



LIFE INSURANCE CLAIMS MANAGEMENT

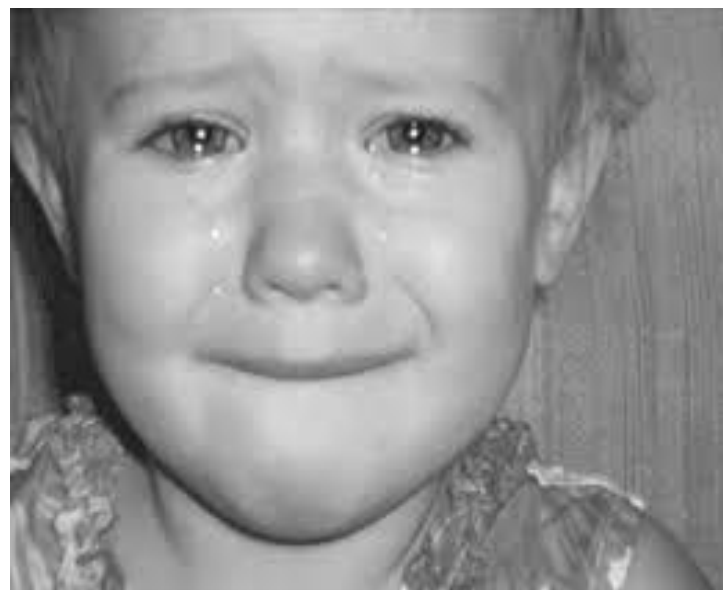
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A Life Insurance claim is an emotional business!!!





"...My husband died suddenly due to an electric shock which has left me and my children in utter despair..."

"...My life ended the day he died. Our once blissful and happy life turned into misery and desolation..."

"...All three of my young children think of their father and weep. His untimely and sudden death has left me and our children in a very bad state..."

"...We only pray to GOD to grant us the tolerance to bear this great burden..."

A reflection on communication from the bereaved families





AGENDA

1. Life Insurance key players
2. Claims Management - Objectives
3. Claim Types
4. Claims Management Process
5. Key parties in Claim Processing
6. Problems in Claims Management
7. Common Claim Disputes
8. Insurance Fraud & its cost
9. Anti-fraud measures
10. Conclusion



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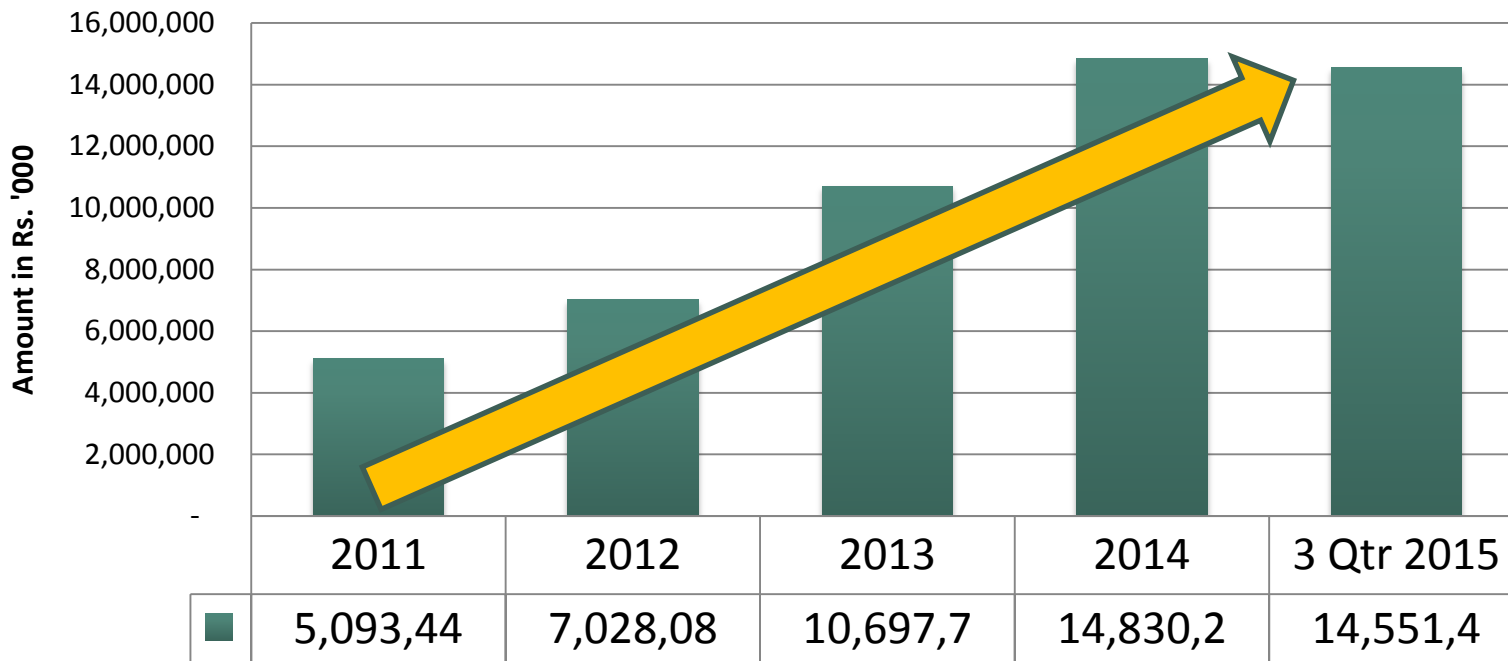
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Life Insurance - Key Players

(Public & Private Sectors)



Net Claims - Major Life Insurance Companies (Private Sector)



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Claims Management - Objectives

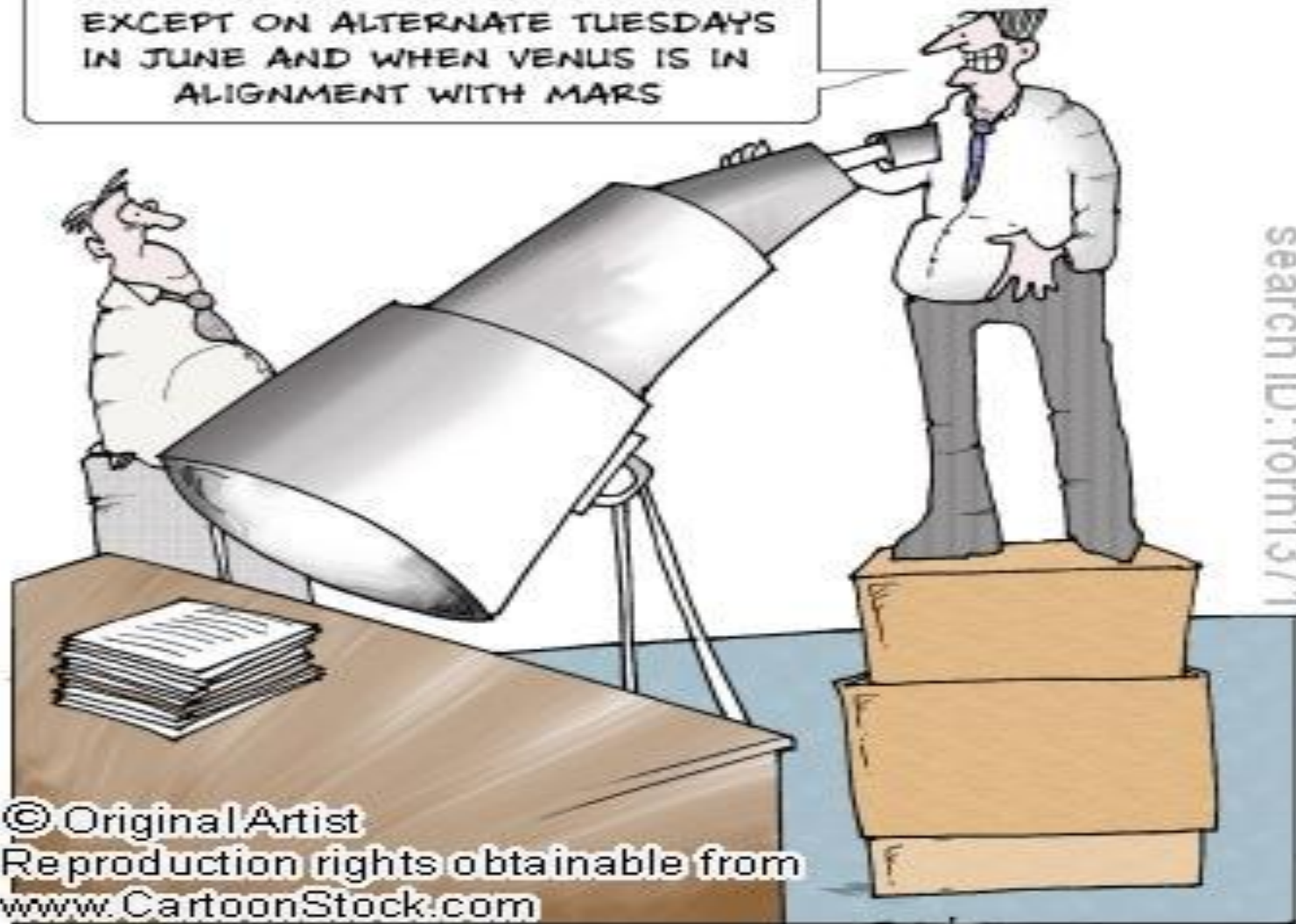
- ✓ Pay genuine claims
- ✓ Timely claim settlement
- ✓ Reduce claim cost
- ✓ Detect fraud
- ✓ Derive information for data driven decision making



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IF YOU LOOK CAREFULLY YOU'LL
SEE THAT ALL CLAIMS ARE INVALID
EXCEPT ON ALTERNATE TUESDAYS
IN JUNE AND WHEN VENUS IS IN
ALIGNMENT WITH MARS



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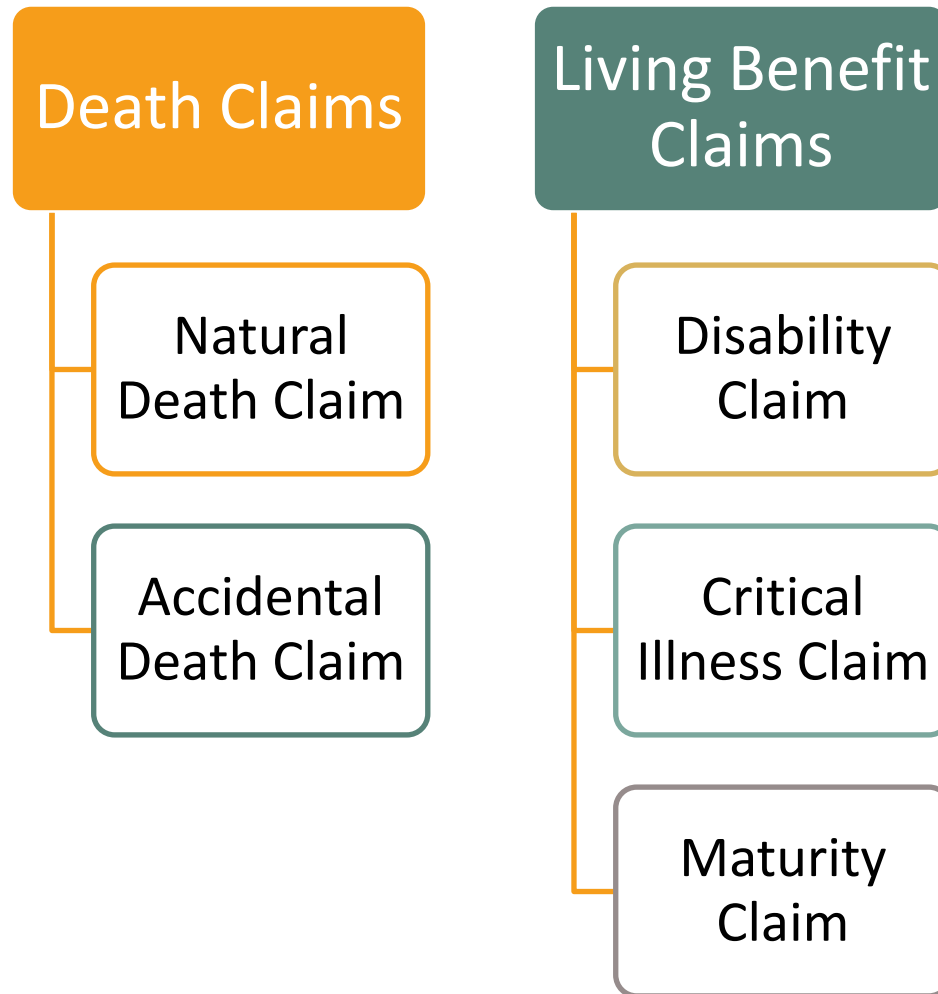
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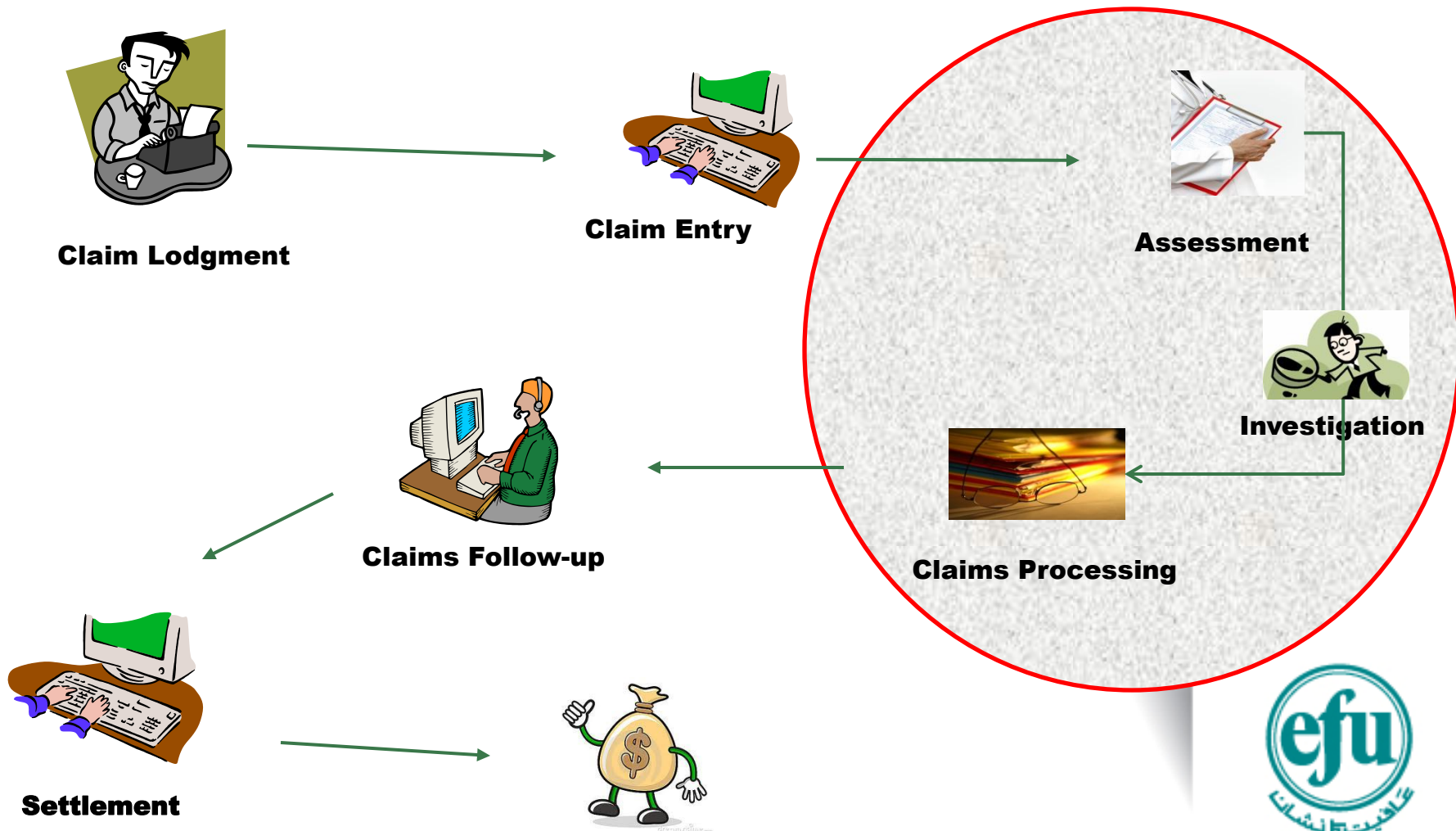
Types of Life Insurance Claims



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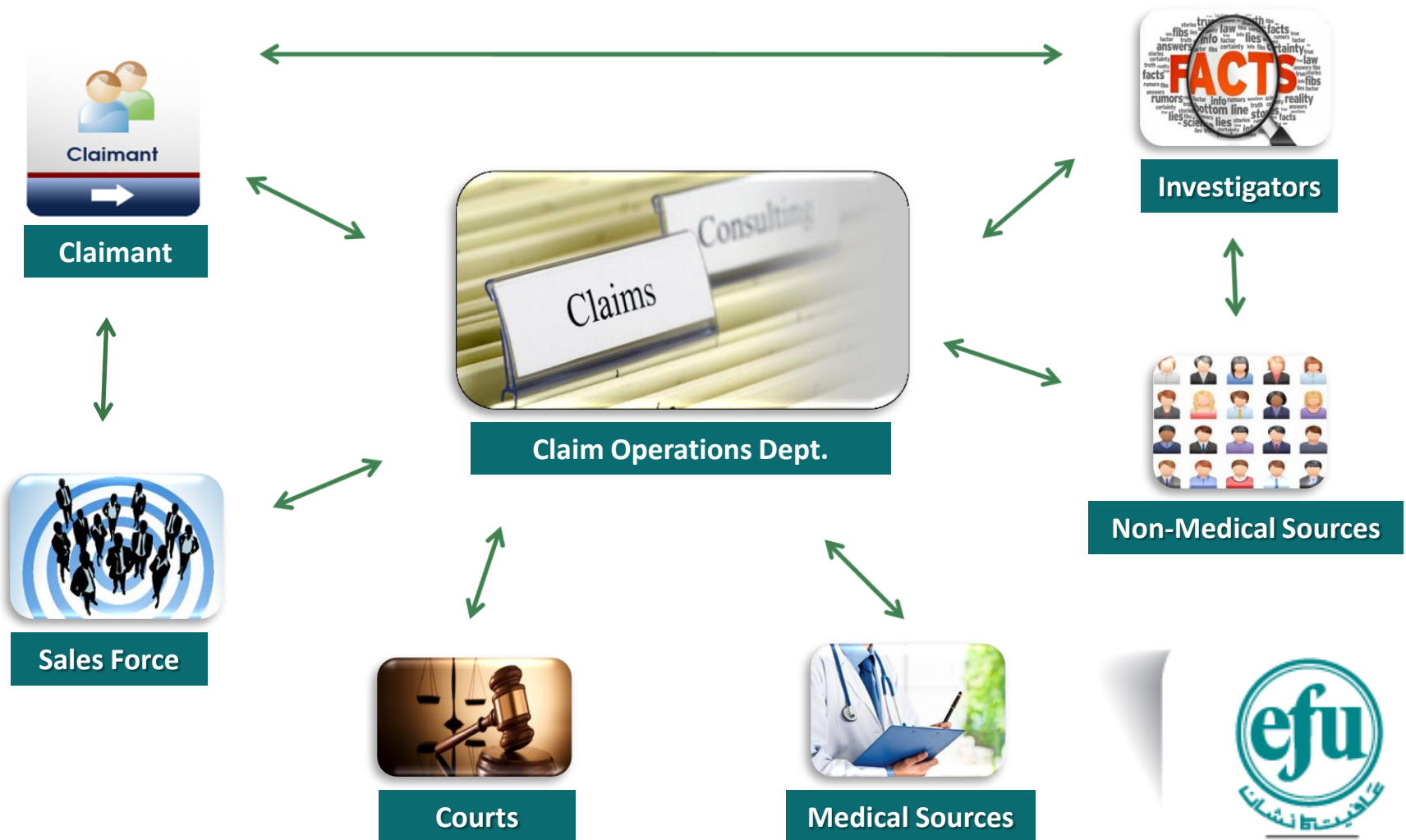
Claims Management - Process



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Parties - External



Parties - Internal

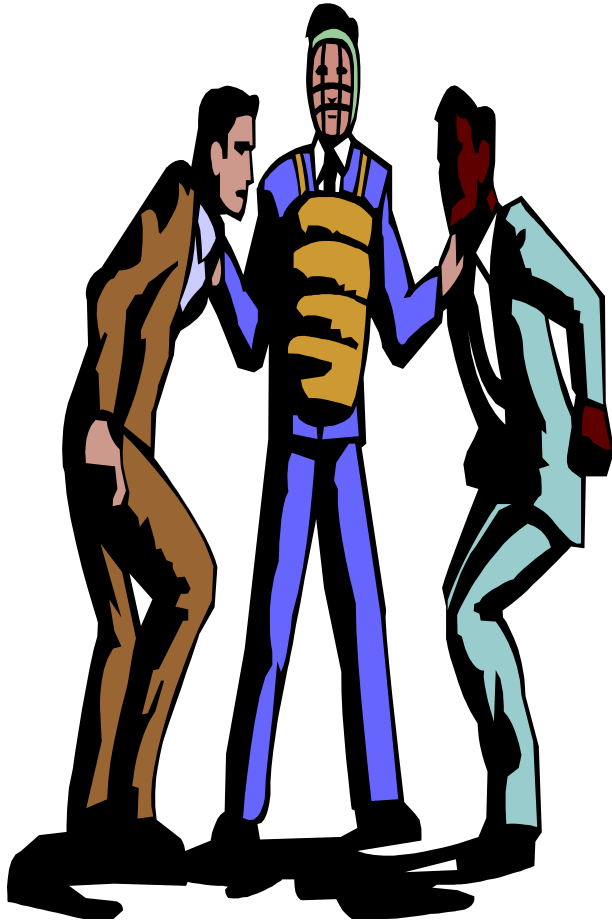


Claims Management Process - Problems

- Lack of Documentation in rural areas
- Language Problems: Sindhi, Siraiki, Punjabi, Pushto
- Unreadable Police records
- Collusion by friends and family
- Collusion by other parties: Doctors/Hospital staff



Common Disputes @ the time of claim



- Signature on documents without reading
- Misinterpretation of policy wordings
- Miscommitment by sales staff
- Non-acceptance of material non-disclosure



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Insurance Fraud

Definition:

- Intent to defraud the insurance company

Types:

- Hard Fraud: Deliberate plan/ invention of a loss
- Soft Fraud: Exaggeration of otherwise legitimate claim

Insurance fraud steals at least \$80 billion every year in US alone.

That's a lot of money... a lot of crime... and plenty of harm to honest people anywhere!!!!



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Long walk: If you place 80 billion one-dollar bills end to end, they'll stretch to the moon and back - about 16 times;

and

Fraud, Inc.: If insurance crooks formed a company called Fraud, Inc., it would rank in the top 10 percent among the Fortune 500 in yearly revenue (35th overall).



IT PAYS TO KEEP INSURANCE FRAUD IN CHECK

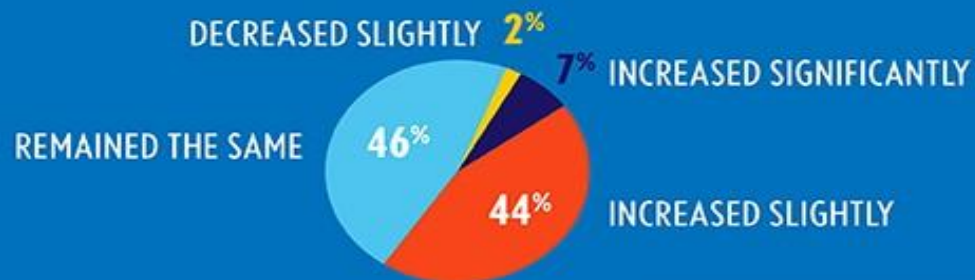


Insurers find benefits in using analytics to keep pace with growing fraud risk.



Growing Suspicion

97% of insurers say fraud has increased or remained the same in the last two years



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Anti-Fraud Measures



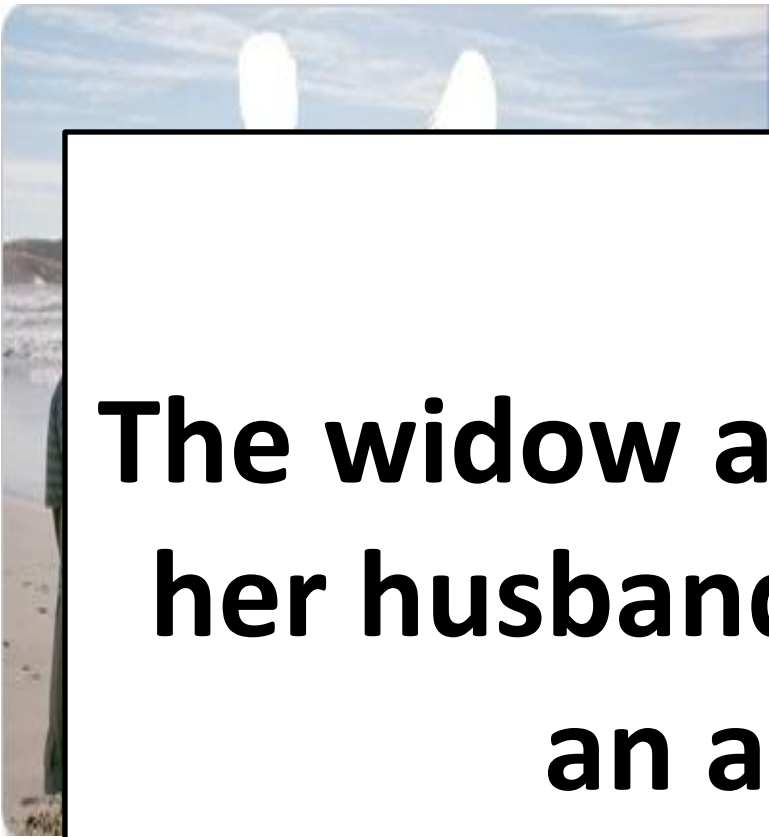
- Watching out for red flags
- Non-reliance on easily accessible documentation
- Using claim investigation agencies
- Training claim examiners
- Proactive claims management
- Effective underwriting



Conclusion



- Clarification at the time of policy issuance
- Training of sales force
- Feedback from claims to underwriters
- Does it make sense!



"...My husband died suddenly due to an electric shock which has left me and my children in a state of grief."

The widow allegedly murdered her husband with the help of an accomplice

A rejection on communication from the bereaved families



THANK YOU FOR YOUR ATTENTION



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