



PENDING CASES: D-JFM SCOURGE

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Why is D-JFM so crucial for the insurance industry?

D-JFM

DECEMBER 2018							JANUARY 2019							FEBRUARY 2019							MARCH 2019						
Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7	6	7	8	9	10	11	12	3	4	5	6	7	8	9	3	4	5	6	7	8	9
8	9	10	11	12	13	14	13	14	15	16	17	18	19	10	11	12	13	14	15	16	10	11	12	13	14	15	16
15	16	17	18	19	20	21	20	21	22	23	24	25	26	17	18	19	20	21	22	23	17	18	19	20	21	22	23
22	23	24	25	26	27	28	27	28	29	30	31	24	25	26	27	28	24	25	26	27	28	29	30				
29	30	31																	31								

December in geographies following Jan-Dec financial year and JFM quarter in India are crucial for the insurance

industry; being the closing of the financial year. Industry operates under twin pressures - pressure of closing at a high new premium amount as well as lowest possible pending cases at claims and legal.

The JFM quarter marks up to 25-40 % of the annual business of any insurance company. The reason of more sales in JFM might be due to part-time agents working rigorously in these months or due to consumers pitched with the view of tax saving or because the insurance companies' lower premiums to achieve their target or it could be all. Another not so obvious reason is the consumers being aware of the pressures, try to sneak in high risk proposals and experience has shown a large percentage of new policies sold in this period are so-called 'bad' lives. Also, probably for the same reason – life insurance gets a large number delayed claim intimation – knowing well enough the pressures to reduce pending numbers and returning attractive numbers to regulator.

Thus, it is obvious both underwriting and claims functions are under much more pressure during this period – both quantum and quality!



The JFM month may be fruitful, but it comes with challenges:

1) With increase in business, increase the challenges that are put forth in front of the business stakeholders. Each department in the insurance company needs to work their bit to achieve the targets.

2) Another challenge includes resource availability to cope up with business volumes, processes and to ensure a good turnaround time for issuance of policies

3) The high number of issuance of policies will be paired with increase in the number of risk analysis to be done and may lead to improper documentation.

4) As the number of policies sold in JFM are higher as compared to the rest of the year, the IT systems are overloaded with over postings and processing. This might lead to negligence of UW and analyzing the reports.

A high payout is seen in cases where cases were not payable but due to improper UW, they had to be paid.

5) Interoperability of the IT systems is also crucial at such times.

6) High number of pending cases which need to be closed before the financial year ending.

Reasons for pending cases may be:

- Lack of requisite medical expertise
- Increasing number of frauds
- Large number of claims
- Improper documentation
- Increasingly relaxed underwriting protocols
- No update of existing processes
- Underwritten document not compatible legally



7) Apart from that, the other challenge that is posed is the solvency ratio (the amount by which the assets of the insurer exceed its liabilities.)

As per international Practices, IRDA has also proposed a move towards risk- based solvency approach to discourage insurance companies from investing in riskier assets.

The Insurance Regulatory and Development Authority, or IRDA, has prescribed methods of valuation of assets and liabilities.

In India, insurers are required to maintain a minimum solvency ratio of 1.50.

The way out

It becomes extremely crucial to follow various checks/ processes not only for this period, but for the whole year.

INCHES X-CLAIM is India's only enterprise to have such an algorithm in place for solutions related to underwriting, medical audit, claims and legal functions, all delivered digitally via a cloud based proprietary tool - by a team of medicos with deep domain experience combining cutting edge technology.

More than 300 years of collective experience in the medical field, along with customized, knowledge-based inputs for the insurance industry combine to create an exclusive enterprise with an unprecedented success rate when it comes to providing solutions for the insurance industry.

INCHES Healthcare Pvt. Ltd understands the pain points of the insurance industry especially during this crucial JFM quarter and has started a special fast track service called X- Claim Fast Track which handles bulk cases, provides the above-mentioned services in a shorter TAT and at a subsidized rate.

INCHES X-Claim Fast track will help in:

- Improving time efficiency
- Reducing the load on man power



- Improve efficiency and quality of results
- No load on internal IT, all documents need to be uploaded on INCHES portal.
- Interoperable systems to ensure data & documents can be uploaded smoothly.
- Reduced TAT
- Improved quality of results

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For more Information:

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