Understanding Underwriting to Get a Good Deal

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RLI Design Professionals
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UNDERWRITING

A process of assessing risk.

This course will review some important considerations in the process of underwriting and provide insight into the actions that design professionals and their firms can take to reduce their risk from an underwriting perspective.

Learning Objectives

Participants in this session will:

1. Gain insight into the underwriting process;

2. Review risk factors and other important considerations in the underwriting process;

3. Discover ways to complete the application process more efficiently;

4. Consider the value of a holistic insurance solution.

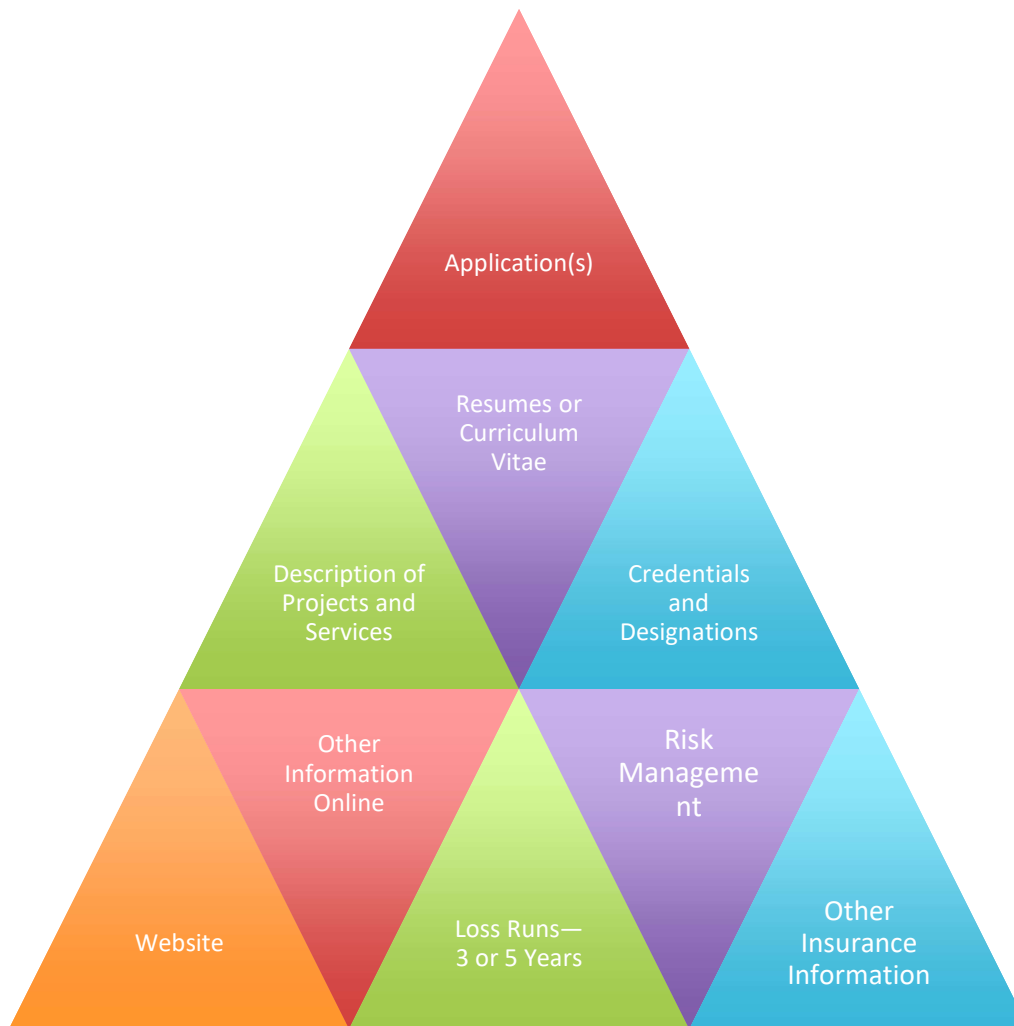# How do you evaluate an application?

Hypothetical

2 similarly sized firms. Each employing 100 architects, each performing similar services.

One is located in New York City, the other in Wisconsin.

Which has a greater auto exposure?

Factors for Consideration

What are some risk factors?

The kind of work you do matters

Specific Considerations

Increased Exposure

Responsibilities for construction
Environmental remediation
Product design, fabrication, or manufacturing
Real estate development

We're not telling you what to do…

Responsibility for Construction

Environmental Remediation

Product Design, Fabrication or Manufacturing

Real Estate Development

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Specific Considerations

Increased Exposure

Software development
Coastal locations
Foreign offices
Diving/Bridge inspection

…we're just telling you how we see it…

Software Development

Coastal Locations

Foreign Offices

Diving/Bridge Inspection

Specific Considerations

Increased Exposure

Aircraft

Mining

Roofing consulting

History includes loss(es)

...and that engaging in one of these will likely increase your premium, if we can provide you with a quote at all...

Aircraft and Mining

Roofing Consulting

History of Loss(es)

What are positive factors to highlight?

Professional Liability Considerations

Professional Liability Considerations

Things to Highlight

Demonstrate relevant experience

Integrate new hires

Establish financial strength

Perform Go/No Go analyses

These are all favorable for underwriting

Demonstrate Relevant Experience

Integrate New Hires

Establish Financial Strength

Professional Liability Considerations

Things to Highlight

Develop written contracts

Maintain clear communication protocols

Follow quality assurance/control procedures

Require systematic recordkeeping (and audit)

These are all favorable for underwriting

Develop Written Contracts
reviewed by counsel

Quality Assurance/Control Procedures

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Require Systematic Recordkeeping

and audit

What are some additional considerations?

Professional Liability Considerations

Professional Liability Considerations

Things to Highlight

Leadership

Provide ongoing training

Provide mentorship

Review lessons learned

Plan strategically

These are all favorable for underwriting

Professional Liability Considerations

Things to Highlight

Handshake deals

Poor documentation of major project decisions

No formal quality program

Proceeding without prior written approval

Requirements not flowing to subs

*These are **unfavorable** for underwriting*

What are positive factors to highlight?

Property & Casualty Considerations

Property & Casualty Considerations

Things to Highlight

Written and tested business continuity plan

Inventory control system

Continuing education

Return to work program

Written policies and procedures for auto safety

*These are all **favorable** for underwriting*

Business Continuity Plan

Inventory Controls and Continuing Ed.

Auto Safety

Seat belt use policy
Driver agreements
Crash reporting and investigation
Vehicle maintenance and inspection
Reward/incentive program

What are some additional considerations?

Property & Casualty Considerations

Property & Casualty Considerations

Things to Highlight

Lack of a screening process for company drivers

Lack of a company cell phone policy

Coastal location with history of windstorms

Installation responsibilities on FF&E

No centralized risk management/loss control

*These are **unfavorable** for underwriting*

Filing out your policy application

Any advice?

Steps to Improve Outcomes

Completing your application

1. Examine the entire application.
2. Review prior applications.
3. Organize your information.
4. Complete all required questions.
5. Answer clearly and succinctly

Remember: Time is your friend!

Pro Tip: Use last year's application as a guide

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41

When do you ask additional questions?

Policy application process

Resolving Discrepancies

Between your website and application

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Additional Information

For a more complete picture

Current projects
Awards won
Firm experience
LEED accreditation
Etc...

Addressing prior claims and disciplinary action(s)?

Policy application process

Addressing Prior Claims and Discipline

Lessons learned

1. Recognize mistakes;
2. Observe what works;
3. Document both; and
4. Share the lessons learned.

Demonstrate why those issues are unlikely to reoccur

Understanding Your Risk Profile

Help us, help you

Thank you for your time!

QUESTIONS?

This concludes The American Institute of Architects Continuing Education Systems Program

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