



4D Group

Application of the Principles and Practice of Insurance

Who would benefit?

This highly interactive course is designed for those who have less than three years experience in insurance and work at technician or front line insurance level. The course provides the majority of the topics in the IF1 examination

Objective

This course gives attendees an understanding of the principles and practices of insurance.

Contents

Session 1 Insurable Interest – The Legal Right to Insure

- Definition of insurable – The legal right to insure
- Elements of insurable interest
- Apply the principle of Insurable Interest to case studies by stating when and how Insurable Interest arises

Session 2 Utmost Good Faith – The Duty of Disclosure

- Explain the doctrine of utmost good faith and to Whom it applies
- Define 'material' facts
- Understand the importance of disclosure of material facts
- Distinguish between perils and physical and moral hazards applying to selected classes of insurance
- Understand the legal, common law, remedies for breaches of utmost good faith as a result non-disclosure or misrepresentation of material facts
- Appreciate how the FSA restricts the right of insurers in responding to non-disclosure, misrepresentation, and breach of warranties and the distinction between retail and commercial customers
- Show an awareness of Law Commission proposals for reviewing disclosure

Session 3 Underwriting and Documentation

- Explain the underwriting process and how underwriters use proposal forms, statements of fact, surveys, slips, meetings etc for risk assessment
- State the underwriting options, e.g. accept, decline, terms of cover etc.
- Outline the relevance and application of quotations
- Outline the internal and external factors that influence a premium rate
- Overview the function of the documentation used in insurance including – policies, cover notes, certificates, endorsements
- Review the operation of policy conditions and
- Explain the use of conditions, warranties the exclusions
- Show an awareness of how ICOB affects warranties

Session 4 Indemnity: How the Claimant May Be Compensated

- Explain the principle of indemnity and how indemnity is assessed
- Recall the principal limitations that may prevent the insurer from giving a full indemnity, e.g. sums insured, average clauses, deductibles/excesses, co-insurance, single article limit
- Outline the process of settling claims including the responsibilities of the insured and insurer
- Identify the people and documents that are used in investigating claims
- Distinguish between indemnity and non-indemnity policies (i.e. benefit policies)



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Session 5 Indemnity & Subrogation: Corollaries of Indemnity

- Explain the importance of subrogation and contribution at common law, how they arise and how they support indemnity
- Explain how policy terms and conditions modify the common law application of subrogation and contribution
- Apply the operation of subrogation and contribution to simple claims.

Session 6 Proximate Cause: The Main or Dominant Cause of a Loss

- Define the doctrine of proximate cause
- State how proximate cause guides us to the settlement of claims
- Demonstrate how the rules of proximate may be modified by a policy wording.

Duration

One day

Pre-requisites

Have attended Introduction to Insurance

Suggested follow-on courses

Introduction to the London Market