

FIMMAS Support for Accident and Health Products

This report provides information about MDI's experience with Accident and Health Products, about current FIMMAS capabilities, and about our roadmap for additional enhancements.

Although in the early years of FIMMAS our focus was primary on life insurance products and then disability, in the last several years we have worked with many types of accident and health products. In 2010 we started working with the Humana implementation (now transferred to Manhattan Life) and we saw that they had many variations of accident and health products in their portfolio. Since then we have worked with blocks of A&H business at several other companies.

Here is a summary of A&H product types / claim types that supported in FIMMAS. The FIMMAS claims module supports all the products that are supported by FIMMAS policy administration.

- Disability Products
 - Long term disability
 - Short term disability
 - Job loss
 - Office overhead expense
 - Credit disability
- Hospital Indemnity and Supplemental Health
- Medical expense
- Long term care
- Accident Products
 - Accidental death
 - Dismemberment
 - Accident indemnity
 - Travel accident
- Critical Illness and Other
 - Critical Illness
 - Terminal Illness
 - Chronic Illness
 - Cancer and other dread disease

MDI's History and Experience with Accident and Health Products

- 1998 -1999: MDI implemented the FIMMAS Group Module. This supports group life and disability products. The Claims module initially provided support for disability and repetitive payment claims. Claims support was subsequently extended to death claims and other types of lump-sum claims.
- 2000 – 2009: MDI provided many claims enhancements in conjunction with New York Life. MDI added more support for disability and job loss products at CIBC in Canada.
- 2010: MDI implemented new variations for Accident Only products.

- 2011: Initiation of FIMMAS installation at Humana, with enhancements for A&H products. This included many variations of hospital indemnity, medical expense, critical illness, and cancer / dread disease.
- 2014-2017: MDI worked with several companies on variations of chronic illness and terminal illness.
- 2018: MDI worked with Wisconsin Guarantee Association for administration and claims of Long-Term Care policies.

Current FIMMAS Capabilities for Health Products

Functionality for A&H Products includes the following capabilities:

- Plan & Ratebook / Product Setup: FIMMAS uses the same core capabilities for A&H products as used for Life products. In addition, there are a few special features for A&H products:
 - Benefit Series: This defines the appropriate combinations of benefit periods & elimination periods for each A&H benefit. This structure provides additional rules for claim handling.
 - Premium rating: A&H products utilize the same core premium rate structure as for Life products. But special needs of the A&H premium rating are accommodated by a) configuration of Risk Class, Special Risk Class, and Coverage Code, b) vary rates by State when needed, c) vary rates by geo area (zip code range) when needed, d) vary rates by Benefit Series when needed.
 - Limits: Some A&H products need the capability to define various types of “limits”. We have extended FIMMAS Plan Rules and Benefit Rules to define various types of calendar year, policy year, and lifetime limits.
 - Additional rules structure for calculating benefit / claim amounts: such as for the conditions on a dismemberment claim. This capability in FIMMAS is called Benefit Extensions or Benefit Provisions.
- New business: Enrollment, underwriting support, and policy issue use the same core features for A&H as for Life products.
- Commission calculation and payments use the same core features for A&H as for Life products.
- Billing and Collection utilize the same core features for A&H as for Life products.
- Policy Administration utilizes the same core features for A&H as for Life products.
- Reinsurance Administration utilizes the same core features for A&H as for Life products.
- Claims: Each different type / category of claims has its own appropriate rules, claim calculations, and edits.
- Reserves and Valuation utilize the same core features for A&H as for Life products.
- FIMMAS Accounting (policy, commission, reinsurance) utilize the same core features for A&H as for Life products.
- FIMMAS has functionality to implement state approved premium rate increases.

Here is additional information pertaining to a few specific types of A&H products:

CRITICAL ILLNESS

Critical Illness covers the risk of having a listed disease or health event such as Heart Attack, Stroke, Cancer, Lung Disease, etc.

HEALTH INDEMNITY / HOSPITAL INDEMNITY

Hospital Indemnity insurance pays a fixed benefit amount for each day the insured is hospitalized. These products can have waiting and elimination periods or pay out benefits from day one. They also can have a maximum payable benefit for each hospitalization or for total number of days of hospitalization for multiple hospital stays.

LONG TERM CARE

Long Term Care Insurance pays benefits for loss of Activities of Daily Living, confinement to a care facility, home health care, and/or cognitive decline. Benefits can either be paid as a reimbursement of actual care costs or as an indemnity per day/per month of insurance event.