

Review Guide for Insurance Operations Fall 2015 ---- Exam 2

Methods for settling a casualty claim and the application of proximate cause of loss

Consequences of underwriting an insurance line of business in the presence of adverse selection

Difference between pro-rata versus short rate basis with premium refunds on casualty coverages

Definition of an insured peril in an insuring agreement as a proximate cause of loss

Why state regulators require legal reserves and surplus for insurance operations

Interest rate risk within an insurance operation- how is it defined

What is demutualization in insurance operations?

The purpose of the mortgagee clause in an HO policy

What is generally provided in the declarations, insuring agreements, conditions and exclusions to an insurance agreement?

Basic casualty insurance provisions that reinforce the principle of indemnity: settlement options, subrogation, insurable interest [at time of loss], co-insurance

Methods risk manager's use for identifying potential losses within a business enterprise

Difference between claims made versus occurrence based underwriting

Life insurance contract provisions: nonforfeiture, grace period, entire contract, suicide, incontestability

Basic Provisions of the CPP and application of the 90% coinsurance provision

Possible defenses against a negligence claim based on a bailee claim [e.g. you leave a coat in the cloak room and it is lost]

Inland and ocean marine coverages – who insures what

Differences between contributory versus comparable negligence and how it impacts insurance settlement

Duties of the insured after an insured loss in a homeowners or personal auto policy

How to apply a split limit to settling a covered auto loss

What may be considered a material misrepresentation on a homeowners or personal auto policy.

Taxation of life insurance proceeds – theory as to why proceeds are not taxable.

An understanding of when and how incontestability is applied in a life insurance policy

Differences between buying life insurance with a mutual, as opposed to, a stock insurer – why mutual insurers may be at an advantage in terms of cost

Major drivers of health care costs in the US over the last 2 decades

Differences between term versus permanent life insurance for a young couple seeking to maximize coverage with a minimum amount of premium outlay

Using a mortality table: (1) calculation of the probability a person age 50 dies before reaching age 51

(2) calculation of the probability a person age 30 lives to age 50 (3) calculation of the probability a person age 30 lives to age 50 and then “successfully” dies in the next year before reaching age 51.

Pricing objectives in life and health insurance[they are the same as for property and casualty insurers]

Why double indemnity [accidental death] is more like a gambling contract – what happens if someone dies in the aftermath of an accident, but actual death is not due to accidental means?