



4D Group

## **Binding Authorities Introduction (Construction, operation and management)**

### **Who would benefit?**

Staff from underwriting, broking and claims disciplines who are involved with the operation and management of binding authorities.

The course provides a detailed analysis of the procedures and practices of delegated underwriting and claims authorities together with the problems that may arise and potential solutions.

### **Objective**

On completion of the course delegates will understand:

- How the basic legal principles of insurance contracts apply to Binding Authorities
- The roles of the parties involved
- The key clauses in Coverholder Agreements
- How the market is regulated in relation to Binding Authorities
- How claims are managed
- Best practice issues

### **Content**

- Basic contract law
- What is a binding authority, who are the key players involved and what role are they playing
  - Differences between limited, unlimited and prior submit binders
  - Differences between binding authorities, lineslips and consortia
- Why are they used in the market
  - Benefits to underwriters and brokers
- Review of the provisions of the main London Market binding authority wordings
- Impact of Contract certainty on delegated authority business
- How does the London Market regulate binding authority business
  - FSA and Lloyd's
- How do overseas regulators control binding authority business
  - US
  - Other as relevant
- Practical management of the binder
  - FDO signings
  - Regular premium closings
    - Lloyd's requirements for state and FIL splits
    - A & S
- Claims handling
  - Under and over authority claims
  - How data should be presented
  - Loss funds, what they are and how they work
  - Binders and ECF

### **Duration**

One day