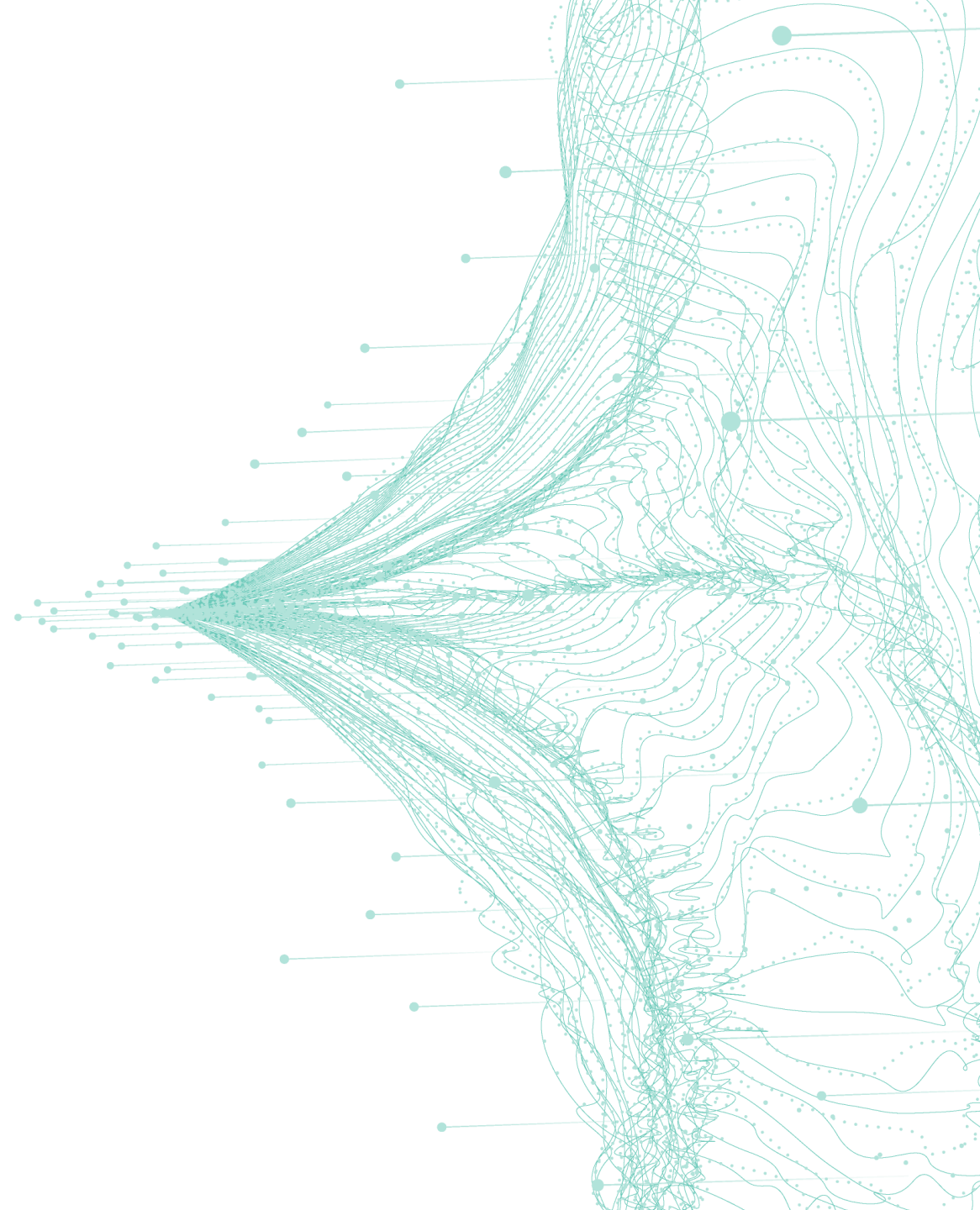


**AVENICA**

# **Insurance Industry & Underwriting Roles**



# Overview

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## What is insurance?

- Insurance is a contract (policy) between a person/organization and an insurance company to pay a regular fee (premium) in exchange for **financial protection against losses or damages**.
- The insurance industry's ability to provide protection for a wide range of risks and markets highlights its importance in the stability of our economy.

## Types of Insurance

- **Health** – Covers the cost of medical expenses for individuals.
  - Example lines of insurance: medical, dental, vision
- **Accidental Death & Dismemberment (AD&D) / Life** – Covers financial support to beneficiaries of the insured in the event of their injury / death.
- **Property and Casualty (commonly called P&C)** – Covers protection of property and legal liabilities arising from accidents or unforeseen events.
  - Example lines of insurance: auto, homeowners, renters, commercial property, pollution liability, and more

# Insurance Company Structures

## CARRIER

- An insurance company that underwrites policies (contracts) and assumes the financial risk of loss.
  - Example of companies: Liberty Mutual, American Family, Allstate, Chubb, State Farm, The General

## AGENCY

- A firm that represents one or more insurance carriers and acts as the middleman between the client and the carrier, and typically works on behalf of the carrier.

## BROKERAGE

- An independent firm that represents multiple insurance carriers and helps clients find the insurance policy that best fits their needs, and typically works on behalf of the client.

*Avenica's partners who are agencies and brokerage firms:*

- HUB International, Assured Partners, Lockton Companies, RT Specialty, Maximum Independent Brokerage

# Insurance Underwriting Overview

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Insurance Underwriters are **the main link between insurance companies and insurance sales agents.**

Insurance companies employ insurance underwriters to **assess the risk of insuring people and assets.** They are responsible for determining a premium (revenue for the insurance company) based on the risk exposure (potential loss) to the insurance company, or the rejection of a new policy or account altogether. Insurance underwriters also review the coverage given to the existing policyholders to decide if the same coverage should continue or not.

There are specialized underwriters for each type of insurance, such as auto, life, health, etc.

# Other Common Underwriting Roles

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There are multiple types of underwriting including:

- **Mortgage Underwriting:** These underwriters are responsible for checking the history of an applicant, credit scores, employment history, and income. Underwriters also need to analyze the property under consideration to ensure the purchase price and the loan amounts are in alignment.
- **Loan Underwriting:** These underwriters work within the banking industry to assess the risk of giving different types of loans including auto and student loans. Loan underwriters work with individuals and businesses.
- **Securities or Equities Underwriting:** These underwriters are usually involved with a company's IPO (initial public offerings) process, primarily for investment banks, and enter into an agreement with the company to ensure that the public subscribes to the shares that a company issues.

# Underwriting Roles Avenica Works With

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- **Underwriting Assistants** and **Associates** are common roles we work with. Both roles work alongside insurance underwriters or underwriting managers to collect information, perform data entry, analyze risk factors, and more to determine the cost and benefit ratio associated with insuring prospective clients.

# Day in the Life of an Underwriting Assistant /Associate

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- Supporting the underwriting process for multiple lines of insurance coverage
- Enter and maintain accurate account information in a detailed record system
- Serve as the primary point of contact for servicing needs on active accounts
- Develop and maintain positive working relationships with underwriters, customers, and business partners to provide high-quality service to clients.
- Enter and maintain accurate account information in a detailed record system
- Serve as the primary point of contact for servicing needs on active accounts
- Provide top-notch customer service by maintaining a dedication to meeting the expectations and requirements of internal and external customers
- Review collected information for completeness and accuracy and request additional information when necessary

# What You'll Learn in Underwriting



- Different types of insurance coverage and policies (repost lines and coverages)
- Data and risk analysis
- Regulations and compliance requirements
  - Insurance regulations ensure **fair and ethical industry practices**, protect insurers and maintain financial stability
- Critical thinking in a fast-paced environment



# Skillsets to be Successful

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- Critical thinking
- Investigation
- Decision making
- Attention to detail
- Communication
- Tech savvy
- Organization
- Prioritization
- Willingness to learn
- Time management

# Growth Opportunities

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## **Growth in Underwriting**

- Advance into different levels within the team (i.e., Senior Underwriter, leadership positions)
- Dealing with a niche clientele or more complex policies

## **More designations/certificates and specialization**

- Although there is not a license requirement specific to underwriting, there are many designations within insurance that can be beneficial to obtain, including state licenses and certifications.
- These designations allow you to have a deeper understanding of specific insurance products, allowing you to provide better guidance and service to clients while increasing your credibility
- Helps to stay up-to-date with the latest insurance trends and best practices as some require ongoing professional development

# FAQ

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## **Is a degree required for insurance underwriting?**

- Insurance underwriters typically need a bachelor's degree to enter the occupation. However, candidates who have an associate degree or a high school diploma and insurance-related work experience sometimes qualify for positions.

## **How long does it take to learn the role?**

- This depends on the company and your specific role, though the standard time to get up to speed is a minimum of 6 months.
- In this role, you will always learn new things!

# FAQ (Continued)

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## **What kind of training or license do I need to work in insurance?**

- On the client-facing side, often you need to get licensed.
- Depending on the level of the role, starting at the entry-level, the licensure will be provided within training upon employment.
  - Some insurance agencies will pay the fee for this exam and provide study materials.
- Higher level roles may require licensing, certifications, and experience.

## **What are common misconceptions about the insurance industry?**

- That insurance is only for those with a background in math or finance, when in fact many different skill sets are valuable in the industry.
- Believing that the client-facing side of insurance can only be sales; though there are great opportunities in sales, that is not all insurance has to offer!
- Thinking insurance is the same each day; it is anything but that! Since it is such a large industry, there are lots of learning and growth opportunities.

# What to expect from here

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## Needing to contact us prior to your informational call with our Avenica team member?

- Please contact the person whom you spoke with in your first-round interview with us, their email address can be found in the meeting invite you received when you scheduled the interview.
  - Often this gets moved to your deleted folder once it is accepted, look there for the meeting invite if you are having trouble finding it.
  - If you can't find the invite, find the reminder text messages sent prior to your interview and text that number back, and an Avenica team member will respond.
  - Or give our main office line a call at 612.339.5332.
- Keep in mind that any job-specific questions will be answered in your informational call.