

E-learning modules

# BASICS OF AN INSURANCE COMPANY

AVAILABLE IN EN - FR - NL



# E-learning: Economic concepts of insurance and principles

18 min

## Learning goals

- Introduction to the economic concept of insurance responding to the uncertainty that has been present since the beginning of time
- Presentation of the concepts of Mutualisation and Diversification

## Agenda

1. Uncertainty and insurance
2. A bit of physics
3. From Physics to Mutualisation
4. A bit of anthropology
5. A bit of economics
6. Back to our Insurer function
7. The roles of insurance
8. Insurer's risks
9. Mutualisation, Diversification, Time
10. Conclusion

# E-learning: Insurance contracts - Definition and classification

22 min

## Learning goals

- Presentation of the notion of an insurance contract and its various classifications according to different criteria

## Agenda

1. Introduction
2. Technical classification
3. Non-Life insurance contracts
4. Example
5. Life insurance contracts
6. Legal classification
7. Classification according to the mandatory nature of the insurance
8. Two mandatory insurances
9. The market
10. Conclusion

# E-learning: Introduction to financial products

26 min

## Learning goals

- Description and functioning of the most common assets: bonds and shares
- Derivatives: another type of financial asset
- Visualize the position of financial assets on the balance sheet of an insurance company
- Identify the main risks linked to these financial products

## Agenda

1. Introduction
2. The position of financial assets in a balance sheet
3. Bonds
4. Bond issuers
5. Financial concepts
6. Shares
7. Share indexes
8. Market risk for bonds
9. Derivative products
10. Conclusion

# E-learning: Components of an insurance premium and pricing

34 min

## Learning goals

- Explain the composition of an insurance premium and the way it is calculated
- Presentation of two fundamental principles of insurance companies: the inversion of the production cycle and the concept of mutualisation of risks
- Introduction to some basic concepts of statistics and probabilities

## Agenda

1. Introduction
2. Inversion of the production cycle
3. The calculation of the risk premium
4. The concept of average
5. The principle of mutualisation
6. A simple example
7. Life products vs Non-life products
8. The components of an insurance premium
9. Loss ratio: numerical example
10. The commercial premium
11. Conclusion

# E-learning: Premiums and premium provisions

25 min

## Learning goals

- Explain the premium flow within an insurance company
- Explain the technical provisions linked to the premium
- Link between the premium booking and the accounting year
- The written premium and the earned premium
- The unearned premium reserve, gross or net of commissions
- The unexpired risk reserve
- Understand the main components of an earned premium
- Understand the idea of retrospective premium adjustment from one year to another
- Measure the impact of the chosen definition of the earned premium on its value

## Agenda

1. Aim of the module
2. The life cycle of an insurance contract
3. Introduction
4. Written premiums vs earned premiums
5. Calculation of the UPR
6. Earned premium and UPR, gross or net of commission
7. The earned commission
8. Earned premium not yet written and written premium not yet earned
9. The unexpired risk reserve
10. The concept of unexpired risk reserve
11. Calculation of the unexpired risk reserve – Example
12. Conclusion

# E-learning: Claims and claims provisions

32 min

## Learning goals

- Explain the booking methods for claims within an insurance company
- Explain the various types of technical provisions associated with these claims
- Understand the main components of the claims costs
- Use certain valuation methods for technical provisions
- Define a first profitability ratio, the loss ratio

## Agenda

1. Introduction
2. Speed of claims settlement
3. Outstanding claims reserve
4. Fixed amount reserve (small claims)
5. Fixed amount reserve, management
6. Fixed amount reserve (large claims)
7. General provisions
8. Provision for IBNER and for IBNR
9. Provisions for expected recoveries
10. Provision for internal loss adjustment
11. Provision for equalization and catastrophe
12. Summary
13. Example
14. Conclusion

# E-learning: The balance sheet and the profit and statement

30 min

## Learning goals

- Explain the annual statements of an insurance company
- Explain some key profitability indicators
- Understand the main components of the annual statements
- Understand, by way of a simplified example, the link between the balance sheet and the profit and loss statement

## Agenda

1. Introduction
2. Accounting year and annual statements
3. The balance sheet
4. The profit and loss statement
5. The components of the Non-Life profit and loss statement
6. Example – Establishment of a Non-Life company
7. Example – Year 1
8. Example – Year 2
9. Conclusion



# E-learning: The main principles of asset and liability management

30 min

## Learning goals

- Understand, within an insurance company, the main principles of asset and liability management, commonly known as ALM
- Explain the objectives of asset and liability management and how it can allow the profitability of an insurance company to grow
- Present the various risks that an insurer must bear and that an effective asset and liability management will attempt to measure and limit
- Understand why coordinated management of the decisions relevant for the liabilities and assets is absolutely necessary in an insurance company

## Agenda

1. Aim of the module
2. Introduction
3. The asset and liability management of an insurance company
4. The aims of asset and liability management
5. Example 1/2
6. Example 2/2
7. The aims of asset and liability management
8. Premiums collection and reserving
9. An example from life insurance
10. Investment of premiums
11. Immunization with duration
12. Solvency of the insurer and risk management
13. Asset and liability management and liability risks
14. Underwriting risk
15. Lapse risk in life insurance
16. Default risk
17. Market risk
18. Conclusion

# E-learning: Risk mitigation and Reinsurance

27 min

## Learning goals

- Definition of reinsurance
- Give the reasons for reinsurance and present its various forms

## Agenda

1. Introduction
2. Formal definition of reinsurance
3. Why reinsurance?
4. Retrocession and diversification
5. Counterparty risk
6. The various types of reinsurance treaty
7. The various forms of reinsurance treaty
8. Surplus share treaty 1/2
9. Surplus share treaty 2/2
10. Non-proportional reinsurance – excess of loss
11. Conclusion

# E-learning: Focus on non-life insurance products

22 min

## Learning goals

- Focus on Non-Life products

## Agenda

1. Introduction
2. Workers' compensation insurance
3. Tenancy liability insurance
4. Personal liability insurance
5. Personal liability insurance – Article 1733 of the Civil Code
6. Motor TPL insurance
7. Omnium Insurance
8. The concept of degressivity
9. The concept of the Bonus/Malus scale
10. Objective liability
11. Outstanding balance, Multirisk and Theft insurances
12. Personal liability insurance/Family liability insurance
13. Legal protection insurance
14. Operation and professional liability insurance
15. Conclusion

# E-learning: Focus on life insurance products

20 min

## Learning goals

- Focus on life insurance products

## Agenda

1. Introduction
2. Group Insurance
3. Pension Savings 1/2
4. Pension Savings 2/2
5. Outstanding balance insurance
6. Funeral Insurance
7. Whole-life Insurance 1/2
8. Whole-life Insurance 2/2
9. Branch 23 Investment
10. Medium-term savings
11. SFPP
12. Pensions
13. Conclusion

# E-learning: Focus on health insurance products

23 min

## Learning goals

- Focus on health insurance products

## Agenda

1. Introduction
2. Mutual insurance companies
3. Hospitalisation insurance 1/2
4. Hospitalisation insurance 2/2
5. Dental Care insurance
6. From employee to freelancer
7. Disability insurance 1/4
8. Disability insurance 2/4
9. Disability insurance 3/4
10. Disability insurance 4/4