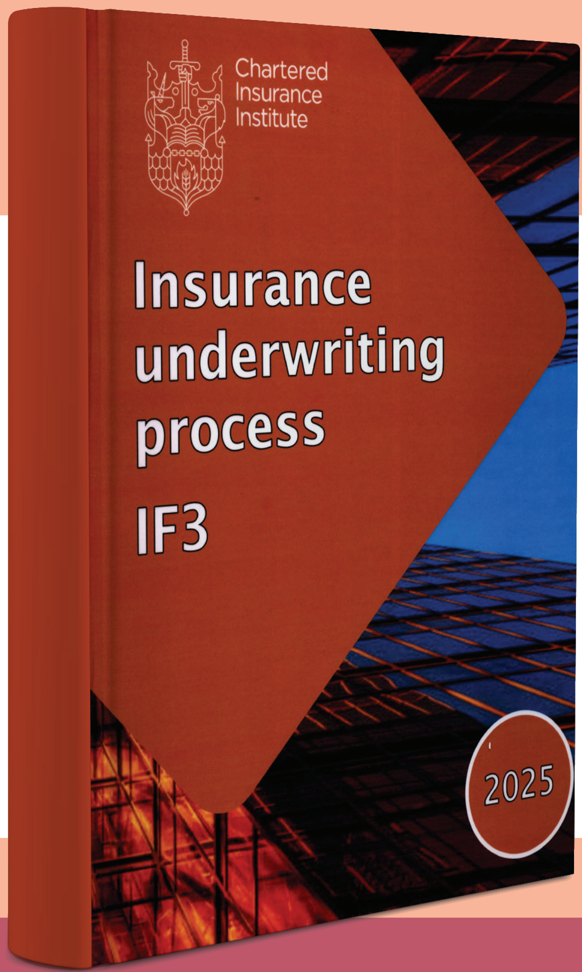

فراخوان
ترجمه کتاب

پژوهشکده بیمه، به منظور کمک به گسترش دانش بیمه‌ای، ترجمه کتاب

Insurance underwriting process (IF3)

را در دستور کار خود قرار داده است. لذا از کلیه اساتید، پژوهشگران، صاحبنظران و کارشناسان دعوت می‌شود که در صورت تمایل به ترجمه کتاب مذکور، کاربرگ درخواست ترجمه پیوست را به همراه سوابق علمی و اجرایی خود و ترجمه صفحات ذکر شده با ذکر عنوان کتاب، حداکثر تا تاریخ ۱۴۰۴/۰۷/۲۴ به آدرس ایمیل nashr@irc.ac.ir ارسال فرمایند.

معیارهای ارزیابی	امتیازات	ضریب
کیفیت ترجمه	میانگین امتیاز ۲ داور (حداکثر ۱۰)	۱
سوابق علمی	سوابق علمی مرتبط با موضوع کتاب: دکترا ۱۰ - ارشد ۸ – کارشناسی ٦ سوابق علمی غیرمرتبط: دکترا ٤ - ارشد ۳ - کارشناسی۲	۰.۲
سوابق تالیف/ترجمه کتاب	سوابق مرتبط با موضوع کتاب: حداکثر ۱۰ امتیاز براساس نرمال‌سازی سوابق غیرمرتبط : ۲۰ درصد امتیاز فوق	۰.٤
سابقه فعالیت تخصصی در حوزه بیمه	حداکثر ۱۰ امتیاز براساس نرمال‌سازی	۰.٤

کاربرگ درخواست ترجمه کتاب

عنوان کتاب:	**Insurance underwriting process (IF3)**
ناشر: Chartered Insurance Institute (CII)	**سال نشر:** ۲۰۲۵

الف- اطلاعات عمومی

نام و نام خانوادگی	
شغل و سمت فعلی	
مرتبه علمی (ویژه اعضای هیات‌علمی)	
آخرین مدرک تحصیلی و رشته	
آدرس	
شماره تماس ثابت	
شماره تماس همراه	
پست الکترونیک	

ب- سابقه تألیف/ترجمه (حداقل ۳ عنوان از آثار خود را اعلام بفرمائید)

ردیف	عنوان کتاب/ترجمه	سال انتشار	ناشر

ج- سابقه اجرایی

ردیف	محل خدمت	مدت زمان خدمت

Introduction

In chapters 1–4, we have been dealing with underwriting procedures on a general level. We shall now start to identify the particular cover and underwriting characteristics applicable to the main classes of general insurance. We begin in this chapter by examining the scope of typical policy cover in respect of the main types of personal insurance.

It may be useful to clarify at this point what we mean when we talk about personal insurances. We are referring to the various policy covers required by private individuals as consumers, as opposed to 'commercial' insurances which are insurances required by commercial entities such as companies and corporations. As we have already seen, the way that insurers deal with private individuals as consumers (retail customers) differs from the way that they deal with insurances purchased by commercial entities.

Commercial vehicle cover has been included under personal insurances as it makes sense to consider this at the same time as other motor insurances but it does belong more properly to the commercial insurances section.

Although we shall be looking at the **underwriting considerations** applicable to these classes in a later chapter it is important at this stage to consider how the cover provided by the various types of policy impact on the underwriting of those classes.

Key terms

This chapter features explanations of the following ideas:

'All risks' cover	Commercial vehicles	Comprehensive cover	Contents insurance
Exclusions	Extended warranties	Health insurance	Household insurance
Medical expenses	Motor insurance	Optional extensions	Personal accident benefits
Sickness cover	Third party only cover	Third party, fire and theft cover	Travel insurance

A Motor insurance

This is the most significant compulsory insurance in the UK: it is illegal to drive or be in charge of a vehicle on a public road, as defined in the Road Traffic Act 1988, unless an insurance policy is in force in respect of legal liability for injury to others or damage to their property.

In the **Road Traffic Act 1988**, 'road' (in relation to England and Wales) is defined as meaning:

> …any highway and any other road to which the public has access…

A1 Private motor insurance

There are four different levels of cover available. The lowest level is the narrowest form of cover, and extra areas of cover can be added for each level at an additional premium:

- Road Traffic Act (RTA) only;
- third party only;
- third party, fire and theft;
- comprehensive.

A1A Road Traffic Act only

Road Traffic Act only is the minimum cover required to comply with the Road Traffic Act 1988 and provides for unlimited indemnity in respect of bodily injury or death to third parties, a £1.2m limit for loss of or damage to third party property, claimants' costs and expenses, and emergency medical treatment and hospital charges arising out of the vehicle use.

Under the terms of the **European Union Third Directive** cars used in EU countries must provide a minimum cover of either:

- the minimum cover required in the country the vehicle is registered; or
- the minimum cover required in the country in which it is being used, whichever is the greater.

In practice there are very few RTA only policies issued.

A1B Third party only

Third party only provides, in addition to the above:

- a £20m limit in respect of third party property damage cover;
- indemnity to the insured's employer if the policy covers business use;
- indemnity for the liability of passengers; and
- legal costs to defend a claim.

Cover also provides the statutory cover while driving the specifically insured vehicle in any EU state.

A1C Third party, fire and theft

Third party, fire and theft includes, in addition to the above, the cost of repair or compensation of the insured if the vehicle is stolen, damaged during theft or attempted theft, and damage by fire, lightning or explosion.

A1D Comprehensive

Comprehensive is the widest possible protection and includes other accidental and malicious damage to the insured vehicle.

Exclusions include:

- wear and tear;
- depreciation, i.e. reduction in the value of the vehicle following an accident;
- loss of use, i.e. costs for alternative transport while the vehicle is off the road;
- mechanical and electrical failure; and
- tyre damage from punctures or blow-outs (though any resultant damage would be covered).

There are also a number of extensions in cover that are usually included without additional cost. These include:

- personal accident;
- medical expenses;
- personal effects; and
- usually a 'drive other vehicles' extension by the insured only, which is restricted to third party only cover or even Road Traffic Act only cover.

The cover under personal accident, medical expenses and personal effects is very limited and should not be likened to stand alone policies of the same nature. Typically, cover will automatically include the driving-other-cars extension but this is subject to other policy restrictions (e.g. age of driver) and will usually only provide cover for the minimum that insurer offers (e.g. third party only).

It is important to make sure that you are very familiar with the difference between **third party, fire and theft** cover and **comprehensive** cover.

Question 5.1
Bill is driving his car along a straight road, he has a blow-out, his car veers out of control and he runs into the front wall of a house, doing serious damage to the car, the wall and injuring himself so badly he loses an arm. What cover would Bill have with RTA cover only, third party fire and theft, and a comprehensive policy with common extensions?

A1E Optional extensions

Optional extensions are typically available, usually for an additional premium (some may be automatically included), for example:

- breakage of glass (i.e. for a non-comprehensive policy);
- personal belongings and clothing (in addition to standard cover);
- provision of a courtesy car so while the policyholder's car is in for repair following an accident they are provided with a replacement vehicle, usually from the insurer's recommended repairer;
- extended personal accident benefits;
- foreign use cover beyond the minimum EU cover automatically provided;
- caravans and trailers;
- breakdown cover; and
- legal expenses.

This list is **not** exhaustive.

A1F Exclusions

There will be general and market *exclusions* in addition to the specific exclusions, such as contractual liability, war risks, use other than as specified, riot and civil commotion and sonic bangs.

It should be pointed out that cover is subject to the driver having a licence to drive the vehicle, or having had a licence and not being disqualified from holding one (which covers the situation where a licence has not been renewed by oversight, for example).

A2 Private motor cycle insurance

The policy format is the same as that used in private car insurance and the same levels of cover are available with the following small differences:

- there is no cover for theft of accessories or spare parts unless the cycle is also stolen;
- some policies do not provide indemnity to employers; and
- there is usually no personal accident, medical expenses or personal effects cover.

Consider this…
Why would there be different restrictions on motor cycles?

There are extensions to cover available for additional premium, such as:

- cover for trailers; and
- riding other cycles extension.

Personal accident cover is available, though it tends to be restricted in scope.

The policy exclusions are essentially the same as those detailed in *Exclusions* on page 5/4.

A3 Commercial vehicles

Although we are dealing with this class of business as part of our consideration of 'motor' insurance, you should be aware that it is in fact a type of commercial insurance not a personal insurance.

The main types are:

- goods-carrying vehicles (from small vans to articulated lorries and those with a connected trailer);
- agricultural and forestry vehicles (such as tractors);
- passenger-carrying vehicles (buses, coaches and minibuses) also usually for hire or reward but not always, e.g. if a company uses a minibus to move their employees; and
- special construction vehicles or 'special types' (e.g. ambulances, cranes, forklift trucks, earth movers).

Like private car insurance, **commercial vehicle** insurance is concerned with insuring against damage to the vehicle, and liabilities to others arising out of the use of the vehicle.

It does not usually include damage to goods carried in the vehicle as this is covered by a goods in transit policy, although this is sometimes available for motor policies covering small vans issued to tradesmen.

There is usually a standard policy wording, which is then modified depending on the vehicle insured. The range of cover is the same as in private motor insurance; the cover, however, excludes the following:

- driving other cars extension;
- personal accident; and
- personal effects.

It also differs depending on the use to which the vehicle is placed. There is, for example, a different rating for vehicles used for haulage (i.e. the carriage for reward of goods belonging to others), as distinct from carriage of own goods. Vehicles used for carrying dangerous substances are subject to special treatment.

The **third party liability** section provides unlimited indemnity for death or bodily injury to third parties, with a limit of, typically, between £1.2m and £5m for third party property damage, compared to the £20m limit for private cars. This enables the underwriter to limit the level of its liability on a case-by-case basis, depending on the nature of vehicle insured and goods carried.

There are also the following considerations:

- **Loading/unloading**: cover also applies here. An example would be dropping goods carried on the bonnet of a car parked near the vehicle while unloading.
- **Indemnity to driver**: usually anyone may drive on the insured's order/with their permission. The vehicle may be owned by a company, yet in the event of an accident a legal action or claim for damages may be brought against the driver, thus it is important that the policy covers both the company and the driver to avoid any potential gaps.
- **Indemnity to user**: the insured may allow others to use the vehicle for social, domestic or pleasure purposes. This allows drivers to take the vehicle home in the evening which is far more practical in many circumstances. It should also be noted that there can be a difference between 'driving' the vehicle and 'using' the vehicle. An example here would be an employed chauffeur. The chauffeur is clearly the driver, though they are being instructed by the employer, who would be the user. The detail and impact are outside the remit of this course, but it should be remembered that there can be a difference.
- **Indemnity to passengers**: indemnity for their acts of negligence is covered. For example, if a passenger opened the car door into the path of a passing cyclist, injuring them, the cyclist might bring a claim against the driver or the passenger, so again it is important both are covered.
- **Legal costs**.

There is a fairly extensive range of *optional extensions* available at an additional premium or some insurers may include some of these automatically. They include:

- Medical expenses.
- Windscreen cover; the cost of commercial vehicle windscreens can be very high and there may be a limit on the policy. Think about the size of a windscreen on a large articulated lorry.
- Loss of use (cover for costs of alternative arrangements while the vehicle is being repaired).
- Increased third party property damage limit; this is especially relevant for large special type vehicles, such as earth movers and cranes which could potentially do a lot of damage as a result of their size and the nature of the work undertaken.
- Personal belongings; this might be relevant for long-distance lorry drivers who spend several nights on the road and may carry reasonable values of personal effects which could be lost in the event of serious accident, fire or theft.

- Indemnity to hirers; some companies often hire out commercial vehicles either on a regular or infrequent basis. This extension means that cover would extend to the person/company hiring the vehicle in the event of an accident or claim.
- Sheets/ropes; this extends cover to include the large covers (tarpaulins) and ropes often used on large open-sided lorries. These can be quite valuable and expensive to replace (especially if they carry advertising and are printed), hence the ability to extend the policy to cover against loss.

Limitations are basically the same as private motor insurance.

Mention should also be made here of **fleet insurance**, which is a group of vehicles under single ownership, covered under one insurance. A minimum number of vehicles is required before insurers will consider rating vehicles as a fleet.

The majority of insurers require ten or more vehicles to be covered before fleet rating is applied, though some will offer 'mini-fleet' policies for over five vehicles if the premium is high.

Generally, the cover available is similar to that under private motor policies; however, other covers are often included, for example:

- contingent third party insurance; for example, providing indemnity to a policyholder (which is an employer), where an employee is using their own vehicle on the employer's business and their own insurance (which is intended to indemnify to the employer) proves to be inoperative;
- joint insured clause (i.e. two or more named insureds are treated as separate policyholders if one has a claim against the other);
- occasional business use; this is providing indemnity to an employee of a policyholder employer, where the employee is using their own vehicle on the employer's business but it is known that their own policy does not cover business use. This is distinct from the contingent indemnity to the employer described above.
- roadside assistance; and
- helplines and administration.

The purpose of fleet insurance is essentially twofold:

1. To enable rating to be carried out to take account of the individual experience of the particular policyholder. This requires a certain minimum number of vehicles to be practical, usually ten, although on larger fleets the statistical basis becomes more genuinely reflective of account performance. These can cover hundreds or thousands of vehicles.
2. To reduce administration for the policyholder and insurer by having a single multi-vehicle policy, the premium for which can be adjusted at agreed periods, instead of doing so at times of individual changes.

B Health insurance

People are exposed to many risks that may result in a reduction in their income or wealth. Income may be reduced by death, unemployment, accidental injury, sickness or disability. In addition, certain liabilities may increase, e.g. the costs of medical treatment. There is an obvious need to insure some or all of these risks, and this is the object of health insurance.

Health insurance can be broken down as follows:

- *Personal accident* which provides payments in the event of accidental death or bodily injury.
- *Sickness cover* which provides payment for disablement due to sickness.
- *Medical expenses*, which provides cover for individuals who seek medical treatment outside the NHS when they are ill.

A personal accident and sickness policy is a **benefit** policy, i.e. a contract to pay a sum of money in the event of a defined event occurring, whether or not the insured sustains a direct financial loss.

An operative time of cover is defined in the policy. For example, terms such as 'during the policyholder's usual occupation' or '24 hours' or 'while travelling in the insured vehicle'.

Chapter 5

Personal accident and sickness policies can be **private**, i.e. taken out by the policyholder in respect of their own welfare, or **group** where a number of persons are covered under one policy. Group policies are usually taken out by employers to protect against financial loss as a result of illness or injury to a member of staff.

Consider this...
What financial losses could an employer suffer as a result of employee injury or illness?

The list is not exhaustive but could include lost revenue through shortfalls in production, the cost of hiring temporary staff, continuing salary to the injured/ill employee (over and above any standard statutory sick pay), the cost of private medical treatment for the employee (especially if the employee is a key member of staff with vital skills), recruitment and training costs, a lump sum payment to the family of any deceased employee or a nominal amount in respect of funeral expenses.

Personal accident and sickness policies can be purchased as stand-alone policies, but are often 'add-ons' to travel, motor, household or commercial combined insurance.

It should be noted that typical standard coverage is limited to those between the ages of 16 and 65 unless specifically noted as included by endorsement. However, this can vary and can range between 16 and 70 for accidents and between 16 and 60 for sickness.

The level of benefit is decided beforehand and is a fixed amount irrespective of whether it is to be paid weekly over a limited period of time and/or in a lump sum.

Be aware
It is important to remember that even though insurers need to ask for all material information, rather than rely on the proposer to disclose it, they are still able to exclude pre-existing conditions from cover in respect of health insurances.

Insurers do not have to expressly exclude the conditions by listing them in the policy wording. It is enough for them to state that pre-existing conditions are excluded unless agreed in writing by the insurer. This is a standard market exclusion, however, it is a significant one and the insurer is, therefore, required to draw attention to it in policy summaries and policy wordings.

Chapter 5

For reference only

B1 Personal accident benefits

The main benefit is a lump sum payable (**capital benefit**) in the event of:

- **Death**.
- **Loss of limbs, eyesight, speech, hearing** – the insured person must prove that the loss is permanent and total. Most insurers require that the loss occurs within an agreed period, i.e. 52 or 104 weeks from the date of the original injury. The lump sum payable is made in addition to any weekly benefit paid up to the time of the loss.
- **Permanent total disablement (PTD)** – permanent disability can be defined as a condition where recovery is not anticipated such as certain brain injuries or paralysis. As above, most insurers require that the PTD occurs within an agreed period, i.e. 52 or 104 weeks of the accident date.
- Permanent injuries that do not necessarily prevent the injured person returning to a relatively normal lifestyle, e.g. loss of fingers or toes, can be classed as **permanent partial disablement (PPD)**. Insurers utilise a pre-set scale of benefits known as the **continental scale** to calculate lump sum payments. For instance, the loss of one finger may generate a lump sum of 20% of the agreed lump sum for death and PTD.
- An injury that while serious is unlikely to result in PTD is classed as a **temporary total disablement (TTD)**. A weekly benefit is payable for each week of disability up to an agreed limit, usually 52 or 104 weeks. Most insurers incorporate a franchise before dealing with a claim, usually between 7, 14 or 21 days.
- An injury that results in an insured person being unable to perform a substantial part of their usual job is classed as **temporary partial disablement (TPD)**. These instances cater for those persons that while unable to perform their normal job can still perform

some sort of role at work. The usual weekly benefits payable are reduced to an agreed percentage, e.g. 30%, to reflect the fact that the person can still perform certain tasks.

B2 Sickness cover

Sickness or illness cover is usually offered as an extension to the personal accident policy and provides weekly benefits for persons unable to perform any part of their normal job (i.e. TTD). A franchise almost always applied.

So how does a franchise operate?

Most personal accident and sickness policies can be extended to include such covers as:

- Disappearance – in which the lump sum applicable for death is paid if an insured person disappears for longer than an agreed period, e.g. six months.
- Medical treatment to speed up the period of convalescence (recuperating).
- Hospital benefits to help pay for family travel costs etc. to hospitals, usually £25–£50 per 24-hour period of treatment.

Question 5.2

What is the difference between a benefit policy and a policy of indemnity?

There are standard exclusions under personal accident and sickness policies, for example:

- the insured being under the influence of or affected by alcohol;
- self-inflicted injury, disease or suicide;
- childbirth, pregnancy, venereal disease or HIV;
- pre-existing illness or infirmity (unless notified to and cover agreed by the insurer); and
- accidents while participating in motor cycling, racing of any kind (except on foot), winter sports and mountaineering, although some of these can be 'bought back' by payment of an additional premium.

Question 5.3

Using what you've learnt about franchises, what is the effect of the seven-day franchise commonly found with sickness cover?

B3 Medical expenses

This insurance provides cover for those who seek private medical treatment outside the NHS. This enables them to choose the hospital and consultant used and, in many cases, the timing of the treatment.

Typical in-patient cover includes:

- **hospital charges** incurred in surgery, theatre fees, consultations, nursing and aftercare costs;
- **specialists' fees** such as specialist consultations and surgeons' fees; and
- **additional costs** such as ambulance fees.

Medical expenses cover is usually based on the level of benefits selected, and premiums tend to increase with the age of the policyholder.

Exclusions include:

- long-term residential care; and
- pre-existing conditions (where treatment has been administered within five years prior to the date of cover commencing).