

# Phase II

## Maximising Product Knowledge

### Course Objectives

At the end of this course, the agents will :

- X have detailed knowledge of the basic coverage provided by each respective class of insurance.
- X know the particular exclusions and key conditions.
- X know the rating and underwriting considerations for each respective class of insurance.
- X understand from the exclusions, new opportunities.
- X know how to conduct a preliminary risk assessment to satisfy the underwriters
- X know the strong selling points for each respective class of insurance and how to negotiate with the underwriters

## MODULE 3 - FIRE INSURANCE WORKSHOP

### Session 1 - Theoretical aspects of Fire Insurance

- § The Meaning of Fire
- § Conditions and Warranties
- § Legal Principles of Fire Insurance
- § Coverage and Limitations of Extensions
- § Acceptance Criteria
- § Rating and Underwriting Considerations
- § The Fire Policy, Cover Note and the Proposal form
- § Coverage and Limitations of Special Perils
- § Essentials of Fire Risk Assessment
- § Claims Handling Procedures and Basis of Settlement

### Session 2 - Practical Applications

- § Cases on Underwriting
- § Cases on Cover Notes
- § Cases on Description of Interest
- § Cases on Risk Assessment
- § Cases on Risk Improvement
- § Cases on Risk Acceptance
- § Cases on Quotations
- § Cases on Claims

### Session 3 - Marketing and Selling

- § Know Your Product
- § Know Your Market
- § The Essential selling Skills
- X The Need for Fire Insurance with Full Perils
- X The Relationship between Probability and Severity
- X Dealing with the Competition
- X The Need to Negotiate
- § The Art of Comparison
- § The Meaning of Conditional Acceptances and Lost Opportunity

## MODULE 4 - FIRE CONSEQUENTIAL LOSS WORKSHOP

### Session 1 - Fire Consequential Loss

- 1. The Need for Fire Consequential Loss
- X Limitations of the Fire Policy and the Benefits of the Fire Con-Loss Policy
- X Protection for the business, maintains Cash Flow, after a severe loss. Pays for
  - continuing standing charges
  - additional expenses
  - loss of net trading profits

#### b. Gross Profit

- X How to work out the sums insured (definition of gross profit)
- X Relationship between the sum insured and the maximum indemnity period and the multipliers
- X How the policy works (the loss formula)
  - Clause A
  - Clause B
  - less savings
  - average
- X Definitions
  - Gross Profit and Gross Revenues
  - Shortage in Turnover
  - Indemnity Period
  - Turnover
  - Maximum Indemnity Period
  - Standard Turnover
  - Rate of Gross Profit
  - Actual Turnover
  - Annual Turnover
- X Other circumstances clause
- X Alternative trading premises clause
- X Premium adjustment clause

#### c. Rating and Extensions and Premium Calculations

- X Average base rate
- X Extensions
  - Customers & suppliers
  - Public utilities
  - Prevention of access
  - Upward adjustment clause
  - Departmental clause
  - Interdependency clause
  - Accumulation of stock
  - New business clause

### Session 4 - Marketing & Selling

- X How to sell a Fire Consequential Loss policy
- X Technical Knowledge and Skills Requirement
- X Know Your Clients Business
- X Package Your Specifications to Suit The Customers Needs

### Session 5 - Practical Application

- X There are over 30 scenarios and computations

## **MODULE 5 - MISCELLANEOUS ACCIDENT**

**Classes of Insurances are :**

**Burglary, Money, All Risks, Equipment All Risks, Marine Cargo & Goods in Transit**

### **Session 1 - Theoretical Aspects of Miscellaneous Accident Insurances**

- X Principles of Security
- X Basic Coverages
- X Particular Exclusions and Conditions
- X Acceptance Criteria
- X Rating and Underwriting Considerations
- X Risk Control as Applied to Burglary and Money Insurances
- X Extensions - their Coverages and Limitations
- X Claims Handling Procedures for each Class

### **Session 2 - Practical Applications**

- X Cases on Underwriting
- X Cases on Risk Assessment
- X Cases on Risk Control
- X Cases on Risk Acceptances
- X Cases on Quotations
- X Cases on Claims

### **Session 3 - Marketing and Selling**

- X The Need for such Insurances
- X Dealing with the competition
- X Preparations and Negotiations

## MODULE 6 - PROPERTY CLAIMS

### Session 1 - Compliance

- X Named Insured
- X Period of Insurance
- X Items Insured
- X Circumstances of the Loss
- X Policy and Proposal Form
  - S Coverage
  - S Exclusions
  - S Conditions
  - S Warranties
  - S Extensions

### Session 2 - Investigations

- X Duties of the Insured
- X Claims Notification
- X Burden of proof
- X Documentation
- X Valuation of the Property at the Time of Loss and at the Place of Loss
- X Establishing Liability
  - Investigate into Proximate Cause
  - Establish Start, Spread and Extinguishment
  - Check for Fraud
- X Check Against Description of Property Insured
- X Check Against Sums Insured
- X Application of Average/Excesses
- X Loss Adjustment
  - Verify the Amount Claimed
  - Net of Total Purchases and Total Sales
- X Handling of Claims Disputes
  - Arbitration
  - Mediation
  - ADRs
  - Litigation

## **MODULE 7 - LIABILITY WORKSHOP**

### **Session 1 - Theoretical Aspects of Liability Insurances**

- X The Law of Tort
- X Branches of the Law of Tort
- X Policy Coverage and Limits of Indemnity
- X Particular Exclusions and Conditions
- X Types of Damages
- X Claims Handling and Settlement
- X The Judiciary System
- X Alternative Dispute resolution
- X Underwriting Factors

### **Session 2 - Types of Liability Insurances**

- X Public Liability
- X Products Liability and Product Recall
- X Professional Indemnity
- X Carriers Liability
- X Warehousemen Liability
- X Extensions and Clauses

### **Session 3 - Rating and Underwriting Considerations**

- X Basis of Premium Computation
- X Claims Experience
- X Excesses and Deductibles

### **Session 4 - Claims Procedures**

- X The Importance of Out of Court Settlement
- X The Types of Damages
  - Special and General
  - Punitive and Exemplary

### **Session 5 - The Practical Aspects**

- X Cases on Risk Acceptances
- X Cases on Risk Control
- X Cases on Claims
- X Cases on Disputes and Negotiations
- X Cases on Quotations

### **Session 6 - Marketing and Selling**

- X The Need
- X Duty of Care Applies to Everybody
- X No Limits to Legal Liability
- X Target Niche

## MODULE 8 - THE LEGAL ASPECTS OF MOTOR INSURANCE

### Session 1 - Legal Principles applying to Motor Insurance

- X Insurable Interest
- X Duty of Disclosure
- X Proximate Cause
- X Indemnity

### Session 2 - The Policy Coverage and Exclusions

- X Third Party
- X Comprehensive
- X Private Cars
- X Commercial Vehicles

### Session 3 - Duties of the Insured in the Event of a Loss

- X Due Diligence Pre Loss
- X Notification
- X Due Diligence Post Loss

### Session 4 - The Claims Procedures (OD Claim)

- X Police Report
- X Immediate Notification
- X Completing the Motor Accident Report/Claims Form
- X Type of Loss
  - Fire
  - Theft or
  - Accidental Collision
  - Windscreen
- X Towage and Approved Motor Repairer
- X Loss Adjuster=s Approval
- X The Repair, Replacement, Betterment, Constructive Total Loss
- X The Discharge Voucher and the Excess
- X The Adjustment and Settlement
- X The Market Value Clause

### Session 4 - The Claims Procedures (TP Claim)

- X The Standard of Care
- X The Scene of the Accident
  - Names and Particulars of Witnesses
  - Names and Particulars of the Third Party
- X Police Reports (from all parties to the accident) must be obtained
- X The Police Summon (if any)
- X Immediate Notification
- X The Writ of Summons
- X The Appearance

- X Type of Damages suffered by Claimant :
  - Bodily Injury (Passengers or Others)
  - Property damage (Vehicle/Real or Personal)
- X Common Law Principle of Indemnity
- X Loss of Use
- X Special damages
- X General damages
  
- X Out of Court Settlement
- X Alternative Dispute Resolutions
- X Civil Litigation

**Session 5 - The Claims Procedures Against Third Parties**

- X Note the Time, Date and Location
- X Note and Document Witnesses
- X Identify and Document the TP Driver=s Particulars
- X Make Police Report
- X Inform TP Driver to Notify his Insurer
- X Tow Car to Authorised Workshop
- X Appoint Loss Adjuster
- X File Claim Against TP Insurer
- X Types of Damages
  - Own Damage**
    - Loss of Use
    - Loss of NCD ) need to show proof of
    - Excess ) OD claim
  - Bodily Injury**
    - Special
    - General

## MODULE 9 - HEALTH AND PERSONAL ACCIDENT INSURANCE

### Session 1 - Health Insurance

- \$ Legal Principles as applied to Health Insurance
  - S Utmost good faith
  - S Insurable Interest
  - S Indemnity
  - S Contribution
  - S Subrogation
- \$ PIAM Guidelines / Wordings
- \$ Definitions
  - Specified Diseases
  - Waiting Period
  - Pre-Existing
  - Take-Over Condition
- \$ Policy Coverage
  - Benefits
  - Limits
- \$ Exclusions
- \$ Conditions
- \$ Acceptance Criteria

### Session 2 - Personal Accident

- \$ Legal Principles as applied to Personal Accident Insurance
  - S Utmost good faith
  - S Insurable Interest
  - S Indemnity
  - S Contribution
  - S Subrogation
- \$ Policy Coverage
  - Definition of Accident
  - Death/Permanent Disability
  - Weekly Benefits
  - Medical/Funeral Expenses
- \$ Exclusions
- \$ Conditions
- \$ Acceptance Criteria

## MODULE 10 - ENGINEERING INSURANCES

### Session 1 - CAR and EAR

#### A. Policy Coverage

- § Section I
  - Coverage
  - Duration of Cover
  - Defects Liability Period and Cover
- § Section II
  - Coverage
  - The Principles of Legal Liability

#### B. Exclusions

- § General Exclusions
- § Particular Exclusions to Sections I and II

#### C. Selected Extensions

- 1 Cover for Cross Liability
- 2 Reinstatement of Loss
- 3 SRCC
- 4 Extended Maintenance
- 5 Cover for Extra Charges for Overtime, Night Work, Work on Public Holidays,
- 6 Plans and Documents
- 7 Special Conditions concerning Underground Facilities (incl. Piling, foundation & retaining wall works)
- 8 Airfreight Cover (excess 20% of airfreight charges)
- 9 Contractors/Sub-contractors Clause
- 10 Underground Utilities, Vibration, Removal or Weakening of Support
- 11 Tools of Trade within Contract site
- 12 Cover for Flood, Landslip, Collapse, Water Inundation, Storm, Tempest, Windstorm, Hurricane, Cyclone and Earthquake etc
- 13 Weather Aggregate
- 14 Loading and Unloading
- 15 Loss Notification
- 16 Removal of Debris (10% of the Contract Sum)
- 17 Temporary Facilities
- 18 Expediting Expenses
- 19 Endorsement 120
- 20 Professional Fees Clause (10% of the Contract Sum)
- 21 Consultants as Third Parties
- 22 Plant Clause
- 23 Cover for Designer's Risk
- 24 Designation
- 25 Use of Plant and Machinery

**D. Rating Factors and Underwriting Considerations**

- \$ The Type of Contract Works
- \$ Soil Investigation Reports
- \$ Excavation Depth and Type of Retaining Walls
- \$ Period of Excavation Works
- \$ Type of Piles and Piling Methods
- \$ The Super-Structural Works
  - Height in Storeys
  - Construction Methods
  - Safety Factors
  
- \$ With or Without Bonds
- \$ The Sums Insured
  - The Contract Value
  - Removal of Debris & Professional Fees
  - Temporary Structures
  - Construction Plant & Machinery
  - Principals Own Surrounding Property
- \$ The Duration of the Periods of Cover
  - The Contract Period
  - Defects Liability Period

**E. The Third Party Liability Risks**

- The Duration of Cover
- Location of the Contract Site
- Method of Excavation & Piling Works
- Presence of Underground Utilities
- Weakening & Removal of Supports

**Session 2 - EEI, MB and MBLop and Storage Tanks**

- \$ Coverage
- \$ Exclusions
- \$ Basis of Sums Insured and Indemnity
- \$ Conditions

## Module 11 - Risk Management for Insurance Agents

- Session 1 - Overview**
- \$ Definition of Risk
  - \$ Definition of Management
  - \$ Corporate Objectives
  - \$ Risk Management Objectives
  - \$ The Risk Management Process
    - Risk Identification
    - Risk Analysis
    - Risk Management Techniques
    - Selection of the Best Risk Management Techniques
    - Implementation & Monitoring
- Session 2 - Personal Risk Management**
- \$ Risks Identification
  - \$ Analysis of Data
  - \$ Basis of Selection of Risk Management Techniques
    - React to the Cause and not the Symptom
    - Formulation of Risk Management Technique(s) for Each Loss Exposure Identified
    - Either Physical Risk Control or Risk Financing or Both
    - The Difference Between Loss Prevention & Loss Reduction
  - \$ Implementation & Monitoring
- Session 3 - Commercial Risk Management**
- \$ Three Factors in Risk Management
  - \$ Values Exposed to Loss
    - Property Loss
    - Net Income Loss
    - Liability Loss
    - Personnel Loss
  - \$ Perils Causing the Loss
  - \$ Financial Impact of the Loss
  - \$ Cause and Symptoms
  - \$ Solutions and Insurance
- Session 4 - Application of Risk Management**
- \$ Compilation of Values Exposed to Loss
  - \$ Compilation of Perils Causing the Loss
  - \$ Compilation of Loss Exposures v. Insurances Chart
  - \$ Compilation of Insurance Audit Report
  - \$ Compilation of Effective Quotation