CORE

CONCEPT

Insurance Underwriting and Broking: Risk Selection, Rating, Policy Wordings and Placement

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Introduction:

Insurance underwriting and broking carried out on thin proposal data, loose referral limits and unchecked schedules invite adverse selection, premium leakage and a combined ratio drifting above breakeven. Intermediaries who skip suitability checks or commission disclosure compound the damage. This Core Concept course trains carrier and intermediary staff to apply the legal doctrines behind every contract, grade proposals against written acceptance guidelines, build a rating worksheet, draft schedules and endorsements, run a placement from submission to binding and follow a notified loss to settlement. Participants produce an Underwriting Decision File and Placement Slip Record.

Course Objectives:

- Apply insurable interest, utmost good faith, indemnity, subrogation, contribution and proximate cause when accepting proposals and answering notified losses
- Grade motor, property, engineering, liability and marine proposals from survey reports and five-year loss runs against written acceptance guidelines and delegated referral limits
- Calculate premiums with base rates, loadings, no-claims discounts, deductible credits and minimum premiums, and defend the rating decision to a referral authority
- Draft and check schedules, exclusions, warranties and endorsements so the contract issued mirrors the terms actually accepted
- Run a placement from market submission through quotation comparison, firm order and binding while meeting suitability and commission disclosure duties
- Monitor portfolio performance through loss ratio, expense ratio and combined ratio and record decisions in an Underwriting Decision File and Placement Slip Record

Target Audience:

- Underwriting staff who accept, decline, load and price personal and commercial lines proposals
- Intermediary staff who prepare market submissions, compare quotations and bind terms for clients
- Agency and sales staff who advise customers, complete proposal forms and record disclosure
- Issuance and endorsement staff who produce schedules, certificates and mid-term alterations
- Loss handling staff who register first notifications, verify coverage triggers and agree settlements
- New entrants at carriers and intermediaries who handle routine technical tasks

Course Outline:

Day 1: Legal Doctrines Behind the Contract and the Market Chain

- Insurable Interest Tests at Inception and at the Date of Loss
- Utmost Good Faith: Material Facts, Non-Disclosure and Misrepresentation Remedies
- Indemnity Measures, the Average Clause and Reinstatement Basis
- Subrogation Rights and Contribution Between Co-Insurers
- Proximate Cause Chain Analysis on Sample Incident Scenarios

Day 2: Product Lines and Written Acceptance Guidelines

- Motor Own-Damage and Third-Party Products: Rating Factors and Driver Profiles
- Fire and Allied Perils Products with Business Interruption Extensions
- Engineering Lines Overview: Machinery Breakdown and Electronic Equipment
- Public, Products and Employers Liability: Occurrence Versus Claims-Made Triggers
- Marine Cargo and Hull Basics with Institute Cargo Clauses Terminology

Day 3: Proposal Grading, Rating Worksheets and Documentation

- Proposal Form Review and Survey Report Interpretation
- Underwriting Authority Matrix and Referral Rules
- Rating Worksheet: Base Rates, Loadings, No-Claims Discounts and Deductible Credits
- Schedule, Exclusions and Warranties Drafting Checklist
- Endorsement Types: Additions, Deletions, Extensions and Return Premium Calculation

Day 4: Intermediary Conduct, Placement Steps and Notified Loss Handling

- Broker Versus Tied Agent Roles and the Duty to Advise
- Market Submission, Quotation Comparison, Firm Order and Binding Steps
- Commission Disclosure, Suitability Records and Complaint Handling Procedure
- First Notification, Coverage Trigger Verification, Case Reserving and Adjuster Appointment
- Settlement Options, Salvage Disposal and Recovery Tracking

Day 5: Portfolio Ratios, Case Files and the Decision File

- Loss Ratio, Expense Ratio and Combined Ratio Calculation on a Sample Book
- Adverse Selection and Accumulation Warning Signs in Renewal Data
- Warehouse Fire Case: Accept, Load, Exclude or Decline
- Fleet Motor Placement Case: Submission Pack and Carrier Response
- Underwriting Decision File and Placement Slip Record Drafting and Peer Review

Skills You Will Gain:

- Doctrine-Based Acceptance Decisions
- Proposal Grading
- Premium Rating
- Schedule and Wording Control
- Endorsement Processing
- Market Placement
- Suitability and Disclosure Practice
- Portfolio Ratio Analysis

Why Attend This Course:

- Return with an Underwriting Decision File and Placement Slip Record built on a realistic commercial proposal
- Explain to clients, intermediaries and colleagues why a proposal was accepted, loaded, restricted or declined
- Spot wording gaps and disclosure failures before they become disputed settlements
- Compare acceptance and placement practice with carrier, intermediary and agency staff from several product lines

Conclusion:

Sound insurance underwriting rests on applying the legal doctrines consistently, pricing each proposal on evidence and issuing schedules that state exactly what was agreed, while intermediaries place business honestly and completely. The five days move from doctrines and product lines, through proposal grading, rating worksheets and documentation, to intermediary conduct and notified loss handling. The final day applies these skills to warehouse and fleet cases and closes with an Underwriting Decision File and Placement Slip Record ready to use at work.