

# Making the cut in insurance

An underwriter and a claims executive tell **CHOW PENN NEE** what keeps them going in their respective jobs

**U**NDERWRITING and claims form crucial parts of the insurance business. While they may be as different as day and night, they both impact the bottom line.

Jocelyn Lee, 31, is a casualty underwriter with a global insurance group. Casualty insurance covers loss and legal liability caused by injury to people and damage to people's property. Ms Lee is an assistant manager and she assesses risks and comes up with quotes for large entities like MNCs and complex industries like oil & gas, airlines, manufacturers and shipyards. Much time is spent analysing risks and understanding the insured company's business or products they want to cover.

She says that she has to talk to brokers or check out the company's website, write-ups on products, and brochures before she can determine if it is a risk her firm wants to cover. A typical day would be spent on the phone with brokers and in front of the PC preparing or working out quotes.

The varied nature of her job is something the business administration graduate finds exciting.

"We get to see and understand different industries, how they operate, and what new products some companies are launching - something which not all jobs can offer," she says.

Travelling on the job exposes her to different ways of looking at risks. "In other countries, I carry out underwriting audits where I get exposed to new cultures, people, the way they work and perceive risks."

She finds the analytical part of the job engaging. "This job also allows us to be creative in that we have to foresee what risks there are in each industry or company we want to cover."

Underwriting more complex risks - where more time and effort are needed to produce good analysis - is most challenging. "These are, of course, the type of risks where you face more competition (from other insurers) and thus the satisfaction comes when you win the business!"

Underwriters who do well can look forward to heading a department. But for Ms Lee, the role she hankers for is regional underwriter, where she will be underwriting risks outside Singapore.

With new trends in liability, and new industry and regulatory requirements, the casualty business is rapidly changing, she says. "Learning how the industry is evolving and structuring coverage that best suits the clients' needs is what keeps me on my toes."

She adds that as Singapore becomes more developed, the challenge lies in bigger and more complex manufacturing plants and processes as more MNCs set up shop here. "Risks are different and insurance needs are also different. I've had no regrets in 'stumbling' into insurance. The industry may not be perceived as glamorous, but from an insider's perspective, it is the best kept secret for those who want a dynamic and engaging career."

When the time comes for the insurance company to make payment on a policy, the claims people step in. Claims executives can identify trends, patterns, relationships and anomalies in claims. Clarence Ting, 29, is a property claims senior executive with a multinational insurance firm, and his role involves assessing and managing property, public liability and the occasional workmen compensation claims. An average day sees him responding to notifications of claims,



PHOTOS BY ARTHUR LEE

**Mr Ting:** The wide variety of businesses and the risks attached to these businesses are what keeps the property claims senior executive going



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arranging site surveys, advising claimants how best to mitigate their loss, negotiating settlements and paying claims.

"Claims is the critical test of a policy contract. It is usually at claims where loose wordings, coverage gaps and ambiguities are discovered," he explains. "Claims develops objectivity of the mind, ability to identify gaps in a business's risk exposures, and meticulousness to contract wordings."

With technological progress, says Mr Ting, the communications gap between the business and its customers has narrowed. "Customers expect prompt response and advice, and our paperless system allows instant enquiry and retrieval of information so that we are able to respond to our customers on their claims status immediately."

The wide variety of businesses and the risks attached to these businesses are what keeps him going. "It is important to understand these risks quickly in order to mitigate losses and manage claims effectively. It is also challenging convincing the customer to accept our proposed settlement."

Customer satisfaction is also something he strives for. "We need to show

the claimant that we understand and empathise with his loss. Each claim is an opportunity for us to impress the customer with our service and fulfil the promise set out in the policy contract."

The banking and finance graduate says that insurance became a career option following a string of temporary jobs at insurance-related firms during school term breaks.

He sees human resource issues as the biggest challenge facing the industry today, with a dearth of internships and formalised recruitment exercises. "Unfortunately, there is at present no local support for graduate programmes in insurance. Similarly, the two popular certifications recognised worldwide - CII & ANZII - originating from the UK and Australia respectively, have no classroom/lecture support locally."

And entrants to the industry are usually trained in a different field and consider insurance as a career of last resort. "The insurance industry is often related to the selling of life insurance and is considered less glamorous than the banking industry, and tends not to attract new blood. If this trend continues, challenges for human resources are glaring."

## Front-end procurer, back-end processor

UNDERWRITING and claims are two basic elements of the insurance industry and an integral part of its business model. People in the two areas work closely together, with underwriters the front-end procurers of new business and claims the back-end processors.

Underwriting is the essence of insurance, enabling the insurer to minimise losses and make profits by determining policy terms and conditions, and calculating premiums based on risk assessment and statistical and background information. Underwriting makes sense of financial data to work out risk exposure, loss ratios and profits.

An underwriter's job, therefore, entails lots of relationship-building with customers and brokers, and demands close attention to detail. Underwriters need to gather and assess information, study proposals, calculate risk and compute the cost of insurance and decide whether a risk is viable. They also have to liaise with specialists, negotiate

terms with policyholders or brokers, specify conditions for certain types of cover and draw up policies and contracts.

Claims officers investigate and pay insurance claims. Claims adjusters decide the extent and validity of a claim, and help an insurance company minimise the impact of a loss by arranging appropriate action to assist the claimant. At the same time, adjusters play an important role in determining the authenticity of claims by keeping a lookout for fraud.

The work involves coordinating services that may be required by policyholders after a claim, for example, contacting builders to repair damage to a factory or an approved mechanic to mend a car or truck. Claims inspectors quantify and settle claims quickly, resolving issues and negotiating settlements with policyholders or legal representatives.

Needless to say, underwriters and claims officers complement each other. Underwriters assess

risks and analyse policy submissions and applications, and claims experts pinpoint fraud hot spots and identify trends, patterns, relationships and anomalies in claims.

Claims experts help underwriters prevent potentially false policy applications and reduce the need for lengthy site visits.

Underwriters, on the other hand, support claims experts by providing underwriting information to expedite the claims process and charging appropriate premiums for different levels of risk.

Underwriters can explore other core areas of insurance such as risk management and claims or broking, which is common for experienced underwriters, whose broad experience also gives them scope for general management roles.

In claims, a person can move up the ladder by gaining specialised qualifications. These enable claims adjusters to focus on particular areas such as employers' and public liability, construction or business interruption.