



### Module 3

# Underwriting, Loss Prevention and Claims Handling

## Sample questions - answers

For what main **practical** reason do US sanctions impact so much P & I work?

- The US has its own separate legal regimes for most areas of liability
- Over 70% of entered vessels fly the US flag
- Most Members do some trade with the US or US companies
- Most P & I business is transacted in US Dollars

A Club has been approached to consider taking on a new fleet. What question must they ask first before going any further?

- What is the claims record?
- Is the fleet currently entered with an International Group Club? ✓
- Is there a sensible broker involved?
- What discount will the prospective Member be expecting



Which statement best represents the purpose of the General Increase?

- To ensure that the regulators are happy with the surpluses being maintained.
- To cover the gap in income not covered by individual Member Calls
- To anticipate factors which will impact the whole Club membership in the future
- To pay for the costs incurred when abating claims for a single Member

What useful information can an underwriter obtain from the THETIS website?

- Information about particular legal provisions in different countries
- The identity of vessels refused access to EU ports
- Worldwide weather including historical data
- The Member's financial position

Identify which subjects the IGA **does not** cover. Choose the two that might apply.

- The movement of vessels from one Club to another.
- Transparency on operating costs
- The prices that individual Clubs should charge at each renewal for their existing entries ✓
- Criteria for Clubs to become members of the International Group ✓



What is the combined ratio in each of these cases? Use two decimal places but no percentage sign is required

1. Net claims 12,123,847, expenses 850,456, net premium 17,546,847. Combined ratio is
2. Net claims 15,124,754, expenses 545,846, net premium 10,975,000. Combined ratio is
3. Net claims 11,546,000, expenses 750,123, net premium 11,456,700. Combined ratio is

**Correct answers:**

73.94    142.78    107.33

To what information should third parties be directed to by a Member to answer any questions concerning a vessel's P & I cover? Choose the two that might apply.

- List of vessels on the Club website ✓
- Copy of the Club rules
- Certificate of entry ✓
- Confirmation of entry

An underwriter is considering a new risk for a potential member and is reviewing their business model. It appears that the prospective member is regularly offering clients warehouse storage facilities as well as some land based transport options. What issue should this raise in the underwriter's mind if they offer a full P & I entry?

- This business model makes the risk better from a P & I perspective
- This business model would make this part of the risk excluded under the Rules and therefore non poolable ✓
- This business model should automatically attract a higher premium
- This business model will require certain elements of the risk to be excluded



A claims handler is preparing the paperwork for submission of a first advice of claim to the Group under the Pooling Agreement. They note from the file that the vessel in question has been categorised as a Designated vessel. They are not sure what that means so asks a colleague for guidance. What will their colleague tell them which relates to the task they are doing?

- That the vessels receives special attention from the Loss prevention team
- No claims can be presented to the Pool for designated vessels
- The Club has a lower retention before presenting claims to the Pool if the vessel is "designated"
- The Club has to bear two retentions before presenting claims to the Pool if the vessel is "designated" ✓

Choose whether each statement is true or false.

	True	False
Claims estimates should be reviewed with the Member before renewal	<input checked="" type="radio"/>	<input type="radio"/>
Members should be told what reserves are being held on claims which are subject to the Omnibus rule	<input type="radio"/>	<input checked="" type="radio"/>
All pool claims must be notified with a reserve/estimate	<input type="radio"/>	<input checked="" type="radio"/>
All claims estimates should include a figure for experts' costs if applicable	<input checked="" type="radio"/>	<input type="radio"/>