



4D Group

Introduction to Insurance and the London Market

Who would benefit?

This course would benefit anyone new to insurance and the London Market.

Objective

To provide an introduction to the London Insurance Market, the runners and riders.

Content

The Risk Business

- What is risk?
- The object to be insured or the peril insured against?
- Subjectivity as to the outcome of an event
- Risk – future uncertainty v chance
- Insured v Uninsured Perils
- The Pool or Fund
- The risk transfer mechanism & the calculation of premium
- The benefits of insurance
- Managing Risk
- Identification, evaluation and economic control of risk

The Historical Development of Lloyd's

- The development of Lloyd's – A chronology

Lloyd's and the Risk Business

- What can we insure? Insurable v Uninsurable risk

Classes of Insurance Business

- Major categories of insurance business
- Contracts of indemnity v contracts of benefit
- Some unusual risks placed at Lloyd's

How the Market Works and the Major Players

- Lloyd's
- The FSA as market regulator
- The Franchise system
- Companies
- Insurance companies
 - Proprietary and mutual offices
 - Composite insurers
 - Captive insurers
- Intermediaries
- Insurance Agents & Consultants
- Brokers & Lloyd's brokers

Placing the Risk

- Overview of the placing process (Broker & Underwriter)
 - Insurance v Co insurance
 - Reinsurance (Brief overview)

Claims - overview

- Is it covered? Insured v Uninsured perils

Basic Legal Principles in Insurance

- Insurable Interest
 - Who may insure?
- The doctrine of utmost Good Faith
 - Definition
 - What constitutes a material fact
 - What facts must be disclosed?
 - To whom does the duty apply?
 - Remedies for the breach of the doctrine

Indemnity

- What is indemnity
 - Definition of indemnity
- The Provision of an Indemnity
 - Cash, repair, replacement or Reinstatement (new for old)
- Factors affecting indemnity
 - Sums insured, limits of indemnity and limits of liability
 - Excesses, deductibles and franchises
 - Depreciation wear and tear
 - Betterment
 - New for old - contracts of reinstatement

Subrogation

- Definition
- Examples of how subrogation may occur
- Calculation of an indemnity settlement

Contribution

- Definition
- Examples of how contribution may occur

Proximate cause

Duration

One day