

Module Specification

Module Summary Information

1	Module Title	General Insurance - Underwriting Practice
2	Module Credits	20
3	Module Level	7
4	Module Code	MAN7082

5	Module Overview
Relationship with Programme Philosophy and Aims <p>The aim of this option module is to develop the student to become an expert in the field of Underwriting Practice, developing their knowledge and requiring them to challenge current wisdom with a view to suggesting novel and innovative approaches. As such the module will contribute to all the learning outcomes of the programme to a greater or lesser extent.</p> <p>The module relates to all of the programme learning outcomes.</p>	

6	Indicative Content
<p>1. Understand key influences of the regulatory and commercial environment on underwriting</p> <p>1.1 Explain the implications of regulatory authorisation for the underwriting function</p> <p>1.2 Explain the relationship between underwriting and capital and solvency requirements.</p> <p>1.3 Explain the principles and requirements of contract certainty.</p> <p>1.4 Discuss the impact of legislation and litigation on underwriting.</p> <p>1.5 Explain the operation of the traditional underwriting cycle.</p> <p>1.6 Discuss the impact of major events and trends on underwriting.</p> <p>2. Understand key aspects of underwriting policy and practice</p> <p>2.1 Explain corporate underwriting strategy and its influences on underwriting policy.</p> <p>2.2 Discuss the importance of moral and physical hazards in setting an underwriting policy</p> <p>2.3 Discuss typical criteria for policy cover, terms, conditions and restrictions.</p> <p>2.4 Explain how risks are classified, categorised and improved.</p> <p>2.5 Explain the interaction between underwriting and distribution channels.</p> <p>2.6 Explain the use and implications of granting delegated authority.</p> <p>2.7 Discuss the implications of writing international business.</p> <p>2.8 Describe counter-fraud initiatives.</p>	

3. Understand how statistical data is used for underwriting

3.1 Explain the relationship between exposure and claims.

3.2 Explain the importance of averages.

3.3 Calculate commonly used measures of average.

3.4 Interpret the distribution of data around the average.

3.5 Explain the relationship between frequency and severity.

3.6 Explain the basic principles of probability including the difficulty of anticipating less frequent events.

3.7 Calculate the expected value of claims.

3.8 Explain the importance of the law of large numbers in sample sizes.

3.9 Discuss the limitations of statistical data.

4. Understand the principles and practices of risk pricing

4.1 Explain the main elements of the premium.

4.2 Explain the burning cost and prospective risk analysis methods of rating.

4.3 Explain how claims data is interpreted and used in setting prices.

4.4 Explain the significance of IBNR (incurred but not reported) claims.

4.5 Explain the importance of liaison between underwriting and claims functions, especially reserving.

4.6 Explain the role and significance of the actuary in risk pricing.

4.7 Examine the importance of competitor analysis in pricing.

4.8 Discuss other risk data that can be used in pricing.

5. Understand risk exposure and control

5.1 Explain how exposure to single risks and single events can be measured and managed to balance the account.

5.2 Explain the aggregation of risks and the use of catastrophe modelling.

5.3 Explain the role of reinsurance in controlling exposure.

5.4 Explain the main types of reinsurance and their application.

5.5 Explain the importance of the interaction between insurer and reinsurer.

5.6 Outline methods other than reinsurance that can be used for limiting exposure.

7 Module Learning Outcomes		
On successful completion of the module, students will be able to:		
	1	Understand the key influences of the regulatory and commercial environment on underwriting.
	2	Develop and understand the relationship between key aspects of Underwriting Practice policy and practice and their effect on risk exposure of an organisation.
	3	Understand how statistical data is used for underwriting and develop controls to ensure the risk exposure to an organisation is at an appropriate level.
	4	Understand the principle and practices of risk pricing.

8 Module Assessment			
Learning Outcome			
	Coursework	Exam	In-Person
1-4	X		

9 Breakdown Learning and Teaching Activities	
Learning Activities	Hours
Scheduled Learning (SL) includes lectures, practical classes and workshops, peer group learning, Graduate+, as specified in timetable	80 This course is delivered purely via distance learning. Therefore this figure indicates the number of hours required to review all the lecture material provided.
Directed Learning (DL) includes placements, work-based learning, external visits, on-line activity, Graduate+, peer learning, as directed on VLE	50 Within the material provided are activities which students are required to complete either on their own or with colleagues and peers. These activities can include reflection on the student's current working practices.
Private Study (PS) includes preparation for exams	70 This is primarily used for further reading which the student wishes to undertake to broaden / deepen their knowledge and to write and submit their assignment.
Total Study Hours:	200