



CASE STUDY # 6



Medical Risk Assessment in High Value Segment

The High Value segment & preconceived notions

We get to see a lot of “High Value” & “High Networth” cases these days. The definition of High Value could be anything beyond sum assured of Rs 5 Crores and High Networth could be an applicant who is paying more than Rs 2 Lakhs premium per annum. The criteria may vary from insurer to insurer. However, when we talk about High Value, inadvertently the focus is on financial underwriting, “we know he is an affluent client, but does the income proof submitted justify the cover applied?” Sometimes medical risk assessment takes a back seat. It’s almost a preconceived notion that “rich people won’t die”, and anyways medical assessment remains the same irrespective of cover applied.

Insurability above par

We came across a 42 year's old male life who was in jewelry business having retail outlets all over India. The applicant belonged to a sound socio-economic background with documented annual income of above Rs 1 crore. The jewelry outlets run by him was a part of their ancestral gems and jewelry business and their family was also very well known in the business circle. The man had applied for a Term Plan of Rs 12 Crores. Looking at the profile and financial evidence, the applied cover was easily justified, and the financial eligibility couldn't be questioned.

Array of medical reports & assessment

The glaring aspect came to fore when medicals were assessed. Build, BP was within normal limits. There was no personal or family history of Diabetes or Hypertension disclosed. Apparently healthy life. As a standard procedure, Medical Examination Report, Blood & Urine Tests and TMT were called. Initial results of blood & urine test were:

- Urine report showed protein trace
- All other tests including Diabetes Profile, Lipid Profile, Liver Function Tests, Kidney Function Tests (including Creatinine) were within normal limits
- TMT was negative with moderate effort tolerance

Adverse findings in Urine report prompted us to call for Urine Microalbumin. Within a day the results arrived, Urine Microalbumin value was reported as 72 mg/dl, lab limit 75. This was a little tricky as in every day's business we see a normal limit of 30 mg/dl. Mystery shopping

at the DC produced a report with normal range as 0-30. A 'beware' signal became 'STOP & Ponder'

Till now, all the tests were done from the same laboratory. However, this Lab did not have facility for USG Abdomen and 2 D Echo (which are mandatory tests for Sum Assured above Rs 10 Crores) and CBC was missed out by them. Hence, applicant had to be referred to a different diagnostic center.

We received the Imaging tests first, 2 D Echo & USG (Abdomen).

- D Echo was normal, LVEF 62%, No RWMA
- USG (Abdomen) report showed Polycystic Kidney Disease (PKD)

Further results of Blood Tests revealed the following:

- CBC report showed Normochromic Normocytic Anaemia with Hemoglobin 8.8 g/dL
- A team underwriter flagged this as Anemia of Chronic Disease
- Serum Creatinine was done as a reflex test, value reported was 3.2 g/L

Well, the entire picture changed with the second set of reports. This man was suffering from chronic kidney disease (CKD). The first set of reports were clearly not representative of the medical condition of the applicant.

From an underwriting perspective:

CKD

▼ **Chronic** ⓘ

In all cases	Dec
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▼ **Acute** ⓘ

Present	PP
In history, recovered, no sequelae ⓘ	
0-1 year	PP
1-2 years	0
> 2 years	0
Otherwise	Dec

Or PKD

▼ **Confirmed diagnosis of polycystic kidney disease**

Impaired renal function ⓘ	Dec
Normal renal function ⓘ	
Age at onset**	
< 30 years	300*
30-45 years	200*
> 45 years	150*

The obvious decision was to decline the risk. The medical condition per say warrants declination, add to that element of material non-disclosure.

Conclusion

In insurance medicine we rely heavily on lab reports and imprudent (intentional or otherwise) reporting by labs can result in huge underwriting losses. Off course companies do mystery shopping, risk checks and lot of analytics in this area, but still, we do find anomalies like this one. It is critical for an underwriter to use sense of judgement, especially in high value cases where the potential compact could be high. This instance also highlights Quasi Medical training of underwriters with sample case studies.

INCHES underwriting team gets trained extensively by medical professionals (with experience in both clinical & insurance medicine) & SME's, they are geared up to evaluate complex cases & cater to large volumes.

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