

# **INTRODUCTION TO UNDERWRITING**

**A Step-by-Step Guide**

## **Introduction to underwriting**

Commercial insurance underwriting is the process through which insurance companies assess and evaluate the risk associated with providing insurance coverage to businesses. Underwriters analyze numerous factors, such as the type of business, its operations, financial stability, and potential hazards, to determine the appropriate coverage, terms, and premium rates. The goal of commercial insurance underwriting is to strike a balance between offering protection to businesses and ensuring the financial sustainability of the insurance company by managing and pricing risk effectively. Through careful evaluation, underwriters determine the most suitable coverage, policy terms, and premium rates for the business. By skillfully managing and pricing risk, commercial insurance underwriting plays a crucial role in ensuring that businesses can operate with confidence and resilience, backed by appropriate and tailored insurance protection.

### **Underwriting Role:**

The role of an underwriter is multifaceted, encompassing a range of tasks critical to the insurance industry. As a linchpin in the underwriting process, the underwriter is tasked with the thorough review, rating, and assessment of businesses applying for insurance. This involves the qualification, identification, and selection of risks, requiring a keen understanding of insurance products, coverages, and the intricacies of the underwriting process.

A well-rounded underwriter is expected to navigate the complexities of risk evaluation, leveraging a profound grasp of the "law of big numbers" and advanced knowledge of insurance finance and actuarial concepts. This expertise extends to pricing strategies, risk selection methodologies, and a nuanced understanding of market segments and the broader marketplace dynamics. Furthermore, the underwriter is well-versed in loss control and risk engineering, employing this knowledge to enhance risk management practices.

In addition to technical acumen, an effective underwriter possesses a comprehensive understanding of marketing techniques, the regulatory environment, and reinsurance principles. This multifaceted knowledge base is essential for crafting policies with competitive terms and conditions while ensuring compliance with industry regulations.

The underwriter's role extends beyond technical expertise to encompass leadership and relationship-building skills. A seasoned underwriter applies underwriting appetite judiciously, utilizing tools, systems, and resources to achieve organizational goals. They excel in problem-solving, establishing and nurturing healthy working relationships, leading mentoring initiatives, and skillfully negotiating deals to create mutually beneficial agreements.

Moreover, proficiency in territory management is crucial for an underwriter to effectively navigate diverse markets. The ability to synthesize vast amounts of

information, apply underwriting principles to real-world scenarios, and adapt to evolving market conditions distinguishes an adept underwriter.

In essence, the underwriter is a linchpin in the insurance landscape, blending technical prowess with strategic thinking, relationship-building, and adaptability. Their multifaceted role requires a diverse skill set, combining expertise in insurance fundamentals with the ability to navigate complex challenges, build collaborative relationships, and drive successful negotiations in the dynamic insurance marketplace.

## Learning Module:

This comprehensive training module serves as a holistic guide, encompassing the entire spectrum of the underwriting process, starting from the initial reception of a prospect to its transformation into a viable opportunity and concluding with the final decision, whether it be the issuance of a policy or the judicious declination of the opportunity.

Central to this training is the recognition of underwriters as the essential Risk Takers within the insurance landscape. Underwriting, by definition, entails the meticulous process of fully comprehending and evaluating risk before embracing it. The analogy of an underwriter as a "good detective" aptly captures the essence of their role, emphasizing the investigative skills required to thoroughly understand the nuances of each risk.

A core tenet emphasized in this training is the principle that underwriters should never incorporate a risk into their portfolios if they lack a complete understanding of it. This underscores the importance of due diligence and the need for a nuanced approach to risk assessment. It is not merely about taking risks but about taking informed risks—risks that have been diligently scrutinized and comprehensively evaluated.

By instilling these principles, the training module not only guides underwriters through the procedural aspects of their role but also underscores the ethical responsibility that comes with it. The aim is to foster a cohort of underwriters who

not only navigate the underwriting process proficiently but also act as discerning custodians of risk, contributing to the integrity and success of the insurance enterprise.

**Underwriters are the Risk Takers and underwriting means fully understanding and evaluating risk before taking it. An underwriter must be a good detective and never puts a risk they do not understand in the books.**

## **Underwriting Process**

The underwriting process refers to the systematic and thorough evaluation that insurance companies conduct when considering applications for commercial insurance coverage. This process is designed to assess and understand the risks associated with insuring businesses and includes the following:

- 1. Risk review**
- 2. Risk evaluation and analysis**
- 3. Risk selection**
- 4. Risk Pricing**
- 5. Documentation**

## Risk review

In the initial risk review phase, underwriters engage in the comprehensive gathering and organization of pertinent information essential for making informed risk selection decisions. This pivotal step serves as the cornerstone of the underwriting process, ensuring that the necessary data is not only present but also accurate and relevant. The term "necessary information" encompasses a spectrum of crucial details that vary based on the industry, line of business, and the specific nature of the risk being assessed.

Underwriters meticulously scrutinize the submission to ascertain whether it includes vital details crucial for risk selection decisions. This includes, but is not limited to, information about the nature of the business, its operational intricacies, financial standing, and any historical data related to losses or claims. The understanding of what constitutes necessary information is finely tuned to the nuances of different sectors. For instance, in property insurance, details about building construction and occupancy are imperative, while in liability coverage, information about past claims history and risk management practices assumes paramount importance.

The emphasis on making sure necessary information is available underscores the underwriter's responsibility to create a robust foundation for the subsequent stages of risk evaluation and pricing. The accuracy and completeness of this information directly impact the underwriter's ability to make sound decisions,



ensuring that risks are not only selected judiciously but also priced appropriately. This meticulous gathering and validation of information epitomize the underwriter's role as a discerning custodian of data, contributing to the efficacy and reliability of the overall underwriting process.

### **Typically Required Information**

1. Completed application.
2. Loss information.
3. Supplemental information.
4. Financial information – D &B, company financial reports, etc.
5. Experience Modification factor or worksheet – workers compensation
6. Driver's list and/or motor vehicle report / MVR
7. Safety Services reports / loss control reports; safety manuals, etc.
8. Other – supplemental information; safety manual or hard book; audit reports, prior contracts; etc.

## Risk Appetite

Risk appetite, a cornerstone in the domain of insurance and reinsurance, delineates the boundaries of how much and what types of risk an insurer or reinsurer is willing to embrace. It serves as the guiding principle, steering the strategic decisions of an insurance entity, and determining the scope and nature of risks it is prepared to underwrite. Within the realm of risk appetite, the "what type" aspect holds particular significance, as it outlines the specific categories and characteristics of risk that align with the company's overarching objectives.

At the heart of this comprehensive approach to risk management lies the Appetite Guide, a meticulously crafted document that serves as the underwriting "bible." This guide delineates, in intricate detail, what risks are deemed acceptable and eligible for underwriting, as well as those that fall outside the established boundaries. It is a foundational tool that not only communicates the risk appetite of the insurer but also provides underwriters with a framework for decision-making and risk evaluation.

The Appetite Guide delves into the specifics of eligibility criteria, offering a clear and comprehensive breakdown of acceptable risks. It considers factors such as industry sectors, geographical locations, policy limits, and the types of coverage offered. Simultaneously, it highlights the characteristics that render certain risks ineligible, establishing the boundaries within which underwriters must operate.

It is crucial to underscore that while the Appetite Guide is a cornerstone, it is not inflexible. Rather, it serves as a guide, allowing for a degree of adaptability and judgment in the underwriting process. Each underwriting decision involves a careful consideration of the guide's principles, but also necessitates a nuanced evaluation of the unique aspects of each risk. The guide, therefore, empowers underwriters with a comprehensive framework while acknowledging the dynamic and evolving nature of the insurance landscape.

In essence, the Risk Appetite and its corresponding Appetite Guide represent a strategic compass for insurers and reinsurers. They provide a structured and informed approach to underwriting decisions, ensuring alignment with the company's overall risk management objectives while acknowledging the need for agility and adaptability in navigating the complex world of insurance and reinsurance.

Understanding the Appetite Guide is crucial for underwriters as it defines the insurer's risk boundaries and guides decision-making. This concise guide outlines acceptable risks, pricing parameters, and underwriting criteria. It ensures that underwriters align their decisions with the company's strategic goals, fostering consistency and contributing to overall success.

## **Key components of commercial insurance risk appetite include:**

### **1. Types of Risks:**

Specifies the categories of risks the insurer is willing to cover. This may include various industries, business activities, or specific perils.

### **2. Risk Tolerance:**

Defines the acceptable level of risk exposure, indicating how much risk the insurer is comfortable assuming in its commercial insurance portfolio.

### **3. Underwriting Guidelines:**

Establishes the criteria and parameters that underwriters must follow when evaluating and selecting risks. This includes considerations such as industry-specific factors, loss history, and risk management practices.

### **4. Coverage Limits:**

Determines the maximum coverage limits the insurer is willing to provide for certain types of risks, ensuring that the exposure is within manageable bounds.

### **5. Pricing Strategy:**

Guides the insurer's approach to pricing commercial insurance policies, taking into account the risk assessment, market conditions, and competitive considerations.

### **6. Market Segments:**

Identifies specific market segments or niches that align with the insurer's risk appetite. This may involve targeting certain industries, business sizes, or geographic regions.

**7. Flexibility and Adaptability:**

Recognizes that the risk appetite may need to adapt to changes in the business environment, regulatory landscape, or emerging risks. It allows for a certain degree of flexibility to respond to evolving market conditions.

## Risk Evaluation / Analysis

### Risk Evaluation

- Is risk within established appetite guide?
- If yes, are all exposures eligible?
- If not, can it be eligible (with modification, exclusions, limitation, etc.)?
- If not within appetite guide or ineligible – decline and communicate decision to agent/broker, document and close file.
- If within guidelines, proceed to risk analysis.
- **Goal:** to determine whether risk is within appetite and determine eligibility.

### Risk Analysis:

- Operation analysis
- Hazards & exposure analysis
- Exposure: a situation that could lead to the possibility of a loss
- Hazard: a specific situation that increases the probability of the occurrence of a loss. Examples: slippery floors, unsanitary conditions, uninspected equipment
- Loss exposure analysis
- Financial analysis

- Coverage analysis
- Identify exposures and hazards associated with the risk.
- Review control in places verses exposures & hazards.
- Determine adequacy.
- Document findings

## **Risk Selection**

Goal: In the intricate realm of underwriting, the processes of risk selection and risk analysis, though interconnected, can be undertaken either simultaneously or as distinct stages. The overarching goal is unwavering: to discern the intricate details of the business under consideration, gaining a comprehensive understanding of its operations in terms of location, nature, stakeholders, and temporal dynamics.

To achieve this goal, the underwriter embarks on a detailed investigation into the specifics of the business operation. This includes pinpointing the geographical scope of their activities, identifying the products and services offered, delving into the duration of their existence in the industry, and determining the scope of coverage—whether it encompasses a single entity or multiple entities. The underwriter aims to answer the fundamental questions of "where, what, who, and when" to construct a precise profile of the business.

Simultaneously or subsequently, the underwriter engages in an exhaustive analysis of the risk. This involves examination of the exact exposures and hazards associated with the type of operation. Notably, the focus extends to discerning exposures and hazards unique to the specific risk under evaluation. The underwriter evaluates the efficacy of safety controls in place, gauges the industry experience of the business, and assesses the management's attitude toward safety.



A nuanced consideration in this process involves understanding the intricate web of stakeholders, from the client to those involved in the operational processes and ultimately to the end user. The temporal dimension is not overlooked, with underwriters keenly investigating when services are provided—whether influenced by the time of the year, the season, or specific times of the day.

In essence, this dual approach to risk selection and analysis ensures a thorough exploration of both the macro and micro elements associated with the business, fostering a comprehensive and well-informed underwriting decision.

**Risk selection** – based on your analysis determine whether:

- To proceed as requested.
- To proceed with modification /rejecting some of the requested coverage.

If “accept with modification,” determine what is acceptable; what is not acceptable; what needs to be modified. For example, if requested limits are not available, offer different limits; decline some of the requested coverage / provide or recommend alternative coverage or options.

Alternatives / recommendations: Umbrella coverage, monoline policy, Deductible plans

Be sure to discuss with the broker and come to an agreement before proceeding. Be clear, precise and leave no ambiguity, and put it in writing.

Determine what else is needed to proceed to pricing. Proceed to pricing.

## Pricing

Pricing stands as the conclusive phase in the underwriting process, representing the pivotal moment when underwriters determine the "adequate" premium for the coverage they are providing. This step holds immense significance as it directly influences the financial viability of the insurance policy and, ultimately, the profitability of the insurance company. However, pricing is not merely a mathematical calculation; it is a complex and nuanced task that demands a profound understanding of the unique attributes and intricacies inherent to each business.

For new and less experienced underwriters, pricing poses a formidable challenge. The inherent diversity among businesses means that each entity brings forth a set of distinctive characteristics and nuances, making it a dynamic landscape to navigate. This complexity necessitates a dedicated effort to develop the skills required to discern and interpret these unique features accurately.

The intricacies of pricing extend beyond the quantitative aspects, requiring underwriters to delve into the qualitative aspects of a business. This involves grasping not only the tangible elements, such as the nature of the operations, risk exposures, and safety measures, but also the intangibles, including the management's risk philosophy and the industry-specific challenges and opportunities.

The learning curve in pricing is characterized by a continuous process of refinement and adaptation. It entails gaining experience and honing the ability to identify and evaluate the factors that set one business apart from another. As underwriters navigate this challenging terrain, they cultivate a discerning eye for detail, enhancing their capacity to accurately assess risks and determine premiums that align with both the unique characteristics of the business and the financial objectives of the insurance company. In essence, pricing encapsulates the culmination of the underwriting journey, requiring a blend of technical acumen, industry expertise, and a keen understanding of the individuality inherent in each business.

***Adequate premium*** – enough premium to pay claims and at the same time contribute to company profit.

**Need to know:**

**Rates / premium rates** – the amount of money necessary to cover losses, expenses, provide a profit to the insurer for a single unit of exposure. Rates are calculated and set by actuarial and filed with appropriate organization.

**Models** – algorithms developed to compute premium. In simple language systems designed to underwrite and price a risk, just like an underwriter would.

These models are typically designed for an average risk with limited deviation or nuance. For that reason, the premium derived from the model is only adequate

for an average risk. Model premiums for an average risk never need to be adjusted.

The pricing task is technical, objective and at the same time subjective.

- Technical & objective – quantifiable variables

Rates, experience rates, loss ratio, other actuarial derived variables, etc.

- Subjective – qualified variables

Management experience, management attitude towards Safety, business reputation, cooperation with carrier, risk unique/specific nuances, etc.

### **How to approach pricing:**

Compare the risk on the two scales

1.Exposure and hazards scale

2.Controls in place scale

Review exposures or hazards presented by the business operation and determine where they fit - on the spectrum of light to heavy.

- Light fit – less exposure and, or hazards than an average risk / lighter exposure than an average risk / less exposure and, or hazards.

- Average Fit – a match for assigned classification / average risk.
- A heavier fit – more exposure and or hazards than an average risk / worse than average.

Scale 2 – Review controls in place to mitigate identified hazards ( list of required/ expected controls available with this module).

- Better than average – has or has implemented better than average safety controls.
- Average – adequate controls in place.
- Worse than average – inadequate controls or no controls in place.

Based on where the risk falls on each, determine whether to leave it as priced by the model or , apply credit or debit.

Note 0 net credit/debit is acceptable.

### **Documentation:**

Summarize your thought process and provide justification of decisions you made.

- Note the document can and will be reviewed by others and so it must be factual and objective. Be detailed, clear and precise – do not “over abbreviate” to the extent another reader cannot easily understand your comments. Do not include personal feelings or opinions.

- The write up must include description of the operation, source of information, list of exposures & hazards, whether risk is proper fit, light fit or heavy fit for assigned exposure class code(s), safety controls in place. Whether controls are effective, above average, or worse than average.
- Pricing justification – why you priced the way you priced. Justify your decision, do not include comments that may contradict your statements, especially decisions related to pricing.
- Do not use inappropriate or irrelevant justification – for example, competition, relationship with client or agent; insured has other policies with company, etc. The write-up must be consistent with your risk analysis and pricing.

**Typical pricing categories are related to these characteristics.**

- **Management**
- **Employees**
- **Premises, premises & equipment on premises**
- **Protection and safety devices**
- **Medical facilities**
- **Risk peculiarities**

These pricing characteristics carry different weights depending on the industry and line of business. For example, employee training is important for all lines of business and categories, but it carries more weight in categories that utilize power tools, mobile equipment; Protection carries more weight on risks that have fall

height exposure – window washers, exterior painting, tree removal; employee experience carries more weight for risks with driving, trucking exposure, etc.

### **Discretionary Pricing Basics**

*Discretionary pricing is pricing that deviates from model pricing (typically results in what is referred to as schedule credit or debit).*

Discretionary pricing, an integral facet of the underwriting process, holds significant weight not only as a best practice but also as a crucial element for maintaining compliance with rate filings. The documentation of discretionary pricing decisions is imperative, irrespective of whether it is explicitly mandated, to uphold transparency and accountability in the underwriting realm.

Underwriters, in their role as guardians of risk evaluation, are tasked with the responsibility of substantiating discretionary pricing decisions with precise and relevant information specific to the individual risk. This means that any application of discretionary pricing must be accompanied by meticulous documentation that goes beyond generalities. The documentation should be a detailed account, providing specific facts intricately linked to the characteristics of the particular risk under consideration. These facts serve as the foundational basis for the discretionary pricing decision.

In addition to fostering good underwriting practices, this documentation serves a dual purpose of aligning with regulatory requirements. Compliance with rate

filings necessitates a clear and traceable record of the rationale behind discretionary pricing decisions. By diligently recording the supporting information/data, underwriters not only adhere to industry best practices but also ensure that their decisions are well-founded and defensible. This disciplined approach to documentation enhances the credibility of the underwriting process, facilitating effective communication and understanding, both internally and externally, and ultimately contributing to the overall integrity of the insurance operation.



## **Documentation.**

### **Best Practices for Presenting Documentation Information**

- Preface your comments by indicating the category each comment or comments apply to.
- Be clear – do not “over-abbreviate” to an extent another reader cannot easily understand the comments. Provide sources of information. It is good practice to date the write up.
- The larger your credit or debit for a category, the more specific characteristic you should reference in support of the documentation.
- Do not use inappropriate supporting justification, such as “to be competitive,” relationship-based reason, “has other policy with us”.
- Do not duplicate reasons – for example characteristics or variables that are already contemplated in the model (need to have some understanding of the model).
- Remember – the information must be specific to the risk and category – cannot be general; the language must be consistent with the applied credit or debit; each modified category must be documented.

### **Typical General Pricing Categories**

1. Management

2. Employees
3. Premises
4. Protection
5. Safety
6. Peculiarities

**Management:**

- How much industry experience does the owner(s) or management have?
- Is there a formal documented safety plan?
- Does the business have a formal documented accident review program?
- Does the business cooperate with loss controls?
- Does the business have safety signs posted at appropriate places?

**Employees**

- Is there a formal training program?
- What is the employee turnover?
- Are there formal hiring practices (background checks, drugs testing, Reference checks, medical screening, etc.).
- Are employees required to have the required certifications?
- What is the average year of experience for employees?

### **Premises**

- What is the condition of the business premises?
- Is there outdoor lighting?
- Is there any off-premises work (client location, mobile services, etc.)?
- Any flammables stored or in proximity?

### **Protection**

- Does the business conduct formal self-inspection with documented records?
- Does the business have a fire alarm system with pull station?
- Does the business have a fire extinguisher maintenance program?
- Are there security cameras on the premises?

Note characteristics may overlap among the categories but they must be considered for every category. For example, the issue of “safety” applies to all five categories.

### **Commercial Auto specific categories**

#### **Management:**

- Management industry experience? Extensive or little experience?

- Stability of ownership
- Management turns over
- Are owners involved in the day-to-day operation?
- Reactive or proactive management
- Timely response to loss control recommendations
- Timely response to vehicle related conditions
- Maintenance of vehicles, grounds, building & premises
- Is there a formal MVR program?
- Are MVR reviewed for all new hires before they are allowed to operate a company vehicle?
- How often are MVRs pulled?
- Is there a specific MVR point criteria in place?
- Is there a designated person accountable for safety practices?
- Is there an incentive program?
- Is there a policy to deal with poor employees/drivers?
- Is there a formal accident investigation, with documentation?

## **Employees**

- What is the experience level of employees?
- Turnover rate? Is it high for industry?
- Is it seasonal business (need temp employees certain times of the year)?
- Hiring practices – same as general
- Employee training – same as general + are drivers properly trained in the use and safety of vehicle; is there employee handbook?
- Premises and equipment
- Extent of hazards: what is being hauled? Is it secured properly? Where – roads, highways, freeways, congested cities, rural areas?
- Maintenance and condition of the vehicles and equipment: age of vehicles; timely maintenance; is maintenance documented? Are vehicles modified? safer violations? Onsite mechanic vs subcontracted maintenance at sub's location?
- Do drivers take vehicles home?
- Are verbal guidelines and written guidelines formally enforced?

**Safety:**

- Is there a formal driving program and are written policies in place?
- Are regular safety meetings held?
- Is there a formal safety committee in place?

- Is there drivers and/or driver/vehicle monitoring systems? Do vehicles have GPS or any monitoring equipment?
- Are drivers compensated, miles/hours/salaried?
- Garaging and protection for parked vehicles? Security systems installed. Alarms? Cameras? Signs posted?
- Safety self-inspection – is there a formal inspection of vehicles and how often are deficiencies addressed right away? Formal written program?
- Accident reviews and incentives – are there formal accident reviews with employees to prevent future accidents? Is there a formal disciplinary program for at fault accidents? Performance reviews based on driving behavior.
- Is the business a 24-hour operation – do all drivers maintain a driving log? Are drivers required to drive at night?

### **Workers Comp Specific Categories**

The exposure in Workers' Compensation, a critical facet of underwriting, is intricately tied to the specific activities and responsibilities undertaken by employees within a business. This dynamic nature of exposure means that it varies significantly based on the industry and the functional areas within an organization. Understanding and quantifying Workers' Compensation exposure demands a nuanced appreciation of the diverse tasks employees perform and the associated risks inherent in those activities.

Industries differ substantially in terms of the work environments, tools utilized, and the nature of tasks carried out by employees. For instance, the risks faced by workers in a construction setting vastly differ from those in an office environment. The exposure in construction might include physical hazards such as machinery operation, while office-based work may have a greater emphasis on ergonomic concerns or repetitive stress injuries.

Similarly, within an industry, different functional areas present distinct exposures. Consider a manufacturing company where employees on the production line face different risks compared to those in administrative roles. Identifying and assessing these nuances is integral to accurate risk evaluation in Workers' Compensation underwriting.

Furthermore, the emergence of new technologies and shifts in work practices continually influence Workers' Compensation exposure. Remote work, for example, introduces a unique set of considerations, altering the traditional understanding of workplace hazards.

In essence, recognizing that Workers' Compensation exposure is contingent on the specific tasks and operations within a business prompts underwriters to adopt a tailored approach. It necessitates a keen awareness of industry trends, occupational risks, and an ongoing commitment to staying informed about evolving work practices. This adaptability ensures that underwriters can effectively evaluate and mitigate the diverse array of risks associated with different industries

and functional areas, contributing to the overall success of Workers' Compensation underwriting.

Common industry examples include:

- Food industry – cooking, cutting, cleaning, standing, lifting, walking, bending.
- Wholesale/manufacturing – operating machinery, lifting, stacking, climbing, driving, bending.
- Trade Contractors – hand tools, power tools, driving, climbing ladders & scaffolding.
- Retail – standing, lifting, bending, repetitive motion.
- Auto service – hand tools, power tools, driving, use of machinery.
- Office – standing, walking, repetitive motion, driving.

### **Pricing Categories**

#### **Premises**

Housekeeping – free of clutter, regular clean up, daily/weekly inspection?

- Walkways – clear and open? Well lit? Elevation changes?
- Workstations – proper ergonomics enforced? Type of lighting? Any over-crowding?



- Job site if away from premises – unpredictable? Daily clean up?
- Wage scale – how are the wages compared to the industry average?
- Manual handling or exhaustion – above normal or below normal for the class
- Hazards in the class – how does the risk compare to similar risks?

### **Medical facilities**

- First aid – are kits readily available & staff trained in basic first aid?
- CPR – are any members certified CPR?

### **Safety Devices**

- Proper machine guarding?
- Personal protective equipment/PPEs supplied and/or enforced?
- Is the equipment on a regular maintenance schedule?

### **Employee – Selection, Training, Supervision**

- Is there a formal training program?
- What is the employee turnover?
- What is the average tenure of current employees?
- Are there formal hiring practices? (Background checks, drug testing, reference checks)

- What is the average year of experience for the employees in the field?
- Are employees certified in their fields? (If applicable)
- Is safety training performed? If so, how often?
- Is there a formal return to work/modified duty program?

#### **Management – cooperation with insurance carrier**

- Does business cooperate with carrier / what is the cooperation level?
- Is there full disclosure by the insured and access to all areas of the risk?
- Is the insured forthcoming with responses to questions?
- Are there formal claim reporting procedures in place?
- Are claims reported in a timely manner?
- Has there been loss control recommendations – how timely was compliance? Were all recommendations complied with?

#### **Management – safety of the Organization**

- Formal safety program in place?
- Formal safety committee?
- Normal accident investigation procedure?
- Is there a self-inspection program in place? How often are self-inspections done?

- How initiative-taking is the insured at fixing deficiencies?
- Does the insured have a safety incentive program?

**Peculiarities / applies to all industries & lines of business.**

- Does the business operation a “fit” for classification?
- Is it a typical business for assigned classification?
- How much does the operation differ/deviate from assigned classification?
- Do the peculiarities increase or decrease risk?

**Resources & sources of data /information**

1. State secretary of state database
2. Google search
3. D&B
4. Restaurants rating sites and resources
5. Yelp
6. Facebook & Instagram business profile
7. LinkedIn
- 8.** SaferWeb
- 9.** NAIC Association
- 10.** BBB
11. OSHA
12. Motor vehicle reports
13. Workers comp bureaus – NCCI, other bureaus: PA, NJ, NC, NY, CA, DE, CT
14. Trade licensing database and resources
15. [importgenius.com](http://importgenius.com)
16. Reference connect / PAAS (subscription)
17. Google maps

