

Directions (1-10): Read the following passage carefully and answer the questions given below it. Certain words have been printed in bold to help you to locate them while answering some of the questions.

Indians mostly pay for their healthcare out of pocket. More than 75 per cent on average of all health expenditure is out of pocket, whilst investment in public healthcare is even lower than some countries of Sub-Saharan Africa over the same period (less than 2 per cent on average), despite economic growth rates, averaging 8-10 per cent per annum, and despite the National Rural Health Mission (NRHM). Between the potential **catastrophes** of big out-of-pocket costs for healthcare and the current weaknesses of the public healthcare system, the private insurance markets offer what looks like a way out. The idea is tempting: let people choose between insurance companies that offer different packages of treatments, integrate care, and insure people against risks without all the inefficiencies of the government. Don't believe the hype. Private, competitive insurance companies add instability, bureaucracy, inequality and regulatory trickery without contributing any value to the healthcare system. Private insurance works if you are unconcerned with inequality and efficiency, or work for an insurance company.

Unstable? Yes. Insurance is fundamentally a form of risk-pooling. We all pay in, we all get the peace of mind of knowing we have insurance, and the person who gets cancer gets a lot of the benefit. Naturally, if there are only a few of us, our insurance payments will go up if somebody gets cancer. But if there are many of us, our insurance payments won't go up much at all. Private, competitive insurance companies fragment risk pools. Each company competes for the most lucrative risk pool, which means the richest and healthiest people. The result is a natural state of instability in private insurance markets. Each company tries to avoid what Americans call the "death spiral" of high premiums and sick clients. Insurers solve this with some obvious tools. One is to just discourage sick or **prospectively** sick people such as smokers from joining. Another is "actuarial" rate-setting in which they try to match insurance premiums with likely expenditures. Actuarial rate setting is a good deal for healthy people who have an unexpected event, but a very bad deal for people in ill health, who might find insurance entirely unaffordable. If you have diabetes and your insurance premiums reflect the costs of insulin and perhaps other related procedures such as kidney failure, and the risks of related ailments such as heart disease, then it's not an insurance policy. It's a very expensive prepaid health plan.

Either way, insurance companies achieve stability by making healthcare less accessible to the people who need it most. And even the healthy people who benefit will not continue to benefit, since insurance rates would spike after a diagnosis of cancer or diabetes, or just go up with age. We can encourage cooperation and subsidise from lucky insurance companies with healthy people to unlucky companies with sick people. But why create a big regulatory framework that will tie everybody up in games and court cases when we can just avoid the whole problem and have a big, simple risk pool? What about all the other things insurance companies claim to do? Manage care? Integrate care? Encourage people to look after their health? In all cases, the burden of proof should be on the people who make claims that insurers are anything other than a financing device. The evidence that insurance companies improve health or healthcare just isn't there.

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Why? Insurance companies might be powerful relative to their clients, whose rates they can change, but they are weak relative to the healthcare system. Their ability to deny care without resistance from doctors and their clients (whether patients or employers) is limited because they have neither knowledge nor legitimacy. They certainly have no subtle instruments to make us eat less buttery food or walk to work. So why does anybody entrust health to competitive insurance companies then? In the rich countries, the answer is political. The countries that rely heavily on them — the U.S., the Netherlands, and Switzerland — have very effective regulatory **regimes** paired with political systems that give a lot of weight to the interests of insurance companies and political parties such as the U.S. Republicans who see no problem with being unfair to the poor and unhealthy. These three countries also are among the worst value health systems in the world, with very high costs for average, or in the U.S. below average, quality. That's no accident. They start out with a big, costly layer of insurance companies that adds complexity and paperwork and very little value.

The risk is that a simple solution at one time becomes a problem later. It is tempting to use private insurance to increase access to healthcare among the middle classes in a country like India. But the lesson of history is that one generation's clever solution to a problem is the next generation's policy problem. The U.S. tried to rely on private insurance, and the result was a politically empowered industry dedicated to preserving its business at the expense of better risk pooling, equality, more efficiency, and simpler administration. American political elites see the costs to the country of this **entrenched** industry as tolerable. That doesn't mean India's should agree to follow the same path.

Q1. Why the idea of private insurance company is tempting?

- (a) As they have “actuarial” rate-setting in which they try to match insurance premiums with likely expenditures.
- (b) As these companies along with insurance also improves health care.
- (c) As these companies are fundamentally a form of risk-pooling because of which they offer what we call a way out.
- (d) Insurance companies achieve stability by making healthcare more accessible to the people who need it most.
- (e) As they let people choose between different insurance companies and the range of treatment packages accordingly.

Q2. Which of the following is true in context of the passage?

- (a) Private insurance companies provide healthcare access to people who need it the most.
- (b) The major benefit of private insurance companies is that the insurance rate doesn't go up with age or with a diagnosis of terminal disease.
- (c) People entrust health to competitive insurance companies as they are politically empowered industry.
- (d) Private insurance companies fragment risk pools and compete for the one which is the most lucrative.
- (e) Private insurance is of vital importance as it provides stability and equality in healthcare systems.

Q3. Which of the following can be the most suitable title for the passage?

- (a) Why choose Private insurance companies?
- (b) Private Insurance companies: a politically empowered industry.
- (c) An expensive prepaid health plan.
- (d) Private insurance can't heal all
- (e) Private insurance – an institution which fragments risk-pools

Q4. Which of the following according to passage is a tool used by private insurance companies to avoid what Americans call “death spiral”?

- (a) Insurance companies are a form of risk-pooling so they just basically pool the money of the people and give it to people with cancer or other deadly disease.
- (b) Each company competes for the most lucrative risk pool, which means the richest people.
- (c) They encourage people to look after their health.
- (d) They discourage sick or potential sick people such as smokers from joining.
- (e) They insure people against risks without all the inefficiencies of the government.

Q5. Which of the following is true regarding actuarial rate?

- i. According to author it is an expensive prepaid plan and not an insurance policy.
 - ii. It is a tool of private insurance companies which discourage sick or prospectively sick people such as smokers from joining.
 - iii. It makes healthcare less accessible to people who need it the most.
- (a) Only (i).
 - (b) Both (i) and (iii).
 - (c) Both (ii) and (iii).
 - (d) Both (i) and (ii).
 - (e) All of these.

Q6. Which of the following statement is false regarding the private insurance companies?

- (a) India must follow the same path as that of the U.S.
- (b) It is not accessible to the people who need it the most because of it is not affordable to all.
- (c) Insurance companies adds more complexity and paperwork but little value.
- (d) Competition between the insurance companies brings stability among insurance companies as they make efforts to provide better services.
- (e) None of these.

Directions (7-8): Choose the word/group of words which is MOST SIMILAR in meaning to the word/group of words printed in bold as used in the passage.

Q7. CATASTROPHE

- (a) Redemption
- (b) Salvation
- (c) Preservation
- (d) Calamity
- (e) Conserve

Q8. PROSPECTIVELY

- (a) Imminent
- (b) Implausible
- (c) Retrospective
- (d) Nostalgic
- (e) Reminiscent

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Directions (9-10): Choose the word/group of words which is **MOST OPPOSITE** in meaning to the word/ group of words printed in bold as used in the passage.

Q139. ENTRENCH

- (a) Superficial
- (b) Ingrained
- (c) Immutable
- (d) Ensconce
- (e) Inexorable

Q140. REGIME

- (a) Incumbent
- (b) Authority
- (c) Anarchy
- (d) Sovereign
- (e) Ascendency

Directions (11-15); In each sentence below, a group of words has been underlined. From the five answer choices given below each sentence, pick out the one which can substitute the underlined group of words correctly, without changing the meaning of the sentence.

Q11. We should realize that the chance of accident **may be as great or greater in our homes than** in a train or on the road.

- (a) may be at least as great in our home as
- (b) was at least as great as in homes
- (c) can be as great or greater in our homes than
- (d) may be at least as great or greater in our homes than
- (e) No correction required

Q12. Primitive man **believing that a crime created** an imbalance which could be rectified only by punishing the wrongdoer.

- (a) believes that a crime created
- (b) believed that a crime created
- (c) believed that a criminal created
- (d) believed that a crime creates
- (e) No correction required

Q13. Calamities and indigence in the past **was afflicting more** than at present.

- (a) were more afflicting
- (b) was afflicted more
- (c) were more afflict
- (d) was afflict more
- (e) No correction required

Q14. By the candidate failing to keep his promise he will earn the distrust of all the voters.

- (a) Because the candidate failed
- (b) If the candidate has failed
- (c) Since the candidate failed
- (d) If the candidate fails
- (e) No correction required

Q15. It is difficult to prevent assault against environment as those that are against animals.

- (a) those against
- (b) it is against
- (c) preventing those against
- (d) it is to prevent those against
- (e) No correction required

Directions (16-20): The Following questions have a blank, each blank indicating that something has been omitted. Choose the set of word for each blank that best fits the meaning of the sentence as a whole.

Q16. In terms of spatial distribution, rainfall during this season was most conducive for augmenting agricultural _____ this year.

- (a) consumption
- (b) saving
- (c) labour
- (d) output
- (e) Products



Q17. Greenhouse gases _____ into the atmosphere cause this long-wave radiation to increase. Thus, heat is trapped inside of our planet and creates a general warming effect.

- (a) appeared
- (b) released
- (c) Exposed
- (d) revealed
- (e) Forced

Q18. Photosynthesis is a _____ that removes carbon dioxide from the atmosphere and converts it into organic carbon and oxygen that feeds almost every ecosystem.

- (a) formation
- (b) growth
- (c) movement
- (d) process
- (e) Methodology

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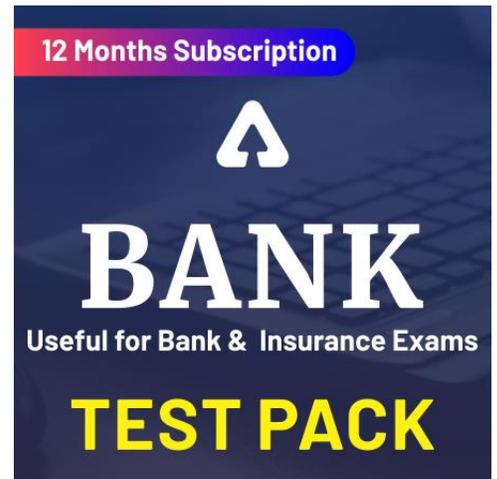
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Q19. Central co-operative banks _____ all the business of a joint stock bank.

- (a) direct
- (b) manage
- (c) conduct
- (d) account
- (e) Operate

Q20. With increased economic development, the demand for the metal has grown at a faster _____ than it is being mined.

- (a) pace
- (b) move
- (c) step
- (d) manner
- (e) Way



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