?
- A Refuse to grant any healthcare cover at all.
 - B Charge an additional premium for this condition only.
 - C Charge an additional premium for all the required cover.
 - D Exclude this condition, but grant cover for future, unconnected conditions.

- 48 A healthcare insurance applicant had a knee problem that was satisfactorily treated 18 months ago. Why would this trigger an exclusion under a policy subject to full medical underwriting?
- A To account for the risk of recurrence.
 - B To satisfy the principle of indemnity.
 - C To comply with the Insurance Regulatory and Development Authority (Protection of Policyholders' Interests) Regulations 2002.
 - D To avoid imposing an increased excess.
- 49 When the moratorium style of underwriting is used and cover for pre-existing conditions is given, what restriction on cover for these conditions **usually** applies?
- A A higher policy excess.
 - B A lower policy benefit limit.
 - C An initial period during which they are excluded.
 - D A survival period after a claim has been made.
- 50 In order to offer full medical underwriting terms under a Medclaim policy, what **key** information does an insurer require from a proposer about any pre-existing medical condition **in addition** to the symptoms and any diagnosis?
- A The date of each episode and any treatment that has been given.
 - B The details of any medication taken only.
 - C The cost of any treatment that has been given only.
 - D The future costs of any treatment and medication only.
- 51 Yash and Akshat have both submitted claims under their healthcare insurance policies. Neither has critical illness cover. Yash is expected to make a full recovery after several months, but Akshat's condition is expected to continue indefinitely. Who, if either, should be successful with their claim?
- A Both Yash and Akshat.
 - B Yash only.
 - C Akshat only.
 - D Neither Yash nor Akshat.
- 52 The **main** concern to a healthcare insurer when offering cover for cancer is **likely** to be that
- A premiums will lapse.
 - B premiums will increase sharply every year.
 - C the condition will become chronic.
 - D the condition will become acute.

- 53 When assessing their exposure costs associated with chemotherapy drugs, healthcare insurance underwriters need to be particularly concerned with which costs in addition to the cost of the drug itself?
- A Preparation and administration costs.
 - B Replacement drug costs.
 - C Experimental treatment costs.
 - D Transportation and import costs.
- 54 When underwriting a proposal for individual healthcare insurance, the underwriter controls risk by giving cover for acute conditions, but **NOT** chronic conditions. This is because an acute condition
- A develops slowly and normally recurs.
 - B develops suddenly and usually has a limited duration.
 - C develops suddenly, but requires long-term treatment.
 - D lasts for a long time and may not respond to treatment.
- 55 Gaurav has spent Rs.2,00,000 on an experimental treatment for his cancer condition. What **maximum** percentage, if any, of this amount could he possibly reclaim under a typical healthcare insurance policy?
- A None.
 - B 25%
 - C 50%
 - D 100%
- 56 A medical insurer is reviewing its ongoing approach to the cover of a particular medical condition for which a new treatment is now available. In doing so it will pay particular attention to which **key** risk factor with regard to the new treatment?
- A Associated aftercare.
 - B Availability of qualified surgeons.
 - C Location of suitably-equipped hospitals.
 - D Success rate.
- 57 Ramesh's health insurance includes an excess of Rs.4,000 per claim and he has entered into a co-payment arrangement with his insurer for Rs.3,000 per claim. If he has received medical services costing Rs.10,000, which are covered under the insurance, how much of this single claim **must** he pay?
- A Rs.1,000
 - B Rs.3,000
 - C Rs.3,500
 - D Rs.7,000

- 58 What is the **most likely** effect of a 10% co-payment clause under a Medclaim policy?
- A The employer is required to pay 10% of selected claims costs.
 - B The member is required to pay 10% of all claims costs.
 - C The employer is required to pay 90% of selected claim costs.
 - D The member is required to pay 90% of all claims costs.
- 59 A healthcare insurance underwriter has called for full medical underwriting of Vignesh's proposal. The **key** areas of information required by the underwriter relate to
- A current state of health and financial history.
 - B financial history and current family situation.
 - C current family situation and previous medical history.
 - D previous medical history and current state of health.
- 60 Ravi has a pre-existing condition, but has now benefited from his health insurance underwriter adopting a rolling moratorium strategy. This indicates that his insurance has been in force for **at least**
- A six months.
 - B one year.
 - C two years.
 - D five years.
- 61 When comparing company-paid group insurance policies with individual private medical insurance, what tends to be the **key** difference, if any, in the age distribution of those covered?
- A Individual arrangements have a higher proportion of people over the age of 50.
 - B Group arrangements have a higher proportion of people over the age of 50.
 - C Group arrangements do not usually include people under the age of 25.
 - D There is no difference.
- 62 A group healthcare insurer which is prepared to provide the widest form of cover possible is **most likely** to quote on which underwriting basis?
- A Condition rated underwriting.
 - B Full medical underwriting.
 - C Medical history disregarded (MHD).
 - D Moratorium underwriting.

- 63 Arka and Sagnick both applied to join their new employer's group health insurance scheme, during the enrolment period following their probationary period. However, only Arka was permitted to join on his chosen date. The **most likely** reason for this is
- A Arka was a part-time employee, Sagnick a full-time employee.
 - B only Arka completed a health questionnaire during the preceding seven days.
 - C only Arka was actively at work on the date cover was to begin.
 - D only Arka has transferred benefits from a previous employer's scheme.
- 64 Ashwin's employer has provided a supplemental benefit programme under its group health insurance scheme. What **key** action **must** Ashwin take in order to take advantage of this facility?
- A Make contributions to the scheme.
 - B Undergo a medical examination.
 - C Agree to experience rating being applied.
 - D Complete an additional probationary period.
- 65 Taraka is applying for an individual private medical insurance policy with a two-year moratorium. What alternative form of underwriting, if any, **must** the insurer offer?
- A No additional form of underwriting must be offered.
 - B Individual underwriting.
 - C Full medical underwriting.
 - D Medical history disregarded (MHD).
- 66 Ketan has a healthcare insurance policy which was underwritten on a rolling moratorium basis. What event will **normally** trigger an extension to the qualifying period?
- A A change in his occupational status.
 - B The diagnosis of a new medical condition.
 - C The recurrence of an existing medical condition.
 - D Starting a hazardous sporting pursuit.
- 67 For the purpose of offering medical history disregarded (MHD) terms under a large group healthcare insurance scheme, what **minimum** proportion of the company's eligible employees, if any, **must usually** be offered cover under the scheme?
- A There is no minimum.
 - B 50% of employees.
 - C 75% of employees.
 - D All employees in a specific group only.

- 68 When assessing an invoice for hospital charges, the claims assessor will **normally** check the fees for accommodation, drugs, dressings and
- A ambulances.
 - B anaesthetists.
 - C operating theatre.
 - D specialists.
- 69 A policyholder has submitted a claim for a condition that **typically** takes a number of years before requiring surgery. Why might this trigger an examination of the application form when considering the claim?
- A To check the identity of the policyholder.
 - B To ensure that pre-existing conditions have been disclosed.
 - C To confirm the level of cover applied for.
 - D To determine the amount of excess to impose.
- 70 A healthcare claim has been submitted three days after the submission period stated on the policy. What is the general rule concerning this situation?
- A The claim will always be rejected.
 - B A late submission charge may be levied.
 - C The days of grace under the policy means the claim will be accepted.
 - D A valid justification for the delay may result in the claim being accepted.
- 71 A healthcare insurance claim of Rs.800 has been made in respect of a procedure with a sub-limit under the policy of Rs.600. The **maximum** amount that can be paid out under this claim is
- A Rs.200
 - B Rs.600
 - C Rs.800
 - D Rs.1,400
- 72 A healthcare insurer received a claim for a condition **NOT** included in the benefits table of the policy. What action is the insurer **most likely** to take?
- A Reject the claim.
 - B Defer paying the claim for up to six months.
 - C Refer the claim to a medical practitioner for evaluation.
 - D Pay the claim up to a pre-selected minimum amount.

- 73 Upon receipt of a claim form, individual healthcare insurance claims are assessed and settled on which basis?
- A Cash settlement.
 - B Indemnity.
 - C Maximum cover.
 - D Persistency.
- 74 Dhruv is responsible for carrying out the auditing stage of a healthcare insurance claim. This indicates that he has considerable experience in which **key** areas?
- A Administration and underwriting.
 - B Insurance services and administration.
 - C Medicine and insurance services.
 - D Administration and medicine.
- 75 Medical expenses covered under a healthcare insurance policy were incurred on 1 March. A typical expiry date for submitting a claim for these expenses would be
- A 15 March.
 - B 30 April.
 - C 31 May.
 - D 31 August.
- 76 When optical costs incurred by a policyholder are higher than the sum insured under the corresponding section of his healthcare policy, who is responsible for the additional amount?
- A The Eye Bank Association of India.
 - B The Optical Society of India.
 - C The policyholder.
 - D The policyholder's employer.
- 77 An Indian healthcare insurer has made effective use of electronic data interchange (EDI). As a result, in which area of business have cost savings **most likely** been made?
- A Claims processing.
 - B Policy writing.
 - C Premium collection.
 - D Underwriting.
- 78 What are the **key** contributing factors towards medical cost inflation?
- A Advanced technology and complex procedures only.
 - B Complex procedures and new drugs only.
 - C New drugs and advanced technology only.
 - D Advanced technology, complex procedures and new drugs.

- 79 In terms of severity and frequency, claims made under a hospital cash plan are **most likely** to be
- A low severity, low frequency.
 - B low severity, high frequency.
 - C high severity, low frequency.
 - D high severity, high frequency.
- 80 What is the **main** potential consequence of anti-selection under a group insurance scheme?
- A Higher claims costs.
 - B Higher levels of mis-selling.
 - C Lower gross premium income.
 - D Lower persistency rates.
- 81 A healthcare insurer is negotiating a package deal with a number of hospitals, in order to better manage the cost of claims. If specialists' costs are included in the package, they are **most likely** to be in respect of which particular area?
- A Complex limb replacements.
 - B Rare diseases.
 - C Routine procedures.
 - D Secondary cancer treatments.
- 82 A healthcare insurer is using clinical guidelines in order to improve the cost effectiveness of its claims management procedures. This method should be particularly useful for which medical conditions?
- A Common.
 - B Contagious.
 - C Incurable.
 - D Rare.
- 83 What is the **main** reason that an insurer often encourages day care surgery in preference to overnight stays?
- A It reflects customer demand.
 - B It reflects the guidance from the Ministry of Health and Family Welfare Government of India.
 - C It tends to keep the treatment costs down.
 - D It tends to improve the success rate.

- 84 In a dispute resolution mechanism (DRM) review, the Insurance Regulatory and Development Authority has taken a view on the veracity of the stand assumed by the healthcare insurer against the providing hospital. What effect, if any, will this have on the legal rights of the parties in dispute?
- A No effect on either party.
 - B Only the hospital now has recourse to the legal system.
 - C Only the insurer now has recourse to the legal system.
 - D Neither party now has recourse to the legal system.
- 85 If a dispute between a healthcare insurer and a hospital **CANNOT** be arbitrated by the Healthcare Insurance Council, after what **minimum** period should it be reviewed by the Insurance Regulatory and Development Authority?
- A 90 days.
 - B 120 days.
 - C 180 days.
 - D 270 days.
- 86 Arun, an employee aged 49, is seeking reimbursement for Rs.20,000 spent purchasing consultations and medicines in respect of a recent illness. The **maximum** tax-exempt payment he could receive under his health insurance in the current tax year will be
- A Rs.5,000.
 - B Rs.10,000.
 - C Rs.20,000.
 - D Rs.25,000.
- 87 A third party administrator has helped a healthcare insurance claimant to obtain the full claim amount from the insurer. When, if ever, is the third party administrator entitled to a share of these proceeds?
- A Never.
 - B Only when the amount received represents the full sum insured.
 - C Only when the case has been referred to the Insurance Ombudsman.
 - D Whenever the claim has taken longer than 180 days to resolve.
- 88 A healthcare insurance applicant recently paid out Rs.20,000 for tests before being medically examined and granted cover. As a consequence of the Insurance Regulatory and Development Authority initiatives, what **minimum** amount is the insurer obliged to reimburse?
- A Rs.2,000
 - B Rs.5,000
 - C Rs.10,000
 - D Rs.20,000

- 89 Raunak's healthcare insurance proposal was accepted on 1 May. In accordance with the Insurance Regulatory and Development Authority (Protection of Policyholders' Interests) Regulations 2002, a copy of written evidence of the contract **must** be supplied to Raunak, free of charge, by
- A 8 May.
 - B 15 May.
 - C 22 May.
 - D 31 May.
- 90 According to the Insurance Regulatory and Development Authority initiatives on the availability of healthcare insurance policies to senior citizens, what is the **minimum** age that a general insurer can decline an application for a standard health insurance policy?
- A 55 years old.
 - B 60 years old.
 - C 65 years old.
 - D 70 years old.
- 91 In accordance with the Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations 2002, medical records established in 2019 **must** be retained in a standard pro forma until **at least** which year?
- A 2024
 - B 2026
 - C 2032
 - D 2034
- 92 Which body under the Ministry of Health and Family Welfare (MoHFW), has responsibility for administering the Hospital Services Consultancy Corporation?
- A Department of Health.
 - B Department of AYUSH.
 - C Indian Council of Medical Research.
 - D Indian Medical Association.
- 93 Sunny, a senior citizen, is seeking reimbursement for Rs.20,000 spent purchasing consultations and medicines in respect of a recent illness. The **maximum** tax-exempt payment he could receive under his health insurance in the current tax year will be
- A Rs.10,000.
 - B Rs.20,000.
 - C Rs.25,000.
 - D Rs.50,000.

- 94 What are the **key** activities within India's fast-growing telemedicine infrastructure?
- A Continuing education and patient monitoring only.
 - B Patient monitoring and remote diagnosis only.
 - C Remote diagnosis and continuing education only.
 - D Remote diagnosis, continuing education and patient monitoring.
- 95 The Indian Government has assisted the health insurance market by reducing the import duty on medical equipment from 25% to
- A 5%.
 - B 10%.
 - C 15%.
 - D 20%.
- 96 The **main** aim of the Indian Government in assisting the health insurance market by raising the depreciation limit on medical equipment, is to
- A encourage more imports.
 - B improve practitioner competence.
 - C minimise underwriting costs.
 - D reduce reliance on telemedicine.
- 97 The Indian Government encourages the treatment of foreign patients by allowing the payment for such services for tax purposes as
- A export earnings.
 - B investment income.
 - C tax-deferred.
 - D tax-free.
- 98 In accordance with the Insurance Regulatory and Development Authority (IRDA) (Third Party Administrators - Health Services) Regulations 2001, when, if ever, is a third party administrator permitted to advertise the services it carries out on behalf of a healthcare insurer?
- A Never.
 - B Only with the prior written approval of the insurer.
 - C Only with the prior written approval of the IRDA.
 - D Whenever it chooses to.

- 99** Which, if either, of the National Rural Health Mission and the National Health Policy 2002, has, as one of its aims, to provide support to the healthcare insurance market by improving the effectiveness of the public health system?
- A** Both the National Rural Health Mission and the National Health Policy 2002.
 - B** The National Rural Health Mission only.
 - C** The National Health Policy 2002 only.
 - D** Neither the National Rural Health Mission nor the National Health Policy 2002.
- 100** Palesh, an employee aged 46, is seeking reimbursement of hospitalisation costs of Rs.80,000, following a recent illness and stay in one of India's top hospitals. The **maximum** amount of what he has paid that will be tax-exempt under his health insurance in the current tax year will be
- A** Rs.15,000.
 - B** Rs.20,000.
 - C** Rs.50,000.
 - D** Rs.80,000.

Specimen Examination Answers and Learning Outcomes Covered

Question	Answer	Learning Outcome	Question	Answer	Learning Outcome	Question	Answer	Learning Outcome
Learning Outcome 1			Learning Outcome 3			Learning Outcome 5		
1	D	1.1	32	D	3.1	68	C	5.1
2	B	1.2	33	B	3.1	69	B	5.1
3	C	1.2	34	C	3.1	70	D	5.2
4	A	1.2	35	B	3.1	71	B	5.2
5	C	1.2	36	A	3.1	72	A	5.2
6	D	1.2	37	D	3.2	73	B	5.1
7	C	1.3	38	A	3.2	74	C	5.3
8	D	1.4	39	C	3.2	75	B	5.3
9	C	1.4	40	A	3.2	76	C	5.3
10	C	1.4	41	A	3.2	77	A	5.4
10 Questions			42	C	3.2	78	D	5.4
			43	D	3.3	79	B	5.4
Learning Outcome 2			44	D	3.4	80	A	5.4
11	A	2.1	45	C	3.4	81	C	5.5
12	B	2.1	46	D	3.4	82	A	5.5
13	B	2.1	15 Questions			83	C	5.5
14	B	2.1				84	B	5.6
15	C	2.1	Learning Outcome 4			85	C	5.6
16	C	2.1	47	D	4.1	18 Questions		
17	A	2.1	48	A	4.1			
18	D	2.1	49	C	4.1	Learning Outcome 6		
19	A	2.1	50	A	4.1	86	D	6.3
20	D	2.1	51	B	4.1	87	A	6.1
21	A	2.1	52	C	4.1	88	C	6.1
22	C	2.1	53	A	4.1	89	D	6.1
23	B	2.1	54	B	4.1	90	C	6.1
24	B	2.1	55	A	4.1	91	C	6.2
25	D	2.1	56	D	4.1	92	A	6.2
26	C	2.1	57	D	4.1	93	D	6.3
27	D	2.1	58	B	4.1	94	D	6.2
28	A	2.1	59	D	4.1	95	A	6.2
29	A	2.1	60	C	4.1	96	A	6.2
30	A	2.1	61	A	4.2	97	A	6.2
31	A	2.1	62	C	4.2	98	B	6.1
21 Questions			63	C	4.2	99	A	6.2
			64	A	4.2	100	D	6.3
			65	C	4.2	15 Questions		
			66	C	4.2			
			67	D	4.1			
			21 Questions					