

Business Insurance Fundamentals

2nd Edition

Steven M. Bragg

Table of Contents

Chapter 1 – Overview of Business Insurance	1
Learning Objectives.....	1
Introduction	1
Types of Insurers	1
Insurance Distribution.....	3
Insurance Company Analysis	4
Insurer Operations.....	5
Insurer Financial Performance.....	6
Insurer Failures	7
Insurance Pricing	7
An Insurable Risk.....	8
The Insurable Interest Concept.....	9
Insurance Policy Terms and Conditions	9
Indemnity.....	10
Deductibles.....	10
Limit of Insurance	10
Coinsurance	10
Exclusions	11
Insurance Riders.....	11
Perils	12
Endorsements	12
Losses and Claims.....	12
Who is the Payee?	13
Summary	13
Review Questions	14
Review Answers.....	15
Chapter 2 – Types of Business Insurance	17
Learning Objectives.....	17
Introduction	17
Boiler and Machinery Insurance	17
Business Interruption Insurance	18
Policy Inclusions	18
Additional Coverages.....	19
Management Actions	20
Commercial Automobile Insurance	21
Commercial Crime Insurance	21
Commercial General Liability Insurance.....	22
Coverage Limitations	23
Umbrella Coverage.....	23
Credit Insurance.....	24
Cyber Risk Insurance	26
Management Actions	26
Directors and Officers Liability Insurance	26
Management Actions	27
Additional Coverages.....	27

Table of Contents

Fidelity Bonds	28
Inland Marine Insurance	28
Life Insurance	28
Group Term Life Insurance	29
Medical Insurance	31
Political Risk Insurance	33
Professional Liability Insurance	33
Property Insurance	34
Types of Property	34
Policy Inclusions	34
Policy Exclusions	35
Additional Coverages	35
Coverage Limitations	36
Valuation Issues	36
Management Actions	37
Surety Bonds	38
Surplus Lines Insurance	39
State Unemployment Insurance.....	39
Unemployment Benefit Claims	42
Workers' Compensation Insurance	43
Policy Inclusions	43
Management Actions	43
Reinsurance	44
Insurance for the Home Business	45
Summary	46
Review Questions	47
Review Answers.....	48
Chapter 3 – Insurance Management	49
Learning Objectives.....	49
Introduction	49
Managing the Cost of Insurance	49
Broker Training	49
Odds Analysis.....	50
Insurer Messaging	50
Covered Items Analysis	50
Double Coverage Analysis.....	50
Split Limits Elimination	51
Continual Policy Updates	51
Unlikely Payouts	51
Non-Comparability	51
Deductibles Analysis.....	52
Small Claims Avoidance	52
Inventory Reduction	53
Delayed Payments.....	53
Self-Funded Insurance.....	53

Table of Contents

Captive Insurance Company	54
Insurance Claim Problems.....	55
Insurance Claims Administration.....	56
Core Reports.....	57
Losses Report	57
Incidents Report.....	57
Insurance Claims Report.....	58
Accounting for Insurance	59
Insurance Payments	59
Claims Receipts.....	59
Summary	60
Review Questions	61
Review Answers.....	62
Glossary	63
Index.....	65