



**Institute of Actuaries of India**

**Subject**  
**SA1 – Health and Care Insurance**  
**For 2017 Examinations**

## **Aim**

The aim of the Health and Care Specialist Applications subject is to instil in the successful candidates the ability to apply knowledge of the Indian health and care environment and the principles of actuarial practice to the provision of health and care benefits in India.

## **Links to other subjects**

Subject ST1 – Health and Care Specialist Technical: provides the underlying principles of health and care upon which this subject is based. It is assumed that candidates have a good understanding of this material.

Candidates can expect to be examined in aspects of general principles developed in Subject ST1 – Health and Care Specialist Technical as well as in India specific aspects developed in this subject.

## **Objectives**

On completion of this subject the candidate will be able to:

- (a) Define the principal terms used in health and care provision in the India.
- (b) Analyse the main types of health and care insurance products in terms of:
  - customer needs
  - interaction with State provision
  - higher order insurer risk considerations
  - bundling and unbundling
  - impact of unit-linked wrappers
- (c) Describe the general business environment for health and care insurers in India, in terms of:
  - products and distribution, including the roles of the State and employers
  - underwriting approaches, including genetic testing
  - use of counterparties
  - external influences – demographic, medical, economic and social

- (d) Understand the legal, taxation and regulatory framework as applicable to Indian health and care insurance:
- taxation of Indian health and care products: premiums, benefits, profits
  - supervision of valuation of assets, liabilities and capital requirements
  - principles underlying the risk based capital regime
  - conduct of business rules
  - financial reporting requirements
  - policyholder protection schemes
  - treating customers fairly
  - statutory actuarial roles
- (e) Describe the principles underlying the requirements of the professional standards and guidance relevant to actuaries practising in Indian health and care operations.
- (f) Understand how to design and price health and care insurance products to be sold by Indian insurers, including:
- policy conditions
  - capital requirements and return on capital
  - marketability, competition and distribution
  - management of the risks
  - availability of good quality and relevant data
  - underwriting
  - reinsurance
  - investment policy
  - the renewal process and options
  - regulatory requirements
- (g) Understand the principles and practices in specific areas of evaluation:
- assessment of the market for a new company launch
  - assessment of overseas markets
  - assessment of a company or portfolio for takeover
  - embedded value analysis
- (h) Evaluate the uses and benefits of reinsurance support in health and care insurance:
- control of risks
  - financing
  - technical assistance
  - reinsurance impact
  - badging
- (i) Analyse the asset-liability matching requirements of Indian health and care insurer and develop appropriate strategies.
- (j) Analyse the experience of a health and care insurer.
- (k) Develop appropriate strategic recommendations for a health and care insurer following an

analysis of experience.

- (l) Understand the considerations underlying the provision of national healthcare systems:
  - the importance of healthcare provision
  - different healthcare systems worldwide
  - different approaches to financing healthcare
  - QALYs (quality adjusted life years)
- (m) Understand areas of best practice in Indian health and care provision.
- (n) Produce coherent advice and recommendations for the overall financial management of a health and care insurance company.
  - Analyse more complex problems in terms of actuarial, economic and financial factors to a level where appropriate analytical techniques may be used.
  - Integrate the results of such an analysis into a coherent whole, and
  - Evaluate critically and interpret the results in a wider context and draw appropriate conclusions.
- (o) Understand the working of Mass Health Insurance Schemes that are prevalent in India including their administration, pricing, evaluation, risks, etc.
- (p) Various provisions of IRDAI (Health Insurance) Regulations 2016 as amended to date along with other provisions applicable to Health Insurance in India issued by IRDAI through various circulars, notifications, etc. from time to time including but not limited to Guidelines on Standardization in Health Insurance 2016, Guidelines on Product Filing in Health Insurance 2016, etc.

**END OF SYLLABUS**