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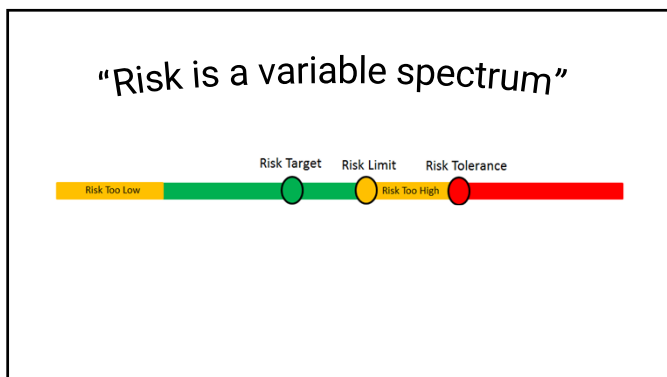
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Insurance 101 Agenda

- ◆ Risk Management Fundamentals
- ◆ Key Terms / Concepts
- ◆ Common Insurance Lines
- ◆ Understanding and Interpreting the COI
- ◆ Tips / Next Steps

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Risk Management Fundamentals

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Risk Management Fundamentals

- ◆ What is Risk?
  - “The probability that an unexpected situation may arise and affect the organization and its business processes, units, resources, or people.”

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### Risk Management Fundamentals

#### ◆ Types of Risk

- Strategic
- Operational
- Financial
- Cybersecurity
- Compliance
- Environmental
- Reputation



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### Risk Management Fundamentals

#### ◆ Enterprise Risk Management (ERM)

- Holistic and continuous approach to managing risk throughout the organization.
- Disciplined method of identifying risks, preparing the company for future hazards, and enabling the achievement of strategic objectives.

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### Risk Management Fundamentals

#### ◆ ERM Elements

- Risk Event
- Risk Factors
- Risk Probability
- Risk Impact
- Risk Timeframe



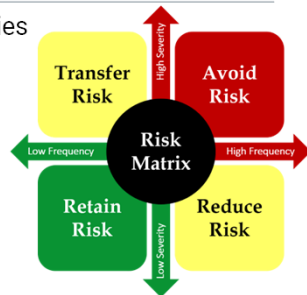
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### Risk Management Fundamentals

#### ◆ Risk Management Strategies

- Risk Control
- Risk Financing



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### Risk Management Fundamentals

#### ◆ Risk Control Techniques

- Risk Avoidance
- Risk Prevention
- Risk Reduction
- Risk Transfer



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### Risk Management Fundamentals

#### ◆ Risk Financing Techniques

- Retention of losses either by design or omission.
- Borrowing of funds or use of bonds or use of other forms of capital
- Contractual non-insurance transfer of responsibility for loss payment.
- Insurance transfer to a non-owned insurance company when and if the exposure is insurable and the cost is not prohibitive.

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Key Terms / Concepts

- ◆ Broker vs Carrier
- ◆ Premium
- ◆ Policy Period
- ◆ Retention / Deductible
- ◆ Primary vs Secondary Coverage
- ◆ Claims Made vs Occurrence
- ◆ "Liability"

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Common Insurance Lines

◆ General Liability


▪ Bodily injury

▪ Property damage

▪ Medical Payments

▪ Products-completed Operations

▪ Damage to Rented Premises



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Common Insurance Lines

◆ Management Liability

▪ Directors and Officers (D&O) Coverage


▪ Employment Practices Liability (EPL)

▪ Fiduciary Liability

▪ Crime

▪ Computer Funds and Transfer Fraud

▪ Employed Lawyers Coverage



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Common Insurance Lines

◆ International Liability

▪ Foreign General Liability

▪ Contingent Auto

▪ Foreign Voluntary Compensation/Employers Responsibility (WC, Employers Liability, Repatriation Coverage).



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### Common Insurance Lines

#### ◆ Professional Liability

- Liability insurance designed to protect professionals (i.e. Engineers, doctors, lawyers, etc.) against liability incurred as a result of errors and omissions in performing your professional service.



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### Common Insurance Lines

#### ◆ Contractor's Pollution Liability

- Liability insurance providing third-party coverage for bodily injury, property damage, defense, cleanup, and related defense costs as a result of pollution conditions arising from contracting operations.



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### Common Insurance Lines

#### ◆ Worker's Compensation

- Coverage for injured employees
- "No Fault" system
- \*Jones Act



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Common Insurance Lines


◆ Property / Inland Marine

▪ Provides for economic loss and liabilities associated with owned assets or properties.

▪ Scheduled vs Blanket Coverage

▪ Leased or Rented Property

▪ Transit Coverage



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Common Insurance Lines


◆ Business Automobile

▪ Domestic Business Automobile Claims – Liability & Physical Damage

▪ Owned vehicles as well as leased or rented (hired vehicles; hired physical damage on an excess basis).

▪ “Authorized Drivers”

▪ Scheduled vs Blanket Coverage



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Common Insurance Lines

◆ Marine

▪ Hull, Protection & Indemnity

▪ Marine Equipment

▪ Maritime Employers Liability



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Common Insurance Lines

◆ Unmanned Aircraft Systems

▪ Policy which covers both the physical replace of Unmanned Aerial Systems (Drones) as well as liabilities arising out of their operation.

▪ Scheduled Coverage

▪ Leased or Rented Equipment



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Common Insurance Lines


◆ Cyber

▪ Network Security Liability

▪ Security Liability

▪ Privacy Liability

▪ Media Liability



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Common Insurance Lines

◆ Cyber (Continued)


▪ Cyber Extortion

▪ Privacy Regulatory Proceedings

▪ Network Business Interruption

▪ System Failure

▪ Digital Asset Protection



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### Common Insurance Lines

#### ◆ Kidnap & Ransom

- Coverage for kidnap and ransom events
- Response consultancy
- Ransom payment
- Confirm excluded countries (if applicable)



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### Common Insurance Lines

#### ◆ Business Travel / Accident

- Policy which covers various injuries or death to key named employees in the case of a travel accident.
- Coverage is for Accidental Death & Dismemberment. Enhancements can include Coma, Emergency Medical, Emergency Medical Evac, Rehabilitation, Repatriation of Remains, Seatbelt & Airbag Benefit.



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### Common Insurance Lines

#### ◆ Umbrella / Excess

- Excess Liability insurance over underlying policies (i.e. Employers Liability, Auto Liability, and General Liability) that drops down providing coverage when the aggregate limit of the underlying policies are exhausted.
- "Bumbershoot"



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**Understanding and Interpreting the COI**

- ◆ Key Phrases / Conditions
  - Certificate Holder vs Additional Insured
  - Waiver of Subrogation
  - Indemnification
  - Follow Form- Excess Liability



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**CERTIFICATE OF LIABILITY INSURANCE**

1. Insurance Broker

2. Insured Entity

3. Insurance Carriers

4. Additional Insured

5. Waiver of Subrogation

6. Policy Number

7. Effective Dates

8. Expiration Date

9. Policy Limits

10. Project details, additional insured details, other endorsements.

11. Insurance Certificate Holder (requester)

12. Cancellation

13. Signature of Requester

14. Signature of Carrier

15. Signature of Insured

16. Signature of Additional Insured

17. Signature of Waiver of Subrogation

18. Signature of Indemnification

19. Signature of Follow Form- Excess Liability

20. Signature of Certificate Holder

21. Signature of Insurance Broker

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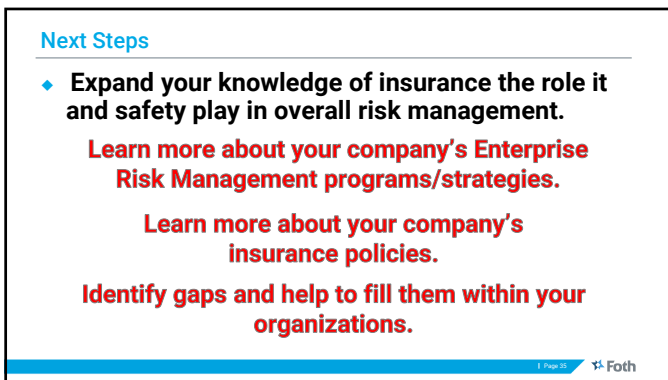
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