

Appendix 8 – Parameters for annual review of performance of Insurer

Criteria	Maximum points	Points criteria
1. Enrolment Conversion ratio	20	10% below country average => 8 Between 5-10 % below country average => 10 Less than 5% below country average => 16 Between 5-10% more than country average => 18 More than 10% of country average => 20
2. Average family size	15	2.0-2.5 -> 9 2.5-3.0 => 10 3.0-3.5 => 11 3.5-4.0 => 13 More than 4.0 => 15
3. Pure Claim ratio 4. Pure claim ratio = (Claims paid + card and issuance cost)/Premium Received	15	40-50% => 8 50-60% => 9 60-70% => 10 70-80% => 11 80-90% => 13 More than 90% => 15
5. Claim Payment within 30 days	10	More than 80% => 6 80-90% => 7 90%-100% => 8 100% => 10
6. Hospital empanelment (spread)	10	1 per block => 4 1.5 per block => 6 1.75 per block => 8 2 per block => 9 More than 2 per block => 10
7. Hospital empanelment (number)	10	1 hospital every 10,000 beneficiaries => 8 1 hospital every 8,000 beneficiaries => 9 1 hospital > 8,000 beneficiaries => 10

Note: Insurance company that gets at least 48 (60%) marks will be technically qualified. The qualification criteria, however, will be revised in subsequent years. The revised qualification criteria for subsequent years will be as under:

Year	Qualification Points	Qualification Percentage
After 1 st year	48	60%
After 2 nd year	52	65%
After 3 rd year	56	70%
After 4 th year	60	75%

There may be cases where last two conditions related to hospital empanelment may not be fulfilled due to limited presence of the hospitals for empanelment. In all such cases, the insurance

company needs to obtain a certificate from the district administration regarding un-availability of the hospitals.

In the above two cases, if the insurance company is able to produce the certificate then its performance will be judged only on 60 or 70 marks as the case may be.