

Welcome to the January 2015 edition of Global Claims Views, a newsletter for our clients from RGA's Global Claims Team. This edition's focus is on:

Disability: Assessing Claimant Effort and Reliability

A view from PsyBar LLC, on assessing claimant effort and reliability when self-reporting symptoms and limitations for disability claims.

- **Global: Critical Illness: Challenges Associated with Gastrointestinal Stromal Tumours (GISTs)**
Dr. Phil Smalley, RGA Global Chief Medical Officer, considers the factors critical illness assessors

Jaya Aiyappan

Principal Claims Consultant

RGA Reinsurance Company
of Australia, Limited

- **Duration management and risk profiling:** The focus of this module is for assessors to utilize the information contained in the Medical Disability (MD) guidelines to predict the lifecycle and duration of a claim. The module aims to provide assessors with the skills and confidence to discuss return-to-work outcomes with claimants and their treating doctors while also improving their understanding of the claimed condition.
- **Functional assessment:** Here the emphasis is on claimant abilities as opposed to inabilities, part of which focuses on the claimant's bio-psychosocial factors. Assessors are given tools to break down the claimant's pre-disability occupation into its key duties and to consider these in relation to a claimant's functioning.
- **Use of medical and investigative resources:** This module considers how assessors can communicate most effectively with treating doctors, with a focus on asking the right questions, building rapport and returning the claimant to work. In doing so, assessors can appropriately gather information directly from a treating doctor, hospital or allied health provider and get the most out of an independent medical examination.
- **Internet searching:** The Internet is an important tool in claims assessment. This module identifies search techniques and information gathering from social media and/or other sites as part of the claims assessment process.
- **Effective use of surveillance:** This module, which is still under development, is a web-based interactive case management simulation, designed to get assessors thinking about the purpose of their investigations and understand how they can be used in the most effective manner.

Another differentiating factor of the CMP is that the learning process does not stop at the completion of its training modules. Once assessors have completed a module, the lessons are reinforced and embedded with them through on-site RGA claims consultants, who assist assessors in applying their newly acquired knowledge to their day-to-day claims assessments. This on-site support is provided in the form of one-on-one claim file reviews, case conferences and file discussions.

What value does CMP add?

By combining the training with on-site support and coaching, the application of these best practice

principles continues to be reinforced. In addition, the focus on setting strategy and placing greater emphasis on capability and bio-psychosocial factors should enable insurers to support claimants in earlier and sustained return-to-work outcomes, leading to shorter claim durations and reduced benefit payments.

What has been rolled out?

To date, RGA has rolled out the following modules to more than 800 participants from clients across Sydney,

Symptom validity testing

Perhaps the best known symptom validity scales are found on the Minnesota Multiphasic Personality Inventory (MMPI), which is available in many languages. The MMPI is the most commonly used psychological test in the world and currently is represented by the second version of the MMPI, the MMPI-2, and by a more recent version, the MMPI-2-RF (Restructured Form). The MMPI-2-RF ("RF") is a shorter test and is completed much more quickly

Critical Illness: Challenges Associated with Gastrointestinal Stromal Tumours (GISTs)

Gastrointestinal Stromal Tumours (GISTs) can occur anywhere along the GI



Dr. Philip Smalley

Senior Vice President,
Global Chief Medical Officer

RGA International
Corporation



thought to be benign due to their characteristically bland histopathologic features. However, it is becoming increasingly clear that virtually all GISTs, over time, have the potential to express malignant behavior. Academics state that it is not appropriate to define any GIST as “benign” (although the /0 code is still used clinically).

Most low or very low risk GISTs can be designated as benign or borderline. There is some debate that non-gastric GISTs that are designated as “low risk” and are between 2 cm and 5 cm should be labelled malignant.

GISTs that are classed as intermediate or high risk would be labelled as code /3 and therefore designated as malignant. This would mean that any GIST greater than 5 cm or has greater than 5 mitoses per 50 HPFs would be labelled as malignant.

The RGA view

If a critical illness definition of cancer requires a malignant tumor, and if the cancer definition does not make specific reference to GISTs in the exclusions, then the following claims approach could be justified.

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Contestability Period Language in Asia Pacific: Are There Unforeseen Consequences?



Kah Tin Tan

Executive Director,
Health Claims

RGA Reinsurance Company

When does the contestability clause end?

While insurers in most markets consider the claim event date the key driver for determining the relevancy of the contestability period, an alternate approach — and one mandated in markets such as Australia and Taiwan — is the claim notification date.

Neither of the contestability clause wording examples specifically mandates that the claim event must occur within two years from policy commencement. Both definitions only make reference to the age of the policy, and state that once the policy has been in force for two years the insurer will not be able to contest a filed claim.

A claimant could delay notification of their claim past the two-year point (although the event occurred within two years) in order to nullify the impact of the contestability period. However in some markets, such as North America, the determinant of whether the contestable period applies is the date of death. For example, if a death is reported 18 months after the actual death date, the insurer still has the right to perform a contestable investigation on the claim as long as the timeframe from issuance of the policy to the date of death are within the contestable period.

A further possible complication (which applies in Australia) is that if a claim is notified within the contestable period, insurers face the challenge of having to complete their investigations and reach a decision *before* the contestable period expires. Even though the date of the event and of the notification were within the contestable period, once the clock ticks over, insurers may lose the right to amend the policy and claim for anything other than fraud, which has a much higher evidentiary bar.

What is meant by “during the lifetime of the insured”?

The use of this phrase may create an added complication when considering the execution of the contestability clause. Consider two separate claims: one a death claim and the other a critical illness claim.

- The death of Mr. X occurs within two years of the policy going into force. Mr. X's beneficiary makes

a claim after the policy has been in force for two years. Does the contestable clause still apply?

- Yes, because the claim arose within two years during the lifetime of the insured.
- Mrs. Y suffers a critical illness within two years of the policy going into force. Mrs. Y makes a claim after the policy has been in force for two years. Does the contestable period still apply?
 - Arguably no, because at the point of notification (still during the lifetime of the insured) more than two years have passed from the policy start date.

What does this mean for insurers?

What these issues highlight is that while the insurer may have a clear philosophy concerning the function of a contestable period, this could be undermined by an ambiguous wording of the clause, which might turn out not to provide the protection during the contestability period that the insurer expects.

What can insurers do to ensure they are protected?

Policy provisions have recently received greater scrutiny from legal experts and industry regulators, ensuring that the consumer is not penalized by unfair terms and practices. So, while the existence of contestability clauses in policies is beyond challenge, what is important is that the clause should specifically mention (where local laws permit) that claims will be contestable when the claim event arises within the relevant time period from commencement.

To ensure insurers are sufficiently protected against non-disclosure and misrepresentation, they should consider:

- When did your company last review its contestable clause language?
- How reliable is the language — is the wording appropriate?
- Does it clearly set out what you intend? **GCV**

Death: Overcoming Challenges Associated with Foreign Death Claims

For most insurers, experience of death claims will be limited to their home or neighboring countries. When a death claim occurs in a foreign territory, the unfamiliarity of the necessary documentation and the procedures surrounding registration and investigation of the death often leaves claims assessors feeling hesitant.

As one of RGA's Value-Added Services, we provide in our Global Underwriting Manual (GUM) a proprietary Overseas Death Claims Guide. This guide, an on-line manual incorporating a range of assessment tools and guides, includes:

Country Guides

This directory provides guidance on the practices, procedures and documentation used to evidence death in several countries around the world. It includes information and examples of certificates relating to evidence requirements, such as death certificates, medical evidence, guidance on death registration and documentation, and formalities surrounding deaths that require additional investigations such as suspicious circumstances or sudden deaths.

This guide is a living document, and is reviewed periodically. However, we also need your help to enhance and develop the guide by sharing your own experiences and knowledge. If you can help, please contact your local RGA office or Jennie Calder-Brown at jcalderbrown@rgare.com.

Death Abroad Questionnaire

A death abroad questionnaire is a useful tool for gathering details about the circumstances of death, purpose of travel and the funeral/burial arrangements.



Jennie Calder Brown

Claims Research,
Development and Training
Manager

RGA UK Services Limited

