

Insurance Industry

A. Background

B. Occupations

- 1) Adjudicator/ Case Manager
- 2) Medical Underwriter
- 3) Other Positions in the Field

C. Labour Market Prospects

D. ITPs in the Field

E. Links

A. Background

According to the Canadian Life and Health Insurance Association, at the end of 2003, about 6.8 million residents of Ontario owned \$1 trillion of life insurance, providing their dependents with financial protection in the event of their death. Supplementary health and disability insurance plans in Ontario provided 3.6 million workers with disability income protection, and 3.3 million people and their 4.7 million dependents with extended health care coverage

Nationally, 108 life and health insurance companies employ 118,000 Canadians including 45,800 full-time administrative staff (not including agents). The head offices of 74 life insurers are located in Ontario. In total, 106 insurers are licensed to conduct business in the province. There are estimated 2,300 underwriters working in Ontario.

Types of Insurance, i.e.,

- Life
- Catastrophic
- Health
- Disability Income Insurance
- Extended Health Care benefits
- Dental plans
- Critical Illness coverage
- Travel out of Country
- Long Term Care
- Accidental Death and Dismemberment benefits
- Automobile
- Homeowner's
- Fire
- Personal Injury
- Liability
- Business Interruption (Loss of Income)
- Employment Insurance
- etc.

Major Life and Health Insurance Companies with Ontario headquarters and significant claims adjudication/underwriting operations in the GTA

- Manulife Financial Corporation (Head Office – Toronto/Waterloo)
- Sun Life Financial Services of Canada Inc. (Toronto)
- Canada Life Financial Corporation (Toronto)
- Clarica Life Insurance Company
- The Co-operators Group

- Equitable Life Insurance Company of Canada
- London Life Insurance* (London)
- Green Shield Canada (Windsor)
 - Owned by Great West Life Insurance (Winnipeg)

Canada's 5 large banks all sell individual life and health insurance.

Life and Health Insurance is one of the largest parts of the service sector in Canada and includes some of the country's most well-established and respected companies.

1) Adjudicator/ Case Manager

- Not a regulated profession in Ontario

Role

- Responsibilities include the compiling, review, analysis, and investigation of medical and non-medical information in order to apply the legislation and eligibility criteria and make recommendations
- Information from the applicant, doctors, tests etc. is used to formulate a concise profile of the applicant and to determine eligibility for the benefit
- Reviews the whole file, assures that it is complete (signatures, medical evidence from physical exam on file etc.)

Educational Requirements

- Usually on-the-job training provided by the company
- University/college degree or related business experience
- Insurance courses are available through the Insurance Institute of Canada
- Community colleges also offer 2 year Business programs with a focus on the insurance industry (i.e., Fanshawe, Mohawk colleges etc.)

Skills/Qualities

Technical

- Basic computer skills: word processing, internet, email, presentation programs, spreadsheet manipulation and database knowledge

Communication

- Effective writing skills - prepare decision letters and memos with rationale, referencing supporting policy and sections of legislation
- Effective verbal communication skills - clarify and explain technical/specialized information to clients

Other

- Knowledge of business communication, legal terms
- Human anatomy, medical terminologies, diseases, tests, treatment modes, medication and their application; effects of injury and disease on physiology
- Familiar with non-medical risk factors (i.e., occupation such as off shore worker; a vocation such as parachuting)
- Life/health insurance sector knowledge - regulatory knowledge
- Canadian business knowledge
- Claims adjudication processes including information gathering, critical thinking, and decision making
- Analysis and problem solving skills applied to technical, factual and descriptive information
- Organized, detail-oriented, accurate

- Good with numbers
- Inquisitive
- Human relation skills of questioning, active listening, empathy, influence, consensus building, negotiation, and mediation are deployed with sensitivity and discretion (i.e., Worker's Compensation case)

Example of Workplace Safety and Insurance Board, Adjudicator Position, required competencies:

1. Customer Focus is the ability to consistently meet and exceed the expectations and requirements of internal and external customers.
2. Ethics & Values means that you adhere to an effective core set of values and beliefs during good and bad times, and act in line with those values.
3. Integrity & Trust leads to a direct and truthful individual who keeps confidences, admits mistakes and does not misrepresent him/herself.
4. Self-Development means that you are committed to continuous learning and self-improvement.
5. Functional/Technical Skills are required to perform the job at a high level of competence.
6. Decision Quality allows you to make good decisions based on a mixture of analysis, wisdom, experience and judgement.
7. Problem Solving is the ability to address difficult problems by looking beyond the obvious.
8. Dealing with Ambiguity is the ability to act and maintain composure and focus despite frequent change and uncertainty.
9. Timely Decision-Making ensures there are no unnecessary delays.
10. Time Management allows you to value time and manage competing demands effectively.
11. Interpersonal Savvy is the ability to build effective relationships with a variety of different people and to maintain this trust and respect even in high tension situations.
12. Peer Relationships is the ability to work collaboratively with colleagues towards common goals.

Typical Employers

- Private insurance companies
- Government, i.e.,
 - Ontario Disability Support Program <http://www.cfcs.gov.on.ca/CFCS/en/programs/IES/OntarioDisabilitySupportProgram/default.htm>,
 - Employment Insurance http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/ei.shtml
 - Workplace Safety and Insurance Board <http://www.wsib.on.ca>

Average Hourly Wage

\$25.64/ hour (average)

2) Medical Underwriter

- Not a regulated profession in Ontario

Role

May include;

Evaluating medical aspects of insurance applications to determine insurance risks, premiums and coverage, i.e.,

- Reviewing medical data (results of tests, family physician report etc.)
- Making an assessment of risk by comparing against tables (i.e., never smoked, no family history of serious diseases – lower category; smoker, on anti-depressants, high blood pressure etc. – higher risk category)
- Underwriting applications for Life, Disability Income, Health insurance and Critical Illness in order to achieve mortality, morbidity and pricing objectives

- Determine appropriate requirements and help to maintain mortality, morbidity and pricing objectives
- Complying with all legislation and consumer regulation as they apply to risk classification, privacy and disclosure
- Communicating directly with clients in a direct marketing environment
- Processing recissions on cases involving misrepresentation or fraud
- Assist more junior staff through training, decision making and problem solving, and making suggestions for improved underwriting procedures
- *Source: <http://www.pei.jobfutures.org>*
 “Insurance underwriters review and evaluate insurance applications to determine insurance risks, insurance premiums and extent of insurance coverage according to company policies.”
 - Review individual and group applications for insurance
 - Evaluate new and renewal applications to determine insurance risks, insurance premiums, extent of insurance coverage and other conditions of the insurance contract using medical reports, rate tables and other documents and reference materials; adjust premiums, coverage or risk itself to make acceptance of new and renewal applications possible
 - Approve sale of insurance policies and ensure compliance with government regulations
 - Provide recommendations on individual or group insurance plan designs
 - Provide underwriting advice and answer inquiries from clients and from insurance agents, consultants and other company personnel
 - Prepare underwriting reports and update insurance forms when necessary

Educational Requirements

- Usually on-the-job training
- University/college degree or related business experience (medical underwriters – health care background required)
- Insurance courses are available through the Insurance Institute of Canada
- Community colleges also offer 2 year Business programs with a focus on the insurance industry (i.e., Fanshawe, Mohawk colleges etc.)
- *Source: excerpted and adapted from <http://www.alis.gov.ab.ca/occinfo>*
- Most general insurance companies encourage their underwriters, while employed, to take a program of study offered by the Insurance Institute of Canada. The program requires a minimum of four years to complete and leads to the designation Chartered Insurance Professional (CIP). Courses can be taken by correspondence or through designated post-secondary institutions. Education and certification programs for life insurance underwriters are also offered by the Life Office Management Association (LOMA) <http://www.loma.org> and ADVOCIS The Financial Advisors Association of Canada <http://www.advocis.ca/>

Skills/Qualities

Technical

- Basic computer skills: word processing, internet, email, presentation programs, spreadsheet manipulation and database knowledge

Communication

- Able to communicate clearly, both orally and in writing

Other

- Business communication, legal terms
- Report writing skills
- Knowledge of human anatomy, medical terminologies, diseases, tests, treatment modes, medication and their application

- Familiar with non-medical risk factors (i.e., occupation such as off shore worker; a vocation such as parachuting)
- Canadian business and life/health insurance sector knowledge
- Enjoy coordinating information and taking a methodical approach to their work, working with people and making decisions
- Organized, detail-oriented
- Good with numbers
- Inquisitive
- Objective and able to make sound decisions
- Able to negotiate with brokers
- Strong analytical skills and ability to research and resolve problems
- Good people skills

Typical Employers

- Private insurance companies
- Government, i.e.,
 - Ontario Disability Support Program
<http://www.cfcs.gov.on.ca/CFCS/en/programs/IES/OntarioDisabilitySupportProgram/default.htm>,
 - Employment Insurance http://www.hrsc.gc.ca/en/gateways/nav/top_nav/program/ei.shtml
 - Workplace Safety and Insurance Board <http://www.wsib.on.ca>

Average Hourly Wage

\$25.00 (average) \$36.18 (high) \$15.00 (low)

Salaries vary according to such factors such as experience, level of responsibility, seniority, size of company, size of city, etc

3) Other Positions in the Field

Paramedical Examiner

- Not a regulated profession in Ontario
- Whether or not the client needs a physical exam depends on the insurance company's underwriting requirements. Factors include age, health as reported on the application, and the amount of insurance for which the client is applying. If an exam is required, it is usually conducted by a paramedical examiner sent by the insurance company. In addition to recording basic information like height, weight, blood pressure and pulse, the examiner may also collect blood and/or urine samples.
- The paramedical examiner position tends to be outsourced to companies (person is not on staff of insurance company), although some companies may have their own examiners on staff.
- Often a nurse or paramedic holds this position. An MD may sign off on the report.

Insurance Broker

- Regulated profession in Ontario – Registered Insurance Brokers of Ontario <http://www.ribo.com>
 - Insurance brokers bring together insurance companies and those who want insurance. They are most useful to those needing several types of insurance protection and to those whose large risks must be divided among many companies.
 - Reviews insurance products with the client
 - Takes basic information from client (smoker, family history of heart disease etc.),
 - Once file has been reviewed by insurance company, provides a quote to the client

Insurance Claims Adjusters investigate insurance claims and determine the amount of loss or damage covered by policies.

Insurance Claim Examiners review insurance claims and authorize payments.

Assessors estimate the value of land, structures and others assets for taxation, grants and regional planning purposes.

Appraisers provide valuations of property, buildings, machinery and other items for various clients.

Insurance Sales Representatives sell insurance to individuals and groups

Actuaries apply their knowledge of mathematics (particularly probability, statistics and risk theory) to financial problems involving future uncertainty. These uncertainties may be associated with life, property or casualty insurance, annuities, pension or other employee benefit plans

B) Labour Market Prospects

Source: <http://www.ontarioprospects.info/2004/eng/31.html>

Over the next few years, the outlook for work in these careers (insurance brokers, claims adjusters, underwriters, agents) is good, but new entrants will need higher levels of formal education and a lot more familiarity with computers than in the past.

C) ITPs in the Field

- Most ITPs are prepared, particularly family physicians, GPs, internists and emergency physicians who have a broad experience in medicine
- Medical adjudicator and medical underwriter positions allow ITPs to use their medical training while not requiring a high level of spoken English as the positions are not highly customer service oriented. These positions would not require special training. ITPs can 'hit the floor running' supplemented with on-the-job training (i.e., policies and procedures).
- ITPs would not likely be considered for other positions in the insurance industry unless they had some background in insurance and strong communications skills.

D) Links

Professional Organizations

- Registered Insurance Brokers of Ontario <http://www.ribo.com>
- Canadian Institute of Underwriters www.ciu.ca <<http://www.ciu.ca>

Educational Institutions

- Insurance Institute of Canada www.iic-iac.org
- Life Office Management Association (LOMA) <http://www.loma.org>
- ADVOCIS The Financial Advisors Association of Canada <http://www.advocis.ca/>

Related Web Sites

- Insurance Bureau of Canada http://www.ibr.ca/links_insure_education.asp
- Canadian Life and Health Insurance Association <http://www.clhia.ca>
- Insurance Canada <http://www.insurance-canada.ca/index.php>
- Canadian Insurance (magazine) <http://www.cdnins.com/index.htm>