

Risk Management and Insurance Review for 1st Exam

Direct vs. Indirect loss

Peril

Proximate Cause of Loss

Ideal Characteristics for Insurance to Exist and how they may be violated in

Some cases giving rise to governmental insurance programs in others where private insurance is denied.- flood insurance, deposit insurance, nuclear disaster insurance

Different types of hazards – Physical, Morale, Moral

Definition of Insurance

Definition of the principle of indemnity

Adverse Selection

Why catastrophic losses are uninsurable by private insurers

Fundamental vs. particular risks

Dynamic vs. static risks

Pure vs. speculative risks

Return of premium on a short rate basis vs. pro-rata return of premium

Definition of Underwriting

Application of loss prevention, risk assumption, risk transfer or risk avoidance

Steps in the risk management process and which step is the most difficult and important one risk managers must address

Different types of insurance organizations – Lloyd's of London, Mutual vs. Stock Insurers, Fraternal, Reciprocal

Different types of visitors to property and the standards of care they are accorded- invitee, licensee, trespasser, child under attractive nuisance statute

Gramm-Leach- Bliley Act

Underwriting and Agency – Direct, Independent, Exclusive Agency

Legal Principles - Conditions for a policy to exist, Special legal features of the insurance contract – aleatory, unilateral, adhesion, utmost good faith, doctrine of reasonable expectations, entire contract provision

Insurance Accounting – Statutory vs. GAAP Accounting Standards

Role of AM Best in Rating Insurers

3-Types of Exclusions found in Casualty Insurance - nature of the risk, covered by other types of insurance, difficult to measure or determine circumstances, e.g. business pursuits

State Regulator Objectives with respect to rate regulation

Paul vs. Virginia

Southeastern Underwriter's Case

Public Law 15

Insurable Interest – time of loss in casualty, at policy inception for life insurance

Principle of Subrogation

Void vs. Voidable insurance contracts

Material Misrepresentation

Standard format to the insurance contract

Methods for settling a casualty claim: Actual Cash Value, repair or replace, valued policy, insurable interest

