

Quiz #10 – Chapter 10

1. Requiring ever more information to analyze a risk instead of making a decision has been referred to as
 - a) Sound decision making.
 - b) Paralysis by analysis.
 - c) Maintaining good customer focus.
 - d) Keeping clients interests up front.
2. In dealing with brokers, best results are usually achieved when treating them as
 - a) Partners.
 - b) Friends.
 - c) Subordinates.
 - d) Adversaries.
3. To make a better than adequate decision concerning a risk, the underwriter should strive to obtain
 - a) Everything known about a risk.
 - b) Standard information that is collected for all risks.
 - c) As much risk information as time and circumstances will allow.
 - d) Whatever information the broker can provide about the risk.
4. Underwriters may need to adapt to hard market conditions by
 - a) Focusing more on underwriting profit and less on premium volume.
 - b) Focusing more on premium volume and less on underwriting profit.
 - c) Dealing with more complex accounts that are more difficult to underwrite.
 - d) Addressing an underwriting environment not previously encountered.

5. Explain the connection between uncertainty and stress.

Uncertainty causes stress.
can lead to a bad attitude

6. Why does an underwriter need to be able to adapt to change?

Things change, nothing stays the same.

7. Explain the significance of the phrase "you're not a real underwriter until you've suffered your first million dollar loss"

- It takes ~~coverage~~^{courage} to overcome a fear of losses.
- Uncertainty can never be eliminated so an U/W should not be indifferent to loss.

8. What is paralysis by analysis?

The tendency to let the desire for ever more info about a risk defeat the need to make a decision about the risk.

9. What is the "old boys network"? How can such a network present a challenge to an underwriter?

"Network" exist informally & consist of overlapping personal relationships between members formed over many years of working w/ & for each other.

It is a challenge to an U/W as brkr may end up knowing more about the insr's working & direction than the ~~brkr~~ U/W

10. What are some challenges of communicating via e-mail?

Prioritization

Inappropriate ~~when~~ as it is informal.

No tones on e-mail, easy to be misinterpreted.

Not private

11. What should an underwriter pay attention to when communicating over the phone?

Tone of voice

Time zones

voicemail etiquette

should be followed up by writing

phone calls can't keep record

12. What should be an underwriter's main concern in communicating with someone whose first language is different from his or her own?

Respect other's tradition/cultures
understand first - listen well & be patient.
then be understood - pay attention to their reactive.
Avoid idioms & colloquialisms.

13. How is good will created?

- Good communication

14. Why is empathy important to an underwriter?

Allows the U/w to remain highly motivated and to adapt to constant changes that can be a cause of stress & a basic fact of an U/w's life.

Empathy is the personal quality that underlies the others & allow underwriting relationships to thrive.