Procedure/Lecture Outline

1) Present the Power Point Presentation
   a. Ask students if they can define insurance
   b. The insurance industry employs over 2.3 million workers
   c. Wage and salary employment in the industry is projected to grow 10% in the next ten years
   d. In 2004, weekly earnings for workers in the industry averaged $756, considerably higher than the average of $529 for all private industry
   e. How many insurance jobs can you name?
   f. The Possibilities are Endless!
   g. Growing areas of the insurance industry are medical services, health insurance and expansion into other financial services such as securities and mutual funds
   h. Office and administrative occupations usually require a high school diploma; whereas employers prefer college graduates for sales, managerial and professional jobs
   i. Three Segments of Insurance Company Operations
      i. Marketing
      ii. Underwriting
      iii. Claims
   j. Insurance Marketing
      i. The process of identifying potential customers, then creating and supplying the products and services they need
      ii. Four types of distribution systems
         1. Independent agency
         2. Exclusive agency
         3. Direct writing
         4. Direct response
      iii. Independent Agency
         1. Independent agents are in business for themselves and usually represent several different insurance companies
      iv. Exclusive Agency
         1. Exclusive agents are in business for themselves but are contracted to do business with only one company
      v. Direct Writing
         1. Direct writers are employed by an insurance company and rely on personal contact, direct mail, the internet or telephone contact with the customer for their business
      vi. Direct Response
         1. Direct writers are employed by an insurance company and rely solely on direct mail, the internet or telephone contact with the customer for their business
      vii. Advertising
         1. Insurance companies use traditional advertising campaigns such as television, radio, magazine, mail and the internet
         2. Insurance companies also rely on local agents to advertise the company
viii. Marketing Management
   1. Activities include producer supervision, producer motivation and product management and development

k. Insurance Underwriting
   i. To determine who an insurance company’s customers will be, what the companies products will be and at what price those products will be sold
   ii. Underwriter
      1. Evaluates applicants for insurance
      2. Selects those that are acceptable to the insurer
      3. Price coverages
      4. Determines policy terms and conditions
   iii. Line Underwriter
      1. Responsible for the day-to-day decisions
      2. Must refer to the insurer’s underwriting guidelines

iv. Underwriting Management
   1. Sets the company guidelines for underwriting
   2. Delegates underwriting authority

v. Process that underwriters follow
   1. Gather necessary information from various sources to evaluate applicants
   2. Making the underwriting decision, which includes analyzing options and choosing the best option
   3. Implementing the underwriting decision
   4. Monitoring the underwriting decision

l. Insurance Claims
   i. A claim is a demand by a person or business seeking to recover from an insurance company for a loss that might be covered by an insurance policy
   ii. Claim Representative
      1. Also called an adjuster
      2. Responsible for investigating, evaluating and settling claims
   iii. Responsibilities of a Claim Representative
      1. To respond promptly when a claim is submitted
      2. To obtain adequate information
      3. To properly evaluate the claim
      4. To treat all parties fairly
   iv. Types of Claim Representatives
      1. Staff claim representative
         a. Insurance company employees
      2. Independent adjusters
         a. Independent representatives that charge a fee to a company for claim services
      3. Agents
         a. Companies give agents authority to settle small claims
      4. Public adjusters
         a. Hired by the insureds to represent them
m. Advantages to a Career in Insurance
   i. Recognition
      1. Insurance professionals lead businesses and communities
   ii. Rewards
      1. Competitive compensation matches job satisfaction
   iii. Flexibility
      1. The industry invites people to take charge and work at their own pace in any location
   iv. Challenge
      1. People in insurance make a difference by solving problems and helping people
   v. Variety
      1. Every day is a new adventure. The work is as varied as the customers' needs
   vi. Advancement
      1. Self-motivated, skilled people advance quickly