

Contents

Assignment 1		Assignment 4	
Fundamentals of Underwriting	1.1	Underwriting the Commercial Organization	4.1
Purpose of Underwriting	1.3	Common Forms of Business Ownership	4.3
Underwriting Activities	1.4	Alternative Forms of Business Ownership	4.8
Underwriting Authority	1.12	Insuring Ownership Interests	4.11
Constraints in Establishing Underwriting Policy	1.14	Insuring Multiple Interests	4.15
Implementing Underwriting Policy	1.18	Insuring Entities Other Than the Named Insured	4.18
Underwriting Process	1.25	Underwriting the Management of the Organization	4.22
Measuring Underwriting Results	1.39	Underwriting and Employment Relationships	4.27
Summary	1.47	Underwriting and the Insured's Business Category	4.34
		Summary	4.40
Assignment 2		Assignment 5	
Underwriting Regulation	2.1	Understanding Financial Statements	5.1
Goals of Underwriting Regulation	2.3	Purpose of Financial Statements	5.3
Laws Applicable to Underwriting	2.4	Balance Sheet	5.4
Market Conduct Examinations of Underwriting	2.9	Income Statement	5.9
Other Types of Regulation and Underwriting	2.12	Statement of Changes in Shareholders' Equity and Statement of Cash Flows	5.13
Summary	2.15	Supplemental Sources of Financial Information	5.18
		Limitations of Financial Statements	5.24
Assignment 3		Summary	5.26
Underwriting Information	3.1		
Categorizing Underwriting Information	3.3		
Initial Sources of Underwriting Information	3.6		
Supplemental Internal Sources of Underwriting Information	3.13		
Supplemental External Sources of Underwriting Information	3.20		
Underwriting Information Sources Case Study	3.29		
Summary	3.36		



Assignment 6		Assignment 8	
Analyzing Financial Statements	6.1	Communication and Negotiation for Underwriters	8.1
Financial Statement Analysis Tools	6.3	The Communication Process Model and Underwriting	8.3
Financial Ratios: Efficiency and Profitability	6.9	Behavioral Aspects of Communication	8.9
Financial Ratios: Liquidity and Leverage	6.14	Barriers to Communication	8.14
Analyzing Financial Ratios Case	6.18	Underwriter Relationships with Producers	8.17
Summary	6.28	Negotiation Styles	8.20
Assignment 7		Negotiations in Underwriting Case Study	8.24
Pricing the Insurance Product	7.1	Summary	8.28
Pricing Roles of Underwriters and Actuaries	7.3		
The Law of Large Numbers	7.4		
Constraints on Insurance Rates	7.7		
Rate Components and Ratemaking Terms	7.13		
Factors That Affect Ratemaking	7.14		
Ratemaking Methods	7.19		
Ratemaking Factor Variances for Different Types of Insurance	7.25		
Pricing Overview	7.29		
Individual Rating Plans	7.32		
Composite Rating	7.38		
Rating Blanket Insurance	7.39		
Summary	7.43		

