



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