



UNDERWRITING

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- **Underwriting** services are provided by some large specialist financial institutions, such as banks, insurance or investment houses, whereby they guarantee payment in case of damage or financial loss and accept the financial risk for liability arising from such guarantee.
- Underwriters who perform the Underwriting function evaluate the risk and exposures of potential clients.
- They decide how much coverage the client should receive, how much they should pay for it, or whether even to accept the risk and insure them.
- Underwriting involves measuring risk exposure and determining the premium that needs to be charged to insure that risk. The function of the underwriter is to protect the company's book of business from risks that they feel will make a loss and issue insurance policies at a premium that is commensurate with the exposure presented by a risk.
- Each insurance company has its own set of underwriting guidelines to help the underwriter determine whether or not the company should accept the risk.
- The information used to evaluate the risk of an applicant for insurance will depend on the type of coverage involved.

FINANCIAL UNDERWRITING

- **FINANCIAL UNDERWRITING** is the process of assessing whether the proposed sum insured and product are reasonable when considering the possible **financial** loss to the client.
- **NON-MEDICAL UNDERWRITING** is the process of assessing the individual's risk based on a preset questions that an individual needs to answer at the time of filling the Insurance Application. Based on the information provided, the Underwriter issues an Insurance Policy without the regular & longer Underwriting process.