

ASSEMBLE INSURANCE (T) LTD

UNDERWRITING GUIDELINE



**DEPARTMENTAL POLICY MEMO: UNDERWRITING PROCEDURE MANUAL –
MEDICAL INSURANCE**

FROM: HEAD OF OPERATIONS

TO: AUDIT, RISK AND COMPLIANCE COMMITTEE

DATE: 13th June 2024

Changes to the Underwriting Procedure Manual – Medical Insurance

- I. Update the Maximum entry age to retail & SME clients
- ii. Update the Departmental Structure to align with the current structure
- iii. Update the AIT RENEWAL PRICING STRUCTURE

The rationale for the changes

Compliance with our product that are on a market right now like retail-old age product, the normal insurance day to day practices, the current portfolio performance and the current department structure

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MEDICAL UNDERWRITING GUIDELINES

INTRODUCTION

i. Scope Guide

Define the process and activities involved in medical underwriting from inception to service delivery. Medical business is acquired mainly by selling of the Insurance products through sales Department, agents, brokers, and banks (Banc Assurance)

ii. Deliverables

1. Minimize risks by assessing clients who are on boarding and existing
2. Monitor the performance of ASSEMBLE Insurance Client's portfolio
3. Development of new Insurance Products

iii. The Purpose/Objective of this underwriting guide Document

Define the process and activities involved in medical underwriting

iv. Why the Department Exists

To evaluate new and existing clients on the basis of medical history in order to set the insurance terms and to decide whether to offer coverage or not and provide upfront clarity on what will or will not be covered by the particular policy.

v. Customer expectation

- ❖ Quality service delivery
- ❖ Timely feedback on decisions made
- ❖ Innovative products

vi. Activities undertaken in the department

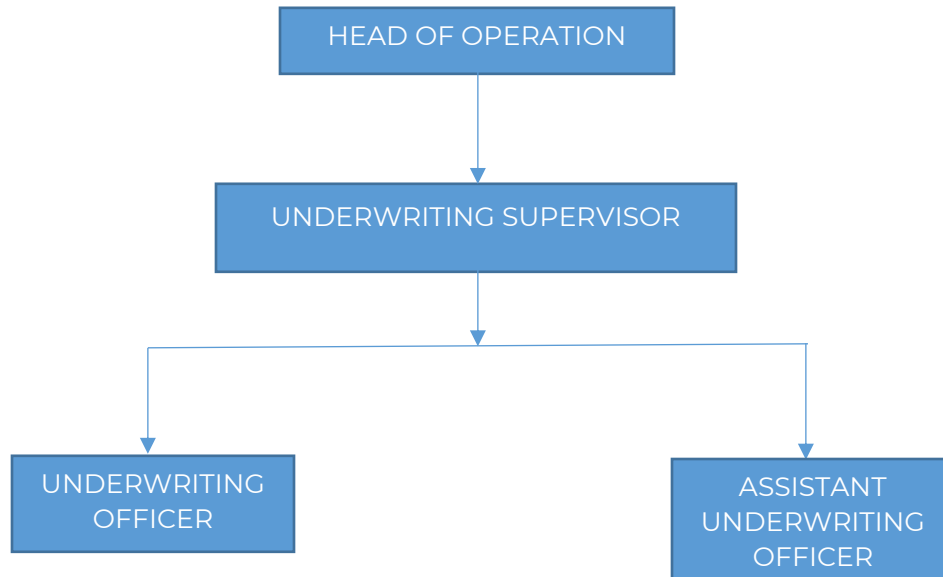
1. Pricing of new/prospecting clients –For Corporate
2. Booking of clients and their terms in the operation system
3. Issuance of Pro-forma/endorsement/Debit note
4. Preparation of Policy/Endorsement Documents
5. Coordination of the Reinsurance arrangements
6. Review of Medical Reports/Declaration with the help of AIT medical personals

i.e.: Application Forms, Medical Examination Reports and Client Medical utilization Reports

7. Preparation of Department Reports

vii. Underwriting Department Organogram

UNDERWRITING DERPARTMENT ORGANGRAMO



UNDERWRITING PROCESSES

1. PRICING OF THE NEW/PROSPECTING BUSINESSES

A. PRICING FOR NEW RETAIL & SME BUSINESS

Business Development Manager/Sales Agent/Broker/Customer service department/other trained staff may issue Standard Quotation from Smart Health System for the prospect client on different coverage available.

The agreed standard for quotation turnaround is 8 hours from receipt of the request. This can vary if the team requires more information or follow-up. In all cases the team is required to always keep the party who requested the quote up-to-date on the progress of the quote.

Once the client has confirmed the selected cover, the person that issued the quotation will confirm the same on the system and submit to the underwriting department a duly filled application form for Retail members and a List of members with their names and DOB for SME.

The underwriter will review the submitted documents and quotation for a second confirmation (approval) and then issue a proforma invoice for payment.

NOTE:

The maximum entry age under Retail and SME Plans is 84 years. A Medical Examination report will be required for members aged 50 years and above. A medical assessor will examine the filled application form together with the medical report and advise the underwriter accordingly. Basing on the guidance provided from the medical assessor the underwriter may accept/decline/load/ or downgrade cover. The minimum number of staff for the SME plan is 5 and the maximum number is 10.

Individual/Family who has been insured by ASSEMBLE under a Corporate Plan may join the Retail Plan after the age of 59 subject to approval from the Underwriting supervisor/Actuarial Department Supervisor who will consider among other things, the previous claim utilization of the client.

Once payment is received, we verify premium and benefit terms in Smart Health System then send the documents to the membership department for enrollment and card printing. After member's enrollment, we generate debit note for the Finance Department to issue a receipt.

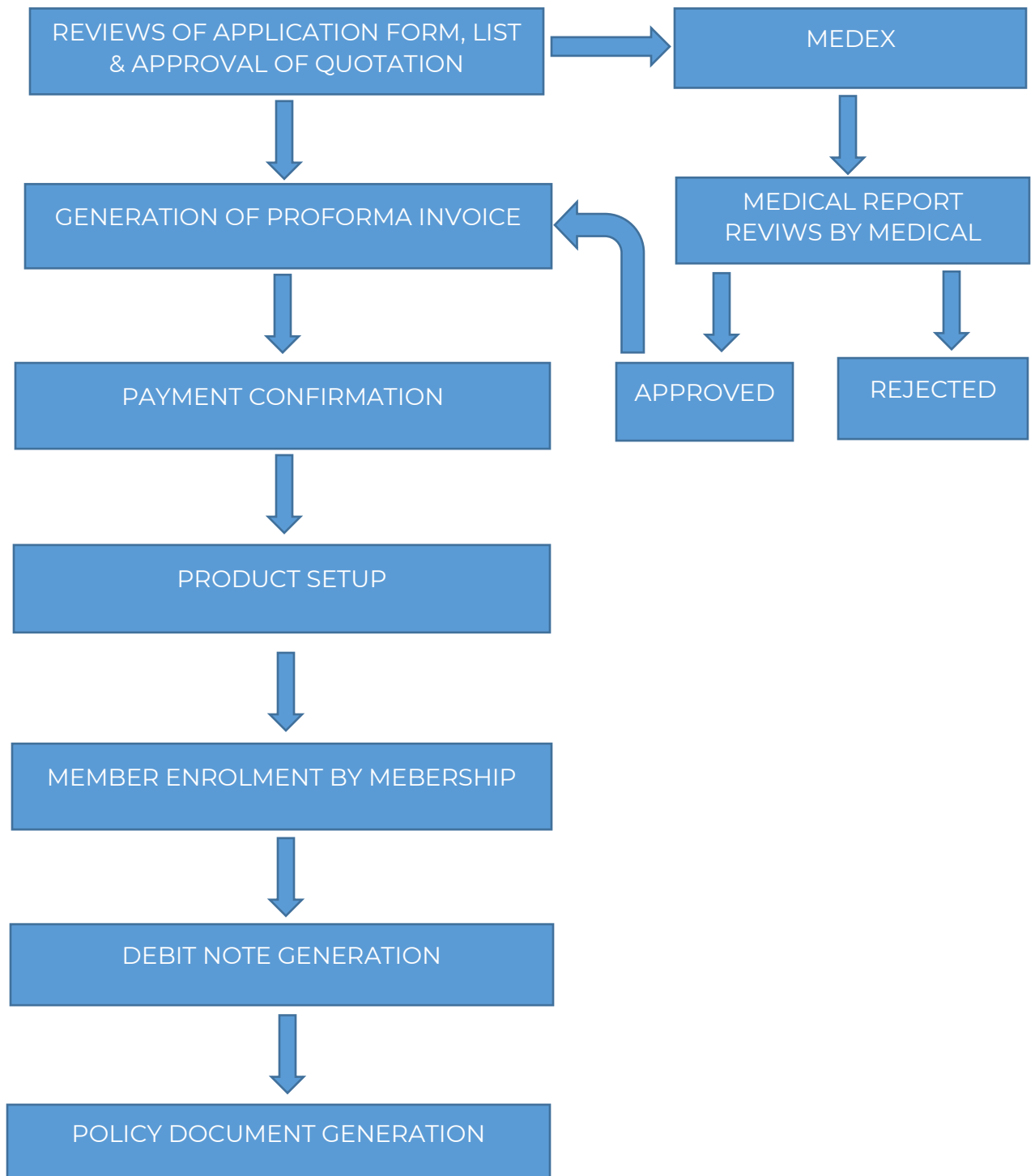
The policy document will be reviewed by the Underwriting Officer/Underwriting Supervisor/ Actuarial team and Signed by the Head of operation/Financial Controller/Managing director.

Policy documents and Card to be issued to the client at the same time.

NOTE:

Provided that, an application form has been filled and signed by the insured, the insurance cover will be valid provided that the premium has been paid and there is no request to change policy terms for the first fourteen (14 days) since the inception of the policy.

NEW RETAIL AND SME PROCESS FLOW CHART



B. PRICING FOR NEW CORPORATE BUSINESS

Request for quotation are received from sales staff/ sales agents/ Insurance brokers/customer services and Assemble info mail. The agreed Quotation turnaround time is 8 working hours from the requested time. This can vary if the team requires more information or follow-up.in all cases the team is required to always keep the party who requested the quote up-to-date on the progress of the quote.

Corporate prospects are priced based on the AIT portfolio performance by providing different options as requested by the client. The minimum number of staff for a corporate plan is 11.

Where the type of client is outside a normal scope of cover e.g. **SACCOS, MILITARY ENTITY, INFORMAL GROUP & MICROINSURANCE PRODUCTS** are referred to the Underwriting supervisor/Actuarial Department for further guidance.

Basic information for corporate quotation

- i. nature of business of the client
- ii. Geographical location of the majority of members to be insured
- iii. Proposed benefits by the client/special request e.g. access to ist & premier care
- iv. No of members to be insured
- v. Claim history (if known)
- vi. Type of product requested i.e. fund or insurance or both

NOTE: Minimum cover is inpatient only

A quotation folder will be kept where all quotes are saved. Underwriter will check in the folder before preparing the quotation in order to harmonies the process and eliminate the tendency of preparing multiple quotations for same client.

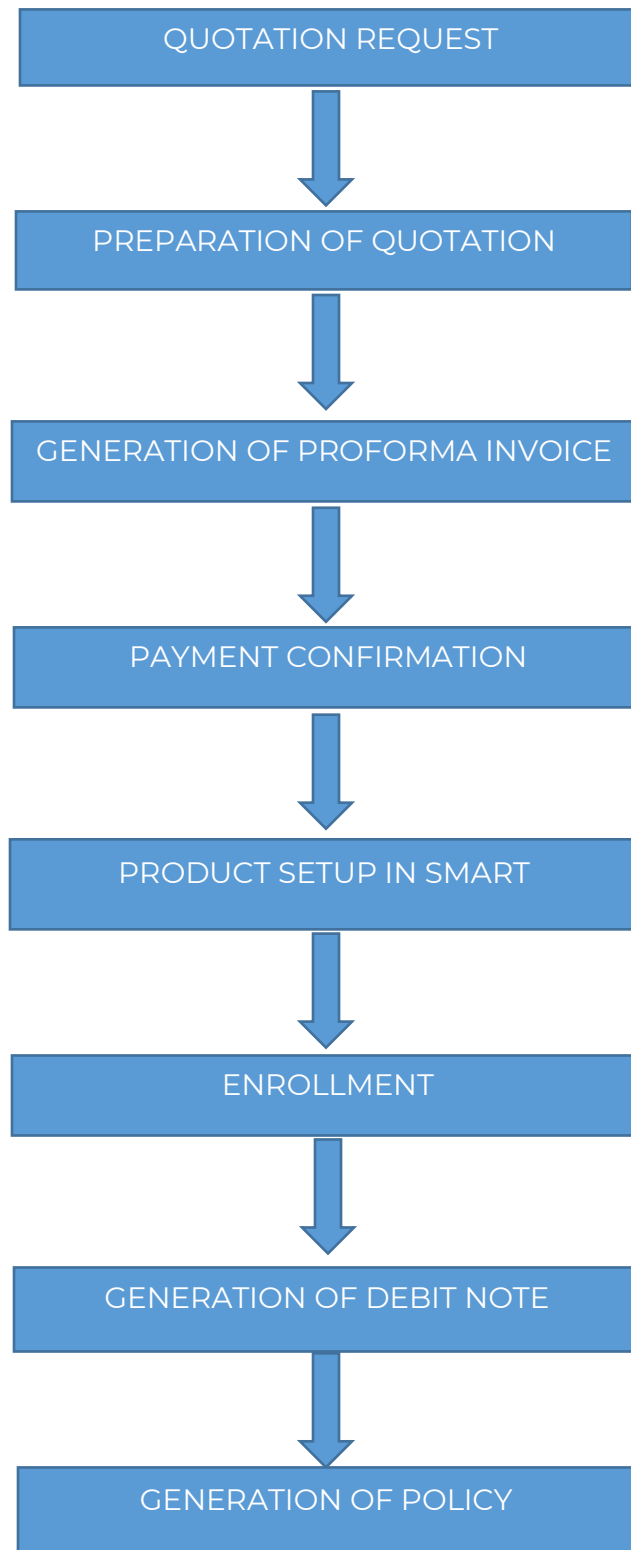
NOTE: upon issuing a quote requested by a direct sales agent no other direct sales agent will be provided the quote for the same client up to 3 month of no follow up by the requested agent. it should also be noted that to all agents/brokers and related parties that ASSEMBLE Insurance is a corruption-free entity and therefore does not accept nor give any kickback/rewards for business placed with ASSEMBLE apart from the agreed commission & guidance of TIRA.

Once a client chooses a desired cover and is ready for payment, we issue a pro- forma invoice for payment purposes. The agreed Invoice turnaround time is 3 working hours from the requested time. This can vary if the team requires more information or follow-up. in all cases the team is required to always keep the party who requested the invoice up-to-date on the progress of the quote.

The new company needs to fill in a corporate application form and each employee fills in a membership proposal form, both forms must be signed and stamped.

Once payment is received, we book premium and benefit terms in Smart Health System then send the documents to the membership department for enrollment and card printing. After members' enrollment, we generate a debit note in order for the Finance Department to issue receipt so that all members can be valid and eligible to access the service.

NEW CORPORATE PROCESS FLOW CHART



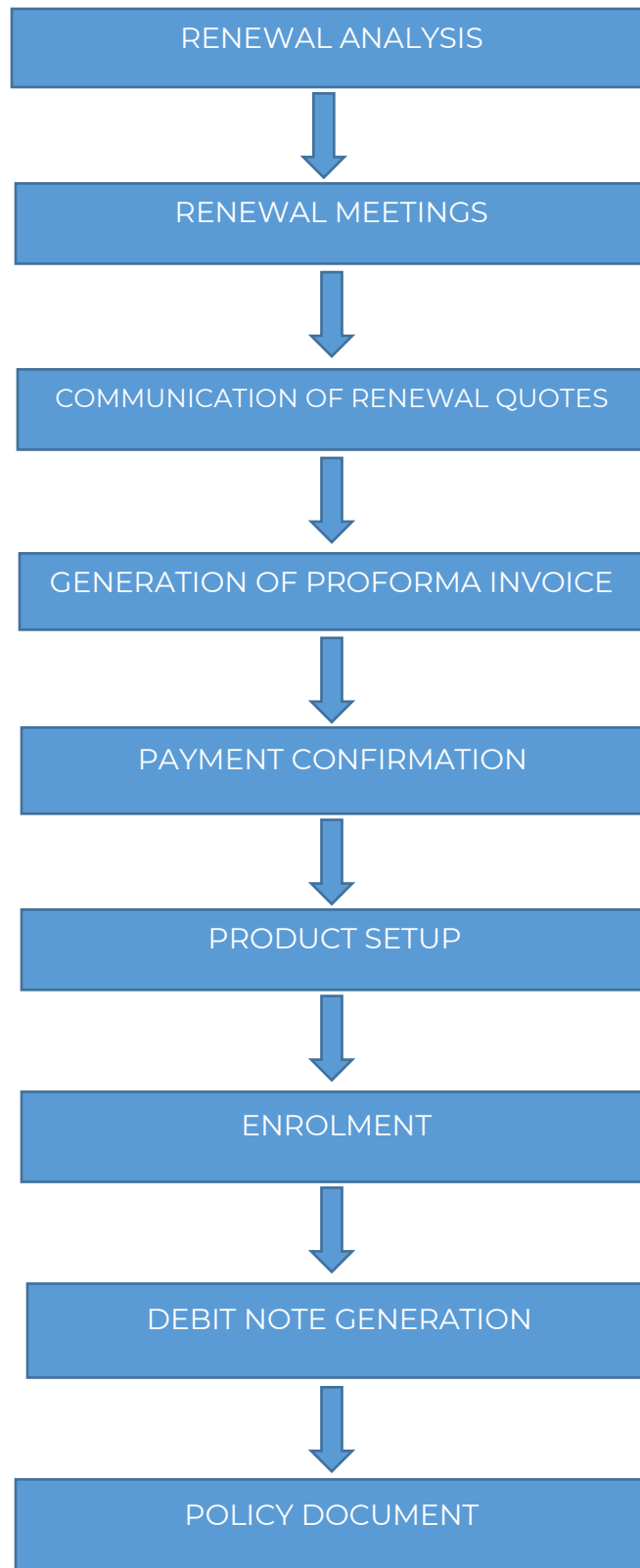
2. RENEWAL PROCESS

Actuarial team review and share with renewal committee the performance of each account renewing in a particular Month by considering factors mentioned in appendix i and ii after accommodating committee's recommendations, quotations are shared to retention team to facilitate renewal negotiation. Underwriters are also members of the renewal committee. Once the client confirms renewal quotation, underwriter will issue pro-form invoice.

Once payment is received, underwriters will book premium and benefit terms in Smart Health System and then send the documents to the membership department for enrollment and card printing. After members' enrollment, we generate a debit note in order for the Finance Department to issue receipt so that all members can be valid and eligible to access the service.

The policy document will be reviewed by the Underwriting Officer/Underwriting Supervisor/ Actuarial team and Signed by the Head of operation/Financial Controller/Managing director.

RENEWAL PROCESS FLOW CHART



3. MID POLICY ADDITIONAL MEMBERS

When a member is added mid insurance policy, he/she has to fill medical insurance application form for additional members. After the form has gone through the verification and enrollment process, the underwriter will use quotation details on the Endorsement Page in the Smart Health System to generated pro-forma invoice.

Once premium is received, endorsement and Debit Note are generated so that finance department can proceed with receipt for the member to be valid.

4. CANCELLATION/CESSATION OF MEMBER

An employer may cancel the cover of a staff/dependent of a staff or a particular family. The employer should fill in a cessation form and the membership department will terminate members from the date indicated on the form.

Provided there are no claims submitted, after 90 days the underwriter will issue a premium credit note on prorated basis. Employers are required to return all medical identification cards to ASSEMBLE Insurance Company.

5. FILLING OF DOCUMENTS

Underwriting department is keeping its own records. This includes Policy documents, Quotations and Reinsurance Records. These records are kept in either soft or hard copy.

6. PREPARATION OF DEPARTMENTAL REPORT

Departmental and operational reports are an important performance monitoring instrument, the reports should be made available on 5th of each month to enable appropriate decisions/actions to be taken. These reports include

- i. Premium Register (On monthly basis)
- ii. Reinsurance Report (as per the treaty)
- iii. Operational Reports (On monthly)
- iv. Invoice Generated Report (on daily basis)

APPENDIX I



AIT RENEWAL PRICING STRUCTURE – CORPORATES/SME

AIT charges premium based on scheme performance as indicated below with a target portfolio loss ratio of 62%. Therefore, accounts with loss ratio of up to 60% have Inflationary loading of 5% on their current premium rates as indicated in the below schedule.

Claim Ratio	Discount / Loading for 2021/2022
Below 60%	5%
61% to 70%	10%
71% to 80%	15%
81% to 90%	Load by 25%
91% to 100%	Load by 30% with restricted provider network
100% to 149%	1. Convert Outpatient to Fund management and IP on insurance or load 50% with a restricted provider network
	2. Review price and load as per pricing guideline with consideration of previous loss experience.
OVER 150%	Decline Cover both for Outpatient and Inpatient. Offer Fund for both.

Together with the above table, the renewal decision will also take into consideration the below factors:

1. Three years' experience of the account
2. Claims trend – Taking out outlier
3. The one-time incurred cases and not repeated cases like funeral
4. AIT Management Decision - Exceptional pricing decision based on the Company strategic approach. This must be approved by either Head of Operations, Financial controller or Managing director
5. AIT Portfolio performance
6. Possibility of adding GI business
7. Effect of Competition from other insurers

APPENDIX II



AIT RENEWAL PRICING STRUCTURE - FOR INDIVIDUAL

AIT charges premium based on scheme performance as indicated below with a target portfolio loss ratio of 62%. Therefore, Individual with loss ratio of up to 70% have NO loading on their current premium rates as indicated in the below schedule.

Claim Ratio	Discount / Loading for 2024/2025
0% to 70%	0%
71% to 80%	7%
81% to 90%	12.5%
91% to 100%	18%
91% to 100%	25%
100% and above	35%

Together with the above table, the renewal decision will also take into consideration the below factors:

1. Three years' experience of the client.
2. Claims trend – Taking out outlier.
3. The one-time incurred cases and not repeated cases like funeral
4. AIT Management Decision - Exceptional pricing decision based on the Company strategic approach. This must be approved by either Head of Operations, Financial controller or Managing director
5. Retail Portfolio performance.
6. Effect of Competition from other insurers.

This Underwriting Guideline – Medical has been reviewed and approved by the Board of Directors of Assemble Insurance Tanzania Limited.

Date: 27th November 2024

Signature:  _____

Name: Agnes Batengas

Designation: Board Chairperson