

Private Medical Insurance Practice

3rd March 2024

Instructions to candidates

Read the instructions below before answering any questions

Three hours are allowed for this paper which carries a total of 160 marks, as follows:

Part I

1 compulsory question (case study) 80 marks

Part II

2 questions selected from 3 (scenarios) 40 marks each for a total of 80marks

- You should answer the question in Part I, and two out of the three questions in Part II.
- You are advised to spend no more than 90 minutes on Part I and 45 minutes on each question selected in Part II.
- It is recommended that you spend 15 minutes reading and planning your answer to the case study and 75 minutes answering it, and that you spend 10 minutes reading and planning your answer to each scenario and 35 minutes answering it.
- A case study tests extensively across syllabus learning outcomes, whilst a scenario will be more focused on specific learning outcomes.
- Read carefully all questions and information provided before starting to answer. Your answer will be marked strictly in accordance with the question set.
- You may find it helpful in some places to make rough notes in the answer booklet. If you do this, you should cross through these notes before you hand in the booklet.
- Answer each question on a new page. If a question has more than one part, leave six lines blank after each part.

PART I
Case study

This question is worth 80 marks
You should include relevant examples and further reading in your answer where applicable

QUESTION 1

CASE STUDY

Research among low-income communities in developing economies, consistently shows that there is significant demand for more affordable pre-paid healthcare. Health Management Organisations (HMOs) were the first to successfully introduce pre-paid healthcare to Uganda, but never seriously targeted the low-income market. Insurers that offer health insurance products in Africa, on the other hand, have consistently failed to achieve sustainable profitability.

QUESTION

Given the circumstances presented above, analyse the components necessary to guarantee accessibility, equitable distribution, affordable pricing, cost containment and fulfilment of the indigenous market's healthcare insurance requirements, notably within the private healthcare sector.

(80 marks)

PART II

Scenarios

**Answer TWO of the following THREE questions.
Each question is worth 40 marks**

QUESTION 2

SCENARIO

John is a UK citizen employed with a construction firm and who is considering purchasing Private Medical Insurance (PMI) cover for himself and his family. He wants to understand the background of health insurance and why individuals and businesses might choose PMI.

QUESTION

Based on the scenario provided, critically analyse the factors that influence individuals and businesses to opt for PMI cover, considering both the UK market and international PMI options available to expatriates. Include a discussion on the advantages and disadvantages of PMI cover in these contexts.

(40 marks)

QUESTION 3

SCENARIO

Anna is a 35-year-old individual considering purchasing a personal private health insurance policy. She has a pre-existing medical condition, diabetes, which requires ongoing management. Anna wants to understand the underwriting process in personal private health insurance and how her condition might affect the terms and premium of her policy.

QUESTION

Based on the scenario provided, analyse the underwriting process in personal private health insurance and discuss how Anna's pre-existing medical condition of diabetes may impact the terms and premium of her policy. Additionally, evaluate the potential options or considerations available to Anna to obtain the desired coverage while managing the risk profile associated with her condition.

(40 marks)

QUESTION 4

SCENARIO

Sarah is a 42-year-old individual who is considering purchasing private medical insurance (PMI) to meet her healthcare needs. She wants to understand the different types of products available in the PMI market that can cater to her specific requirements.

QUESTION

Based on the scenario provided, analyse the types of products that the PMI market offers to meet the healthcare needs of individuals like Sarah. Your answer should discuss the key features, coverage options, and benefits of each product type. Additionally, evaluate the factors Sarah should consider when selecting a suitable PMI product to ensure it meets her unique healthcare needs.

(40 marks)