EMPOWER DEVELOPMENT

4 QUESTIONS

AN INSURER CAN DELEGATE UNDERWRITING AUTHORITY TO

✓ Another insurer (or set of insurers)
✓ A broker; or
✓ Another entity altogether

CONSORTIUM

✓ A group of insurers which have formed an agreement to accept risks together in a set proportion

DOCUMENTATION

✓ Binding authority schedule
✓ Binding authority wording; and
✓ Non-schedule sections

LEARNING OUTCOME 9
Understand the purpose, benefits and operation of delegated underwriting

LINE SLIP

✓ A set of insurers brought together by a broker
✓ Declaration: the individual risk to be attached to the line slip
✓ Buking line slip – premium presentations to Xchanging can be aggregated
✓ Non-bulking line slip - premium for each risk must be presented individually

TYPES OF AUTHORITY

✓ Full authority
✓ Pre-determined rates
✓ Pre-determined rates with no discretion
✓ Prior submit

BINDING AUTHORITY

✓ Delegated authority between an insurer and a coverholder

COVERHOLDERS

✓ Approved coverholder
✓ Service company

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