

APPENDIX 2

COURSE CONTENTS
FOR
TECHNICAL COURSES

Course Objectives for Modules 1 to 6

At the end of this course, the participants will :

- X possess full working knowledge of the coverage provided by each respective class of insurance.
- X know the key exclusions and key conditions
- X know the rating and underwriting considerations for each respective class of insurance.
- X have develop better selling techniques for each respective class of insurance
- X have the knowledge to treat risk assessment as a necessary selling tool
- X** know the basis of claims settlement to better advise their clients

Module 1 - Technical Fire Insurance

Session 1 - Technical Aspects of Fire Insurance

- \$ The Revised Fire Tariff - Section 1 (General Regulations)

Session 2 - The Standard Policy Wordings

- \$ The Basic Coverage
- \$ The Exclusions and
- \$ The Conditions

Session 3 - The Special Perils

- \$ The Limitations and Their Applications
- \$ Application of Proximate Cause
 - Insured Perils
 - Excluded Perils
 - Uninsured Perils
- \$ Underwriting Considerations

Session 4 - The Extensions and Clauses

- \$ The Meaning of each Particular Extension
- \$ The Use of each Particular Extension
- \$ The Limitations of Particular Extension

Session 5 - Section 9 (Fire Extinguishing Allowance)

- \$ Internal Appliances
- \$ External Appliances
- \$ Sprinklers
- \$ Calculating the Discounts Allowed
- \$ Warranties Applicable

Session 6 - The Industrial All Risks Policy

- \$ The Coverage
- \$ The Exclusions
- \$ The Conditions
- \$ The Extensions and Clauses

Session 7 - Premium Computation

- \$ Rating Considerations
- \$ The RFT Section 2 and 4 on Construction and Occupation
- \$ The Gross RFT Rate
- \$ The Loadings and Discounts Applicable
- \$ Addition of General Special Perils
- \$ Addition of Particular Special Perils
- \$ Premium Computation

Session 8 - Large and Special Risks

- X PIAM Requirements
- X Current Market Conditions

Session 9 - Practical Aspects

- X Cases on Stock Declaration
- X Cases on Capital Additions
- X Cases on IAR Policies
- X Cases on Premium Computations and Quotations
- X Cases on Claims

Module 2 - Fire Consequential Loss

Session 1 - The Technical Aspects of Fire Consequential Loss Insurance

- X Limitations of the Fire Policy
- X Types of Consequential Losses
- X Introduction to Section 3 of the RFT
- X Definition of Gross Profit
- X Importance of the Adequacy of the Sums Insured
- X Relationship between the sum insured and the maximum indemnity period
- X the Loss Formula
 - Clause A
 - Clause B
 - less savings
 - average
- X Other Definitions
 - Turnover
 - Indemnity period
- X Other circumstances clause
- X Alternative trading premises clause
- X Premium adjustment clause
- X Extensions and Clauses

Session 2 - Other Specifications

- X Wages on a Dual Basis
- X Gross Revenues
- X Increase in Cost of Working
- X Additional Increase in Cost of Working
- X Standing Charges Only
- X Book Debts

Session 3 - Advance Loss of Profits

- X Types of Advance Loss of Profits Policies and the Need
- X Determination of the Sum Insured
- X Determination of the Maximum Period of Indemnity
- X Underwriting and Rating Considerations
- X Application of the Loss Formula

Session 4 - Claims Handling and Settlement

- X Material Damage Proviso
- X Duties of the Insured
- X Adjustment of Claims
- X Settlement and Discharge

Session 5 - Rating and Premium Computations

- X Average base rate
- X Premium computations
- X Extensions
 - Customers & suppliers
 - Public utilities
 - Prevention of access
 - Upward adjustment clause

Session 6 - Risk Assessment and EML

- X Fire Risk
- X Maximum Indemnity Period
- X Contingency Plan
- X EML Estimation

Module 3 - Miscellaneous Accident

Classes Covered : Burglary, Money, All Risks and Equipment All Risks

Session 1 - The Technical Aspects of Miscellaneous Accident Insurances

- X The Penal Code on Theft
- X Respective Policy Coverage, Particular Exclusions and Conditions
- X Rating and Underwriting Considerations
- X Limitation of Extensions and Clauses
- X Application of Warranties
- X Risk Assessment and Loss Control
- X Principles of Security
- X Types of Intruder Alarm, Components and Functions
- X Central Monitoring System and Key Holders= Warranty
- X Use of Full Theft Extensions
- X Definitions of Accident and Misfortune
- X Risk Acceptance
- X Claims Handling and Settlement

Session 2 - Application Aspects of Miscellaneous Accident Insurances

- X Cases on Risk Acceptances
- X Cases on Risk Control and Risk Improvements
- X Cases on Claims
- X Cases on Premium Computations and Quotations

Module 4 - Fire and Burglary Risk Assessment and Loss Control

Session 1 - Technical Aspects of a Fire@

- \$ Difference between Risk Assessment and Risk Analysis
- \$ Definition and Objectives of Risk Assessment
- \$ Definition and Objectives of Risk Analysis
- X How Fires start and Spread
 - the Fire Triangle
 - Flashpoint
- X Identification of Physical Hazards
 - Proposal forms
 - Survey reports
- \$ Identification of Moral Hazards
 - lack of care
 - difficulty in claims settlement
 - fraud
- X Inception Hazards
 - Ignition sources
 - Major causes of fires in Malaysia
- \$ Propagation Hazards
 - Haphazard storage
 - Bad housekeeping
 - Poor fire management
- X Hazards of and precautions to be taken for Flammable Liquids
- X The Theory Fire Protection
 - Elimination of possible sources of ignition
 - Fire Containment
 - Fire Extinguishment
- X Construction Materials and Fire
- X Types of Fire and Smoke Detection Systems
- X Types of Fire Extinguishing Systems
 - Portable Extinguishers
 - Hose Reels
 - Hydrants
 - Wet Risers
 - Sprinklers
- \$ Fire Risk Improvements
 - Identify the Need
 - Identify the Solution to that Particular Need
 - economical
 - easy to implement
 - KIV
 - types of risk improvements
- \$ Conditional Acceptances
 - Loadings
 - Warranties
 - Risk Control
 - Excess

Session 2 - Technical Aspects of Burglary

- \$ Principles of Security
- \$ High Risk Exposures
 - Location
 - Poor Physical Security
 - Lack of Perimeter Lighting
 - No Intruder Alarms
 - No Central Monitoring Station
 - No Key Holders Warranty
- \$ Types of Physical Security
 - Gates and Fences
 - Doors and Locks
 - Walls and Windows
 - Grilles
 - Security Guards
- \$ The Intruder Alarm
 - Components of an Intruder Alarm System
 - Anti tamper system
 - Types of Detectors
 - Sirens and flashing lights
 - Central Processing Unit and testing facility
 - Wired to the Central Monitoring Station
 - Weaknesses of the Intruder Alarm System
 - Key Holders Warranty
- \$ Other Electronic Security Systems
 - CCTV
 - Card Access System
- \$ Risk Inspection
 - What to look for
 - Highlight weaknesses
- \$ Risk Improvements
- \$ Risk Acceptances

2. Practical Aspects of Risk Assessment

A. Fire Survey

- \$ The Planning
- \$ Appointment
- \$ Responsible Officers
- \$ The Survey Itself
- \$ Questionnaire first
- \$ Physical Inspection
- \$ Lay of the land, land area and neighbourhood
- \$ Process Flow (from raw materials till packaging and despatch to store)
- \$ Extra Questions on Trade Process
 - use of heat or pressure
 - maximum temperature
 - mode of heating (direct or indirect)
 - maximum pressure
 - hydraulic or pneumatic
 - type of hydraulic oil (flammable or non flammable)

- \$ Use of Flammable Solvents
 - Quantity and Type
 - Precautions taken
 - Mechanical ventilation (before and after)
 - Safe Storage practice
 - Flame proof and explosion proof electrical fixtures and fittings
 - Fire break compartments
 - Location and Construction of Hazardous Goods store
- \$ Fire Protection systems
- \$ Portable Extinguishers
 - Type, capacity and numbers (adequate?)
- \$ Hose Reels
 - Independent system
 - Tapped off
 - Number of points (check on condition and nozzles)
 - Pumps
 - Status? (Tested?)
- \$ Hydrants
 - Ring Main, Spur or fed from the public mains
 - Number of points (check on condition and nozzles)
 - Pumps
 - Status?
- \$ Wet Risers
 - Number of landing valves per floor
 - Canvas hoses and nozzles
 - Location of pump room
 - Protection of pump room
 - Type and quantity of water (check water level)
 - Pumps (numbers and types, settings, test pressure switches)
- \$ Sprinkler Systems
 - FOC or LPC?
 - Classification
 - Types of Goods and Category?
 - Maximum storage height
 - Type and quantity of water (check water level)
 - Pumps (numbers and types, settings, test pressure switches)
 - Number of installations (test all)
 - Check ΔB and ΔC gauges
 - Check standing pressure
 - Check back-fill pumps if any
 - Obtain Schematic diagrams and Completion Certificates
- \$ CO2 Systems
- \$ Smoke/Heat detectors
 - Manned 24 hours?
 - Digital or Analogue
 - Linked to Bomba?
 - Status

2. Burglary Survey

- \$ Occupation
- \$ Lunch hour, premises manned?
- \$ Type(s) of Goods
- \$ Location
- \$ Original Design or Purpose of Building
- \$ Number of Storeys
- \$ Basement levels

- \$ Construction of External walls and Roof
- \$ Number of Employees
- \$ Who are the Key holders
- \$ Which door is used as the Alast exit@?
- \$ Presence of ground floor windows and its protection
- \$ Presence of doors and its protection
- \$ Any other openings and its protection?
- \$ Presence of Intruder Alarm?
 - Type and Make (digital or analogue)
 - Double knock system?
 - Age
 - Maintenance Contract
 - Type of detectors
 - Number of Zones
 - Fitted with anti tamper devices
 - Location of sirens
 - Location of Control Panel
 - Flashing lights?
 - CMS (leased or ordinary line)
- \$ Note down all openings and its protection
- \$ Note down all possible scenarios
- \$ Note down any weaknesses and possible solutions
- \$ Draw security plans

Note : For all Surveys conducted by the Insurance Companies, the Surveyor must check on Compliance of Policy Warranties and other Terms, Construction and Ratings

Module 5 - Property Claims

Session 1 - Fire Claims

- X The Claims Environment
- X Administration Work
- X Investigations
 - S Most Probable Cause of the Loss
 - S Identifying the Insured Items
 - S Proof of Insurable Interest
 - S At the Time of the Loss and At the Place of Loss
 - S Establishing the Amount Claimed
 - < Volumetric Analysis
 - < Ash Deposits
 - < Accounting Methods
 - < Gross Revenues Bases
 - < Fraudulent Claims
 - S Signs
 - S Red Flags
 - S Private Investigators
 - S Police Report
 - S Bomba Report
 - S Chemistry Dept.
 - S Forensic Scientists
- X Evidence Act
- X Adjustment
- X Offer and Discharge

Session 2 - Burglary Claims

- X Moral Hazard
- X Book Keeping Clause
- X Signs of Fraud
- X Break-In or Break-Out
- X Definition of Premises
- X Application of Exclusions
- X Alarm Warranty
- X Verification of Amount Claimed
- X Adjustment
 - S First Loss Basis with Average
 - S Full Sum Insured Basis
 - S First Loss Without Average

Session 3 - Practical Case Studies

- X Fire Total Loss
- X Fire Partial Loss
- X Burglary Full Sum Insured
- X Burglary First Loss Basis

Module 6 - Risk Management

Session 1 - Overview

- X Traditional vs. Modern Viewpoint
- X The Benefits and Objectives of Risk Management
- X The Process of Risk Management

Session 2 - Risk Identification and Analysis

- X Types of Exposure to Loss
- X Methods of Risk Identification
- X Corporate Objectives
- X Significance of Loss Exposures

Session 3 - Examining Alternative Risk Management Technique

- X The Symptom and the Cause
- X Forecasting
- X Risk Control Techniques
- X Risk Financing Techniques

Session 4 - Selecting the Apparent Best Risk Management Technique

- X Selection Criteria
 - Financial Objectives
 - Other Related Objectives
- X Cash Flow Analysis
- X Time Adjusted Rate of Return
- X Making Risk Management Decisions

Session 5 - Implementation and Control

- X Purpose
- X Requirements Line Authority and Staff Authority
- X Results Based
- X Activity Based
- X Cost Effective