



Quality Control for Insurance Brokers

By

Ms. Paijit Dongvilahol

A Final Report of the Three - Credit Course
CE 6998 Project

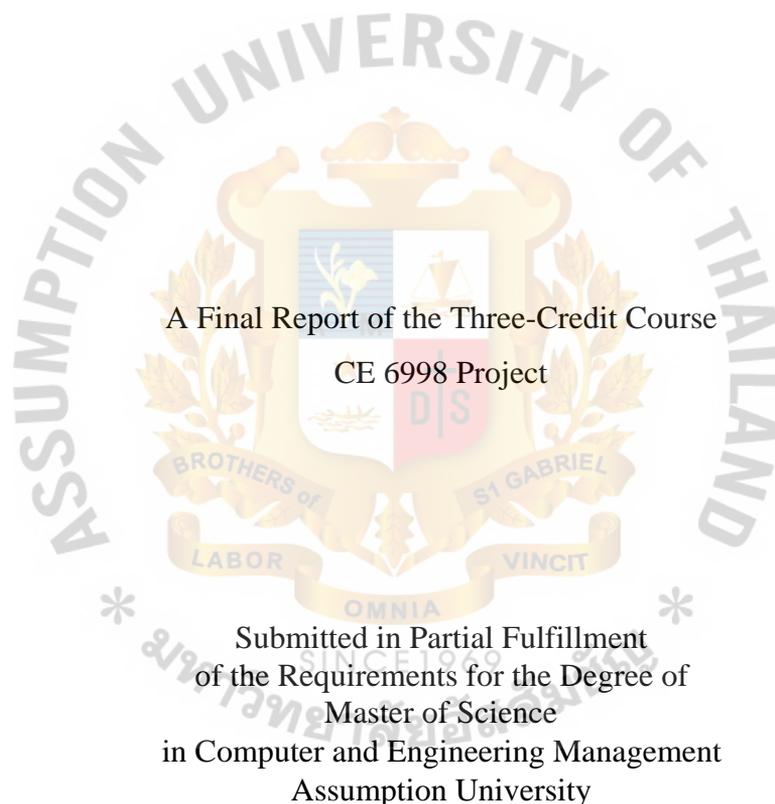
Submitted in Partial Fulfillment
of the Requirements for the Degree of
Master of Science
in Computer and Engineering Management
Assumption University

November 1999

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Academic Year: November 1999

The graduate School of Assumption University has approved this final report of the three-credit course, CE 6998 PROJECT, submitted in partial fulfillment of the requirements for the degree of Master of Science in Computer and Engineering Management.

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ABSTRACT

This analysis project is to study the needs of insurance brokers in their day to day working operations to fully understand the needs of the company.

This also included discussions and interviews with staff to ensure that all the colleague who really work with the system had the opportunity to share their needs and ideas. This made me to fully understand the needs and the true problems of the company.

The Insurance Brokers has the responsibilities to the clients to use a proper degree of skill and care in satisfying their insurance needs. Therefore, this project is also to lay down operational standards and quality control with regard to broking procedures required of all staff to achieve excellence in performance.

The system is designed to give superior standard and to improve the services that the insurance broking company can give to the clients which will improve client's perception of the service.

To be successful, it also ended at conclusions and recommendations in establishment of the achievement of the project.

ACKNOWLEDGEMENTS

Many people have assisted and guided the author to achieve the production of this report.

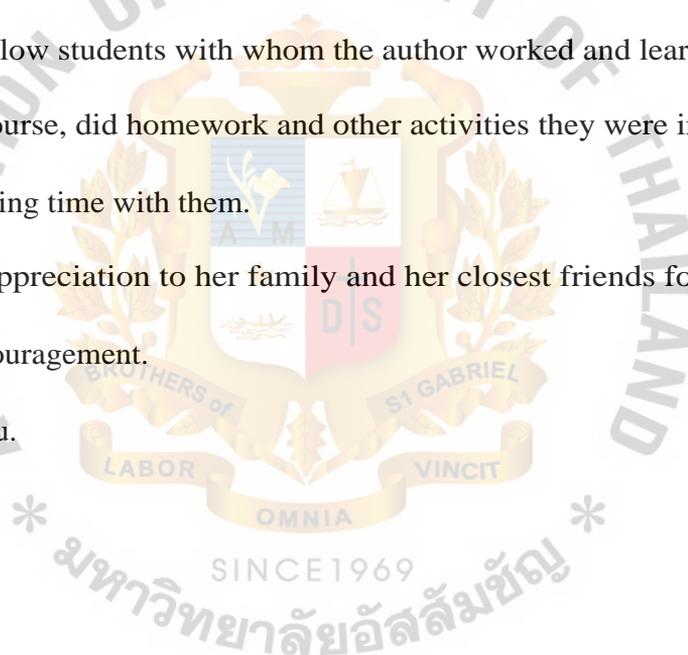
The author now would like to take this brief opportunity to register with them her sincere thanks for taking the time to teach her, advise her and giving her their own personal time to make this report comes true.

The author also wish to express sincere gratitude to her advisor Dr. Praon Prasukyud for his advice, patience and constructive comments throughout this report.

To her fellow students with whom the author worked and learned throughout the period of the course, did homework and other activities they were involved in, she has pleasure of sharing time with them.

Special appreciation to her family and her closest friends for their fervent and continuous encouragement.

Thank you.



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I. INTRODUCTION

1.1 Background of the Project

After having worked as an insurance broker for 3 years, the author found herself a career desire to move up through management level and also one day in the future hope to open up a small company. The author, therefore, have decided to write this report as its production can assist her in both business achievement and understanding of Quality Control process. In addition, this report presents the most beneficial way she can analyse and apply theories with the particular line of business it should be in.

The report is based on a company named 'Royal Insurance Brokers (Thailand) Ltd.', which the author is currently working for.

The RIB story began in overseas with the establishment of the English Group of companies. The principal company itself is operating very well and the company is succeeding its goals of expansion and the improvement in the quality of the services offered to its clients. They expand their business all around the world including Thailand.

The local Thailand office was established 10 years ago when it bought out interests of the principal company. The business has been successfully expanding over its 10 years' existence, however, general bad management practice made the local office fail to service their client base effectively. In addition, some external factor of its business environment made it difficult to apply and modify the principal Quality Control procedure with Thailand office.

RIB currently has no suitable Quality Control System or even Quality Control policy to implement with their operational standards. The present staff has no

exact point, way or consistency to control their working system. Pressures restructure and updating of the company's service standards is necessary.

As a service industry, Insurance brokers have an intangible characteristics. Our product is quality service which is judged and evaluated by clients. Positive or negative words of mouth from them can affect and influence our business. If there are some inconvenience or problems for the client such as delay in service or mistake in standard, the client who is unhappy will change to another broker without too much concern.

This, therefore, influence the management of the company to improve service standards and develop a quality control system. It is essential that relationships with both clients and insurance companies with whom a broker does business are kept at their best at all times.

Again, these also persuade the author to use the application of her Master Degree studies in Quality Control System to analyse and design the company standard.

In the project the author shall go through the necessary steps of analysing the existing process, gather and interpret facts about the business and the existing process, try to diagnose problems and using that information report to the company management with recommendations for improving their service standards.

To gather and interpret facts about the business, the author have to undertake interviews with the staff of the company for whom she is undertaking the study. So that she can get a better understanding of system requirements of each department for the purposes of this project.

However, as she has been in Claims department for 3 years and New Business Development for half a year, she shall, therefore, use her own experience as the basis

of her report in this part and do not need to under take interviews with the claims and the new business development staff in the office.

She will analyse the functions performed by each department of an insurance broking firm with a view to improving the overall procedures and methods of the company as a whole.

The streamlining of operations as the inter-relationships between the various departments of the company will be achieved as much as possible.



1.2 Objective of the project

The objective of this report is to study the needs of an insurance brokers on development of an efficient and effective quality control system.

The main objective of the quality control system is to lay down operational standards with regard to broking procedures required of all staff in our quest to achieve excellence in performance.

The new quality control system is built to replace the unqualified existing systems so that the company can receive the full benefit of the improved system as it is the best long term solution of all problems.

The following objectives are also what the company expect to be able to reach:

- (1) To study the existing process.
- (2) To identify problems of the existing process and also needs that the broking service requires which the new quality standardisation system could fulfil.
- (3) To design a system of standardisation:
 - (a) To concern with quality management and quality control.
 - (b) To promote primary responsibility in quality procedures.
 - (c) To improve the quality of services that meet customer requirements.
 - (d) To build a quality control that will be designed to meet the organisation requirements as much as possible under the given time frame. The development quality control procedure will be distributed to each operation units if it fits in with their business environment.

- (4) To provide training courses for staff at all levels to raise their awareness of the quality system and to ensure that all its requirements are met.
- (5) To implement and provide high standards of quality control and management.
- (6) To integrate as far as possible all standardisation into one so that total quality management can be achieved.

The outcome of the study is to give RIB a quality control system:

- (a) To improve and introduce a system of standardisation for the firm.
- (b) To improve the efficiency of the business by reducing and minimising all mistakes in the system.
- (c) To improve the quality of services that meet customer requirements by promotion of specific procedures.
- (d) To provide effective and efficient quality control manual for each department.
- (e) To introduce new functions that will assist in reduction of professional liability exposures that the company faces in its day to day operations.
- (f) To ensure a good efficient flow of document inside each department and also to improve the linking of the document between departments.
- (g) To implement a standard documentation and presentation to the company.
- (h) To achieve a true standardisation throughout the life cycle of a business transaction with information and documentation widely and easily sharable by related parties.
- (i) To further enhance the development of ISO 9002.

1.3 Scope of the Report

The scope of this project aims to improve the standardisation of service in order to bring about greater customer satisfaction on the firm.

The report will study the existing business operation of RIB and will fully investigate its details in order that the complete considerations is made to determine a proper Quality Control System needs of RIB.

The area of the project include:

- (1) Background of the existing system.
- (2) An outline of the business functions of the client company and the various departments making up the client company.
- (3) Details of the existing system breaking down in each department.
- (4) Details of the current problems being experienced with the existing system and areas where improvement can be achieved.
- (5) Recommendations to the management so that they can make decision whether they can undertake the improvement to make their business a success.

II. EXISTING SYSTEM

2.1 Background of the Insurance Broking Company

Insurance is a system whereby a number of people agree to contribute to a pool to share the cost of a loss which may be suffered by one of their number. The function of insurance is to identify a particular risk; and spread the costs of any losses that may occur over the whole pool of insured risks. The function of the insurance office is to administer the pool.

Insurance is purchased through several channels (e.g. direct from insurers, through lawyers, accountants, banks and affinity groups) other than through brokers and agents. However, in most countries brokers and agents are the most important intermediaries.

Insurance Brokers are independent professionals carrying on business on their own account. Their major activities are to advise their clients (the insurance buyers) on insurance and risk management, and to negotiate and place insurance with insurers on their clients' behalf, exercising professional care and skill in so doing.

Brokers developed from the need of individuals and corporations for professional advice on risk and insurance matters. The broker earns income by payment of brokerage (commission) from insurers.

The services provided by an insurance broker are:

- (a) Identify and evaluate risks.
- (b) Creatively design an insurance programme to cater for these risks.
- (c) Negotiate with insurers to obtain the tailored insurance the client really needs.
- (d) Cost control.

- (e) Negotiation and settlement of claims.
- (f) Develop appropriate self-insurance plans and risk control programmes.

The RIB was established 10 years ago when it bought out interests of an English based insurance broking company which was struggling to keep its business operating due to general bad management practice and failure to service their client base effectively.

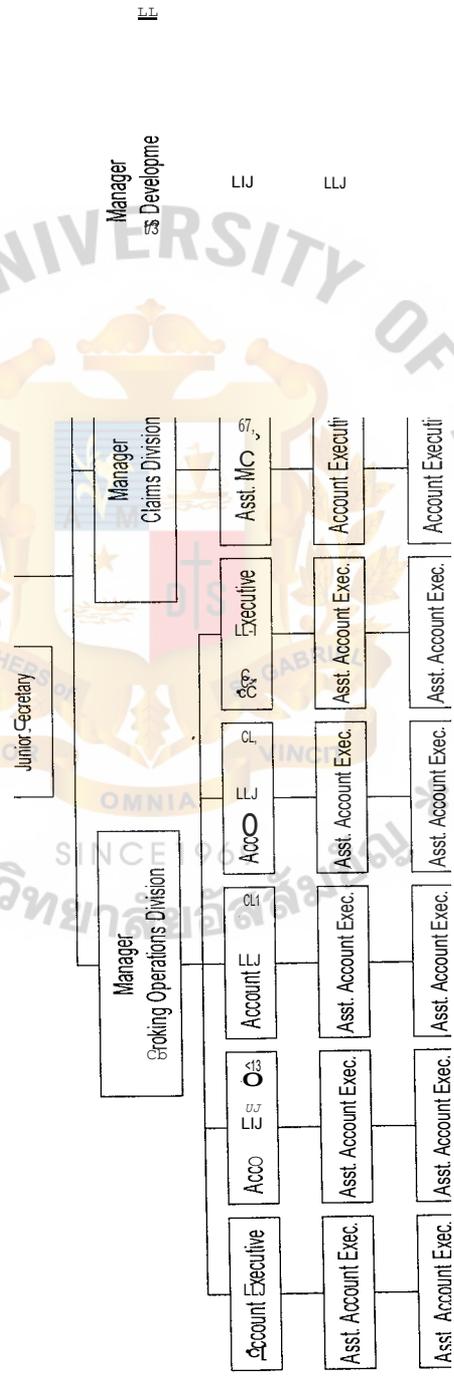
Normally, RIB provide insurance expertise including:

- (a) Professional advice
- (b) Cost control & management
- (c) Claims management and handling

The organisation can be broken down into 5 departments:

- (a) Administration
- (b) Finance & Account
- (c) New Business Development
- (d) Broking Operations
- (e) Claims

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Organization Chart.

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2.2 Existing Business Functions

An insurance broking service provides individuals and social and commercial organisations with insurance expertise which is not available direct from Insurance Companies or other sources within the insurance industry.

It follows that brokers act as agents for the client (their principal) and not as agents for insurers.

Method of Operation:

Brokers are required to have a detailed understanding of their clients business so as to : identify and evaluate risks; creatively design an insurance programme to cater for these risks; negotiate with insurers to obtain the tailored insurance the client really needs rather than that which the insurer may, at first wish to offer and to obtain this tailored insurance at an economical price.

Brokers also help their clients in the making, negotiation and settlement of claims and to develop appropriate self-insurance plans and risk control programmes.

Advantages or using an Insurance Broker:

- (1) Access to expert and professional advice on insurance and risk management matters. In the same way that you can call on your accountant or lawyer for advice in their areas of expertise so a professional insurance broker can tailor a risk and insurance programme to suit your needs.
- (2) The broker provides an informed link between the insurance buyer (client) and insurers: both locally and internationally. One of the brokers' most important tasks is to seek out insurers who can supply the buyers precise requirements at a competitive price. The broker therefore supplies impartial

advice and access to local and international markets for the benefit of their clients.

- (3) A skilled broker can recommend innovative insurance, self-insurance and risk control solutions which provide optimum protection at an economic price.
- (4) Wherever a corporation has overseas operations international brokers can provide coordinated insurance programmes throughout Asia and around the world.
- (5) Because the insurance broker's principal is the insurance buyer (client) and not the insurer, the broker can actively and vigorously assist their clients in claims formulation and negotiation in order to obtain an optimum settlement from the insurers.

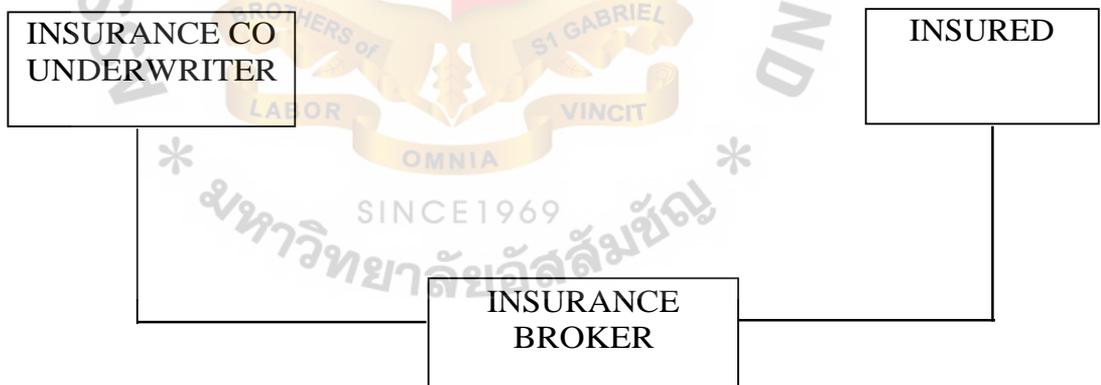


Figure 2.2. Insurance Broker in Insurance Industry.

Royal Insurance Brokers (T) Ltd. is an insurance broking company currently employing 36 staff divided into 5 main divisions which are clearly defined within the company operating structure as the following details:

2.2.1 Administration

The Administration Section is to respond to the general operation of the business and also involving the management of business affairs.

Administration is primarily done and controlled by the Managing Directors Secretary by basic methods due to the relative simplicity of the jobs involved.

Her assistant and staff include:

- 1 general assistant (Junior Secretary)
- 1 stationery assistant (Receptionist)
- 2 messengers

Their functions includes:

- Personnel recruitment
- Office records
- Office Services Stationery
- Mail distribution

2.2.2 Finance and Account

The Finance and Account Department employs 5 staff:

- Finance Manager
- Creditors clerk
- 2 Debtor clerks
- Cashier

They perform a number of functions:

Premium Collection

Payment of premium to insurance companies

Payment of salaries

Payment of general expenses of the business

When the debit note is produced by the broker on the computer system, the debit note document is created in original with going to the client enclosing with the Insurance policy. Two copies of the debit note going on the broker file and Finance & Account Department.

From the time the debit note is forwarded to the client the Finance & Account Department takes responsibility for premium collection.

A statement is sent to the client monthly.

When the premium is collected it is paid to the insurer.

The premium paid to the insurer is the amount after the deduction of the brokerage or commission due to Royal Insurance Brokers Limited.

The amount of brokerage varies depending on the category of insurance policy.

The brokerage income is credited to the company trading account from which general operation expenses are paid.

The company also derives some investment income from careful investment of excess funds in secure investment facilities.

The Finance & Account Department undertake the month-end process to calculate the amount of income received during the month and in the year to date.

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2.2.3 New Business Development

New Business Development Team was established on the propose of hooking up the prospective client.

Their responsibilities and functions involved are:

- (1) Visits to new prospect.
- (2) New business reports.
- (3) Collecting of underwriting information.
- (4) Design of insurance coverage required to fully protect the prospects insurance needs.
- (5) Preparation of underwriting presentation for circulation to insurers.
- (6) Approach to Insurers for insurance premium quotations and policy terms.
- (7) Presentation of the report to the prospect.
- (8) Placement of insurances.

After having confirmed placement of the insurance policy with the insurance company on the acceptable terms and conditions, New Business Development will further transfer their file to Broking Operations for supervision throughout the year.

2.2.4 Broking Operations

There are 15 broking operations staff in which 5 are Account Executive and 10 are Assistant Account Executive who form the main body of the company employees as they are the staff who undertake the key business work.

They are involved in:

Servicing of the existing client base.

This aspect of the operation brokers function are broken down into many different

roles:

- (1) Preparation of policy documentation.
- (2) Debiting of premiums.
- (3) Alterations to existing policies and adjustments throughout the year.
- (4) Client visits.



Contact and Meet Prospected Client

Arrangement of proper terms and conditions
to fit Client's needs

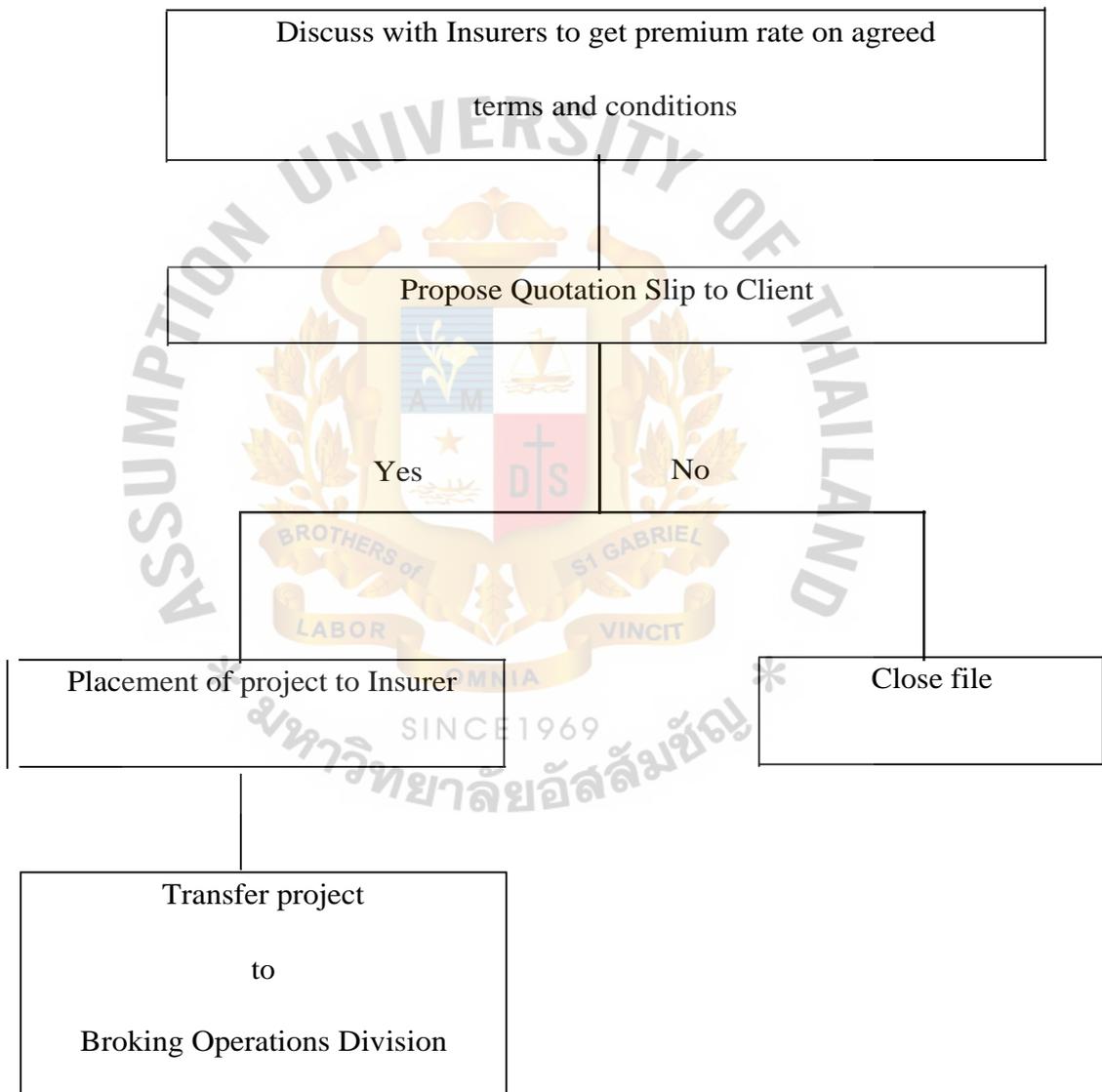


Figure 2.3. Work Process - New Business Development Department.

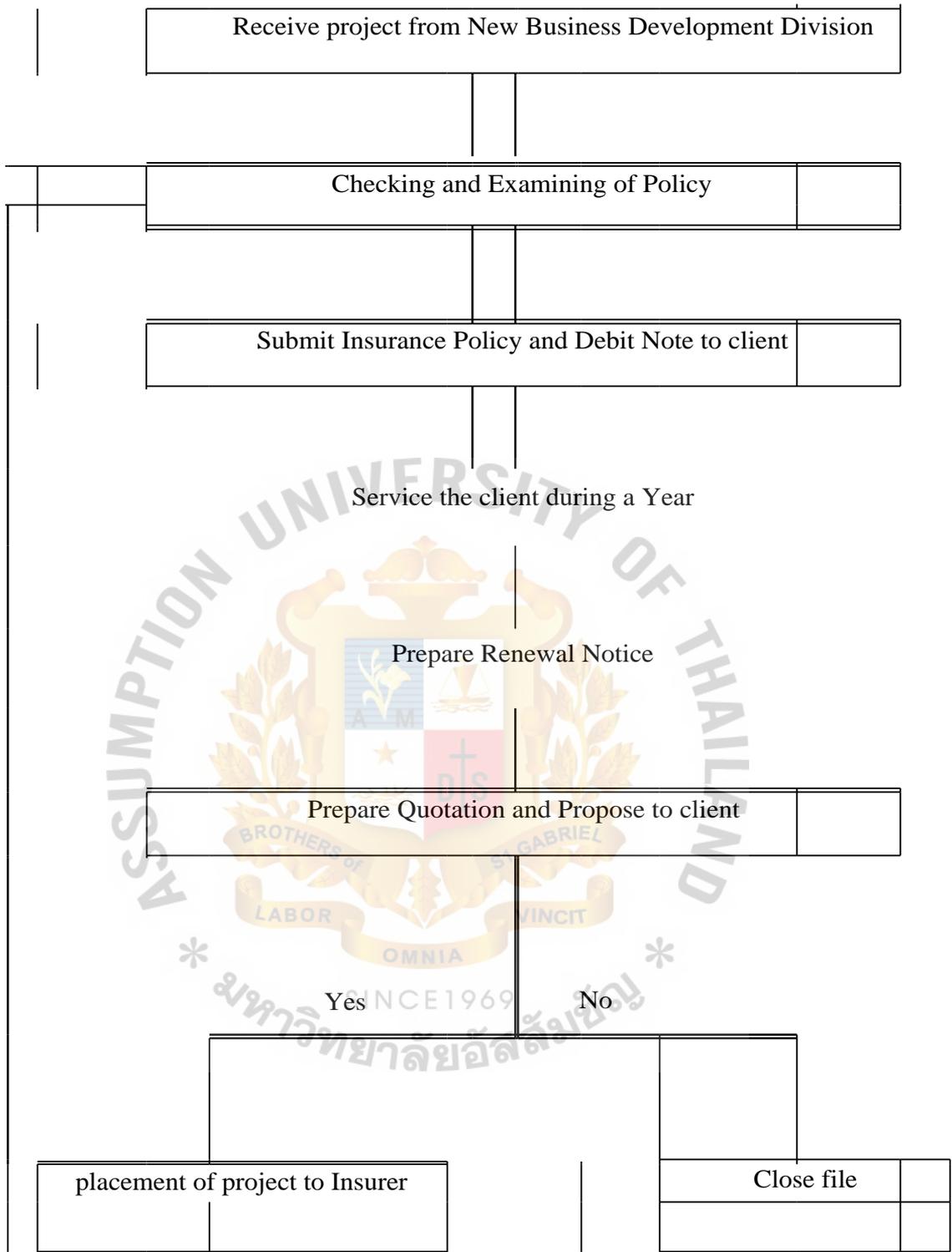


Figure 2.4. Work Process - Broking Operations Department.

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2.2.5 Claims Department

Claims handling procedures is an important service the client will expect and is entitled to immediate attention and expert assistance.

It is imperative that the broker obtains as much data as possible from the client to ascertain:

- (1) the location and details of the circumstances of the loss
- (2) which policy and insurer covers the loss in question
- (3) that the loss falls under the terms and conditions of that policy
- (4) that the premium has been paid
- (5) that reasonable steps have been taken to protect the damaged property from further loss
- (6) Notification of the loss to the insurer should be served immediately in writing even if it is only a preliminary notification pending the collection of full details. The broker must be careful to abide by the requirements of the claims procedures set out in the insurance policy
- (7) Handle claims lodged by clients under insurance policies placed by Royal Insurance Brokers Limited
- (8) Claims follow up to make sure that claims are settled as quickly as possible
- (9) Reporting of claims experience and claims report throughout the insurance period

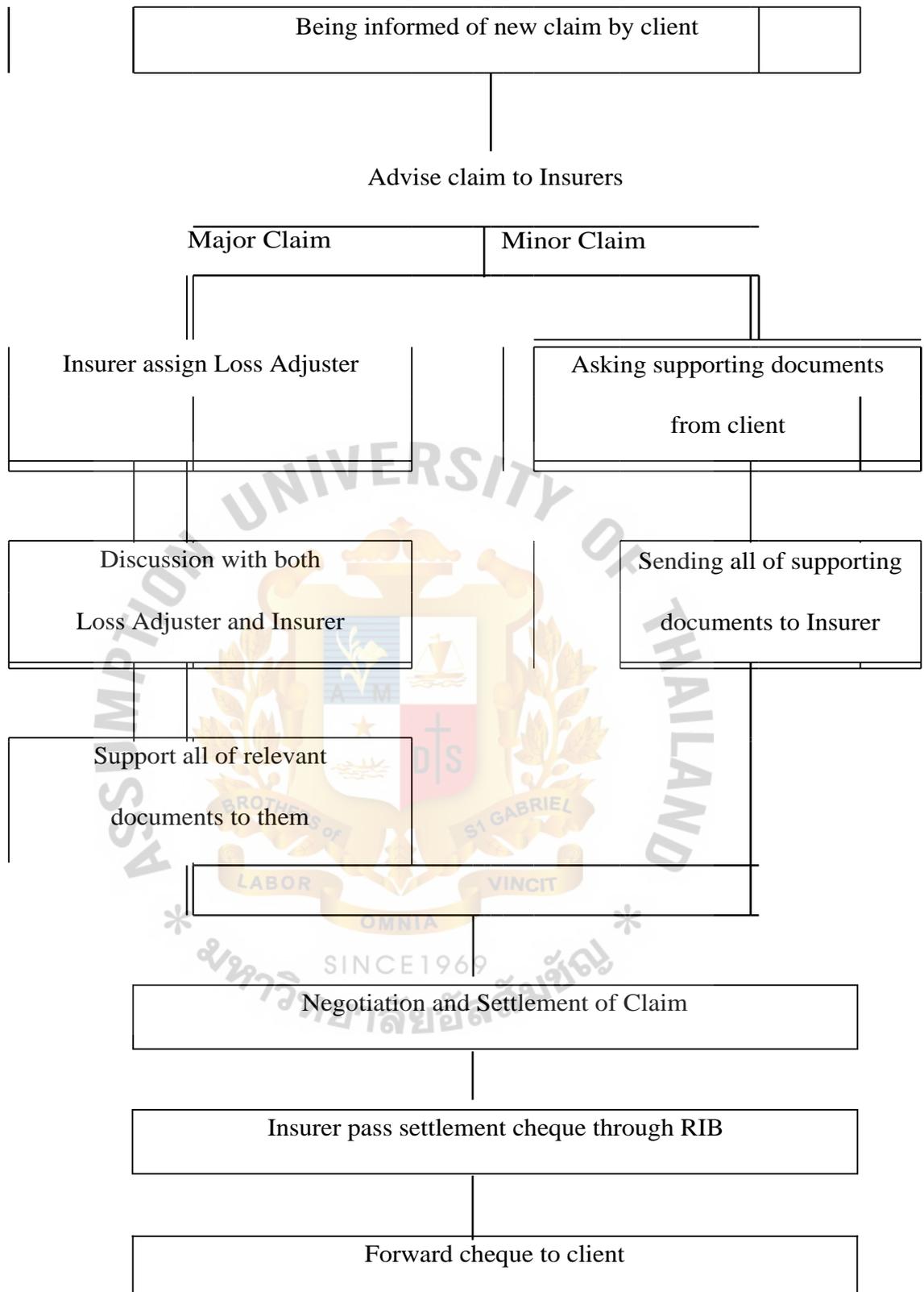


Figure 2.5. Work Process - Claims Department.

2.3 Problems and Areas for Improvement

After having processed the interview of the management and staff, we got analysis and found many of the problems in process presently occurred as the company has no obvious Quality Control System or Quality Control policy to implement their operational standards.

The current problems and areas for improvement of the system can be divided into several separate functions as follows:

2.3.1 Office Document and General Correspondence

Many of day to day processes are paper works - all correspondences in day to day works such as facsimile, mailing, telex have to be done daily as general work of all staff

Incoming messages by fax or telex are sometimes not absolutely clear then some staff make a wrong action dealing with their jobs.

Therefore, the general rules for outgoing faxes, incoming faxes, outgoing mail and incoming mail should be established. Some general document such as Application for Leave, Minutes of Meeting, Internal Memo and others have no general form or good standard form.

The various problems and difficulties on the road to recovery involves:

(1) Facsimiles

RIB has 4 facsimile machines, one was installed in the M.D. room for his direct line. One machine for receiving and another 2 for sending out shared and generally used by every staff These are convenient to have separate line for faxing in and out. The memory system can also reduce time to wait for their transmission. However, the process of sending and receiving still do not run on standard method.

Incoming fax: The fax recipients do not stamp date of receipt on every incoming fax. We sometime cannot identify the real date of fax coming. We found that the fax machine had sometime error and printed the wrong date on the top of fax sheet. This would make the staff confused to sort it in the file.

After having received, incoming fax will be sorted into 3 trays separating by the division. If the mis-sorted happen, the document may hang up on the wrong tray until the end of the day.

Outgoing fax: The fax sent to other parties would not come out unique as RIB does not have a standard format. Different persons have different styles depending on their convenience. However, their normal practice is then just send by facsimile machine's memory system. They use to take their fax back without coming back to recheck whether that fax has passed through or not. Fax confirm sheets are found left in the machine which some of them did not completely send. Certainly, this would cause a problem in operation process especially for the important document.

(2) Letter

Letters to be sent to clients and Insurers will be delivered by messengers and posted to post office. Delay of document in delivery is due to idle process of messengers. There is no limitation of time for sending letters. There is no person responsible to control the messenger operation. Sometimes documents also disappear as there is no clear recipient recorded.

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(3) Store Requisition

As there is no regulation on store requisition, staff can take any stationery they required from store without any notification to company. The junior secretary who acts as a store keeper just have a month for checking the stock. Therefore, some stationery run out before checking time.

(4) Leave and Absence

There is no limitation for advance notice of annual leave, sometime staff submit their leaving notice immediately before leaving. This cause problem to the company when many staff in one division want to leave in the same period. This can also effect to RIB service standard as the staff is not available to answer the phone and service the client.

Sick leave notification also had been submitted late due to no time limitation regulation.

2.3.2 Telecommunications

The responsibility of insurance brokers is not only dealing with papers, but also cooperating with clients and insurers. Telecommunications are normally used as connecting way. Manners of making and answering of telephone calls should be improved and trained to all staff Standard form to leave messages when staff are unavailable should be set.

Because Insurance brokers business has an intangible characteristics, our product is quality service which is judged and evaluated by clients. Positive or negative words of mouth from them could affect and influence our business. Therefore, it is of the utmost importance that we conduct our telecommunication manners to the highest standards.

2.3.3 Meeting

Meetings have been organized frequently both with the client and the insurers, but the standard form for minutes records did not exist. The staff therefore record all topics discussed in the blank paper and later prepare the Minutes of Meeting. Sometime the details of the meeting were missed such as the attendance name, time of meeting held and other important topics.

The Minutes of the Meeting should be prepared formally, but due to the overloaded work of the staff, this preparation was delayed. There is no specific dead line of the minute to be released and circulated to other related staff or department.

2.3.4 Filing System

It is important that every division should adopt a uniform filing procedure. Everyone should be able to understand another person's files with little effort. Each file must tell the whole story. This is of great concern to the Managing Director as he is very keen to improve filing system which is currently not good.

The Filing System of RIB is currently divided in each division. Each division has their own cabinet for keeping their files. The most important documents for the company is an 'insurance policy' controlled Operations Department. The policies itself including endorsements and other amendments are held in 'green file', but, the general correspondence via RIB, insurers and clients are held in 'yellow file'.

The files are separated in an individual name of client such as Alpha company, Basic Corporation,, Week & Day Co.,Ltd. etc. and later stored in cabinet following the English alphabet.

The documentation of New Business Department are kept in 'yellow file'. If the prospected client agrees to arrange an insurance with RIB, the file will be transferred to the Operation Department as in general correspondence.

Regarding Claims Division, the files are selected to be 'blue colour'. Each member of claims has their own hanging file instead of central claims cabinet. Whenever the cases have been closed, the file will be collected at storage room.

All of the files will be maintained for only a few years and it will be later transferred to rent document storage.

2.3.5 Finance and Account Process

As the author is not familiar with the Finance and Accounting department, she has interviewed the manager and can get a better understanding of the department's problems.

We recognise that the department only encounter with some conflicts in day to day correspondences such as telephone communication, inter-department communication, issuing of cheque, etc.

However, the majority of all problems is that RIB should lay down operational standards and quality control with regard to broking procedures required of all staff to achieve excellence in performance.

2.3.6 Marketing and Client Service

Selling intangible product in insurance industry, Marketing division is one of the most important role of Insurance broker business. We have to create a good reputation and make client admire in our service. The marketer has to convince the client to realise an advantage of having broker, try to find out the best solution for the client and also provide them after sale services.

After confirmation of meeting date, the presentation and all information will be prepared. These are the important clue to present that RIB is able to solve their problem and arrange coverage that fit to the client's requirements. At this stage, the marketer has to conclude the sale and therefore some rule or regulation should be improved to increase the efficiency of marketing.

2.3.7 Broking Operations

The heart of our RIB relies on Broking Operations Department. The service brokers have responsibilities to the clients to use a proper degree of skill and care in satisfying their insurance needs. Brokers have a duty towards the insurers to properly present all material details of the risk and to comply with any undertaking which brokers may give. Therefore, it is of utmost importance that the brokers must maintain a high degree of professionalism.

When receiving of the placement of insurance from the New Prospect or as at the time of renewal of existing client, the brokers have to produce a number of documents:

Quotation Slip

Placing Slip

Cover Note

Premium debit note.

The Cover Note has to be issued to warrant the client they have an insurance coverage for each class of insurance. Therefore, the proper period of its issuing has to be set as a standard.

Premium debit note has to be enclosed with the Insurance policy to send to the client.

However, some problems still appear as following areas:

(1) Quotation slip stage

The existing system has no procedure for when quotations have been sent out to Insurers and when they have been returned by Insurers.

In such a competitive industry it is essential that quotations are received back from all possible Insurers to ensure that the broker has the best market terms possible.

And also, staff workloads have visible appearance, this sometimes make them forget the checking the details of the quotation.

(2) Placing slip stage

The placement of business by placing slip are normally not sent to the insurer on time. Some conditions and details are missed and forgotten as there is no point of checking. This concerns with professional liability exposures and it is essential that the signed placing slip is received back from the insurer to ensure that RIB has on their file an acknowledgement from the insurers that they have received the slip and insurance coverage is in force.

(3) Cover note stage

Cover Note has to be sent to the client on time to ensure their insurance coverage is in force and effective.

There is, however, no standard of controlling whether or not this Cover Note has been sent to the Insured on time. To be successful, it is of the utmost importance that every broker assures that the Cover Note has been sent on time and comply with the client's requirements.

(4) Debit note stage

Once the client accept our quotation and the placing slip is confirmed by the insurer / underwriter, then the broker has to issue the Debit Note as soon as possible. As in the other stage, one major problem currently being experienced is that lack of standard rules to control their process.

(5) Policy / Endorsement stage

The most important matters is on issuance of Insurance Policy and Endorsement. The major effect on the efficiency of processing is on time frame. The delay in forwarding policy is also found to be unsatisfactory to the client.

The change or alteration made to the policy record are usually forgotten to recheck of its details. Whenever some mistake is found on the policy forwarded to the client, it will effect the company's reputation and image.

This is a basic professional indemnity exposure and such a system must be in place to ensure that the business is protected against such an event.

2.3.8 Claims Process

Client service begins with the broker's initial recommendations, the delivery of insurance policy documents and an insurance manual summarizing these insurance and setting out the broker's service plan and claims handling procedures. All of this is coupled with client entertainment to cement the relationship.

The claim is the broker's true 'acid test' which the client expects to receive as an expert assistance. It is essential for the company to lay out the most effective quality control of claims department to support the growth of the organization.

However, one major problem currently being experienced is that of lack of writing confirmation, issuing of the letter and having good standard form. When the negotiation or conversation have been done by telephone, many important details are forgotten if there is no confirmation in writing. Therefore, some standard forms and regulations should be set up to secure a good professional service.



III. PROPOSED QUALITY CONTROL OPERATIONS

3.1 System Design Plan

The following are the overall plan that we will follow in establishing a successful quality control system for RIB that will fulfill all the requirements of the company.

- (1) Interviews with management
- (2) Interviews with representative staff of each department
- (3) Study all existing procedures of the Administration, New Business Development, Broking Operation, Finance and Claims
- (4) Obtain and study all documentation currently used in RIB
- (5) Study any documentation or manuals that are currently used in setting out guidelines, proper methods and rules applying to operations in RIB
- (6) Analyze the results of the gathered information
- (7) Design the quality control system
- (8) Implement the quality control system
- (9) Oversee the implementation
- (10) Review the results of the new quality control system
- (11) Make required adjustment

3.1.1 Interviews with management

Managing Director and all managers will be asked questions relating to the existing procedure, future planning and objective of RIB to ensure that the design of the new quality control systems is undertaken.

Most of management views that the existing procedures do not completely fulfill the company needs. In some process, the staff have worked with their own styles and have no rules to guide their way of day to day job. Many weak points have been found in the existing process.

It would be the great benefit to the company if the staff will have the standard procedure to control their work. What particular management needs is for the new system should assist in making their job easier and more efficient.

However, some limitations may arise if the new design does not cope with the nature of the insurance industry of Thailand. It would be wrong if the new design is from theory and cannot guide the staff into the right way.

Moreover, the staff would need to be trained after the new Quality Control System is completely accomplishment.

3.1.2 Interviews with staff

The most important people to see will be the actual staff who are on a day to day job. They will have the most involvement with the existing system and it is they who want the most of the new Quality Control System.

They also have the most knowledge about the requirements of the client, the limitations of the company and the possible ways to solve all the existing problems.

The questions will be asked by a series of question set, See Appendix A, to make us more understanding on the situation and the company matter.

3.1.3 Study all existing procedures of the Administration, New Business Development, Broking Operation, Finance and Claims

The actual understanding of the problems is to gather and study all the activities of each department. This can ensure that the new Quality Control System that can be achieved with the great advantage for each department.

3.1.4 Obtain and study all documentations currently used in RIB

All the documentation will be studied to examine what documentation is required and what can be disposed of in the new system. The idea of the design of new documentation must fully plan to establish for the company.

3.1.5 Study any documentation or manuals that are currently used in setting out guidelines, proper methods and rules applying to operations in RIB

The new Quality Control System should follow guidelines regarding to the rule of the operation of RIB and also the legal requirements of the Insurance Department of Thailand.

3.1.6 Analyze the results of the gathered information

All the information gathered from the interviews and the other investigations will be fully analyzed in order that the new system can be designed to cope with the RIB requirements.

3.1.7 Design the quality control system

The new Quality Control System will be designed following the company requirements and analysis of the information.

3.1.8 Implement the quality control system

The implementation must be put into the normal operation to test of its effectiveness and efficiency. Training of the staff must also be required on the step.

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3.1.9 Oversee the implementation

The overall implementation of the new Quality Control System must be observed for results.

3.1.10 Review the results of the new quality control system

The results of the implementation and operation of the system will be reviewed for efficiency and advantage.

3.1.11 Make required adjustment

The adjustment of the system must be allowed to make the new system fully effective.



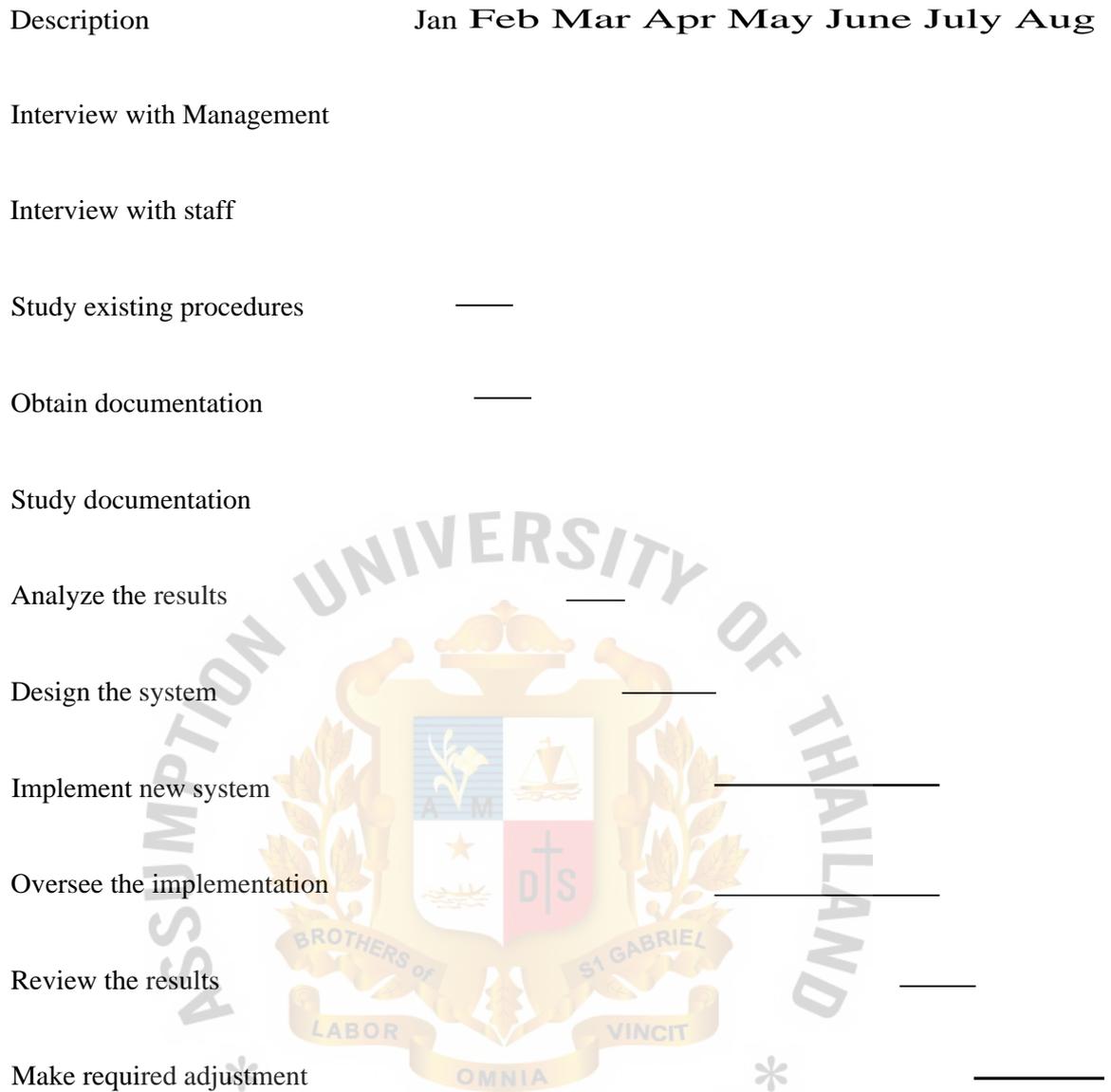


Figure 3.1. Project Plan Schedule.

3.2 General Rules

3.2.1 Store Requisition

The Junior secretary should be assigned to be responsible for controlling a "store requisition". A form of Store Requisition should be established and will be used at the time staff request for office stationery. See Appendix B.1.

The form must be forwarded to Junior secretary once a week in order that she can check the stock and prompt supply of the store.

3.2.2 Leave and Absence

To avoid the company being understaffed, all staff must check with their manager or Managing Director as appropriate to ensure a preferred leave dates that are acceptable to the company before making such arrangements.

The approval of leave is at the discretion of Management who must ensure each Department is adequately staffed at all times.

The 'Application For Leave', See Appendix B.2, must be passed to the manager one week before having an annual leave, however, a sick leave should be handed within 3 days after returning to work.

3.2.3 Dress

Men should wear a shirt with a collar and tie. Women's dress should be appropriate for a professional office environment. There are no jeans, shorts or leather trousers, sports shoes or sandals are allowed during office hours.

3.2.4 Facsimile

All outgoing faxes must be sent under cover of a "Facsimile Cover Sheet". See Appendix B.3.

The successful outgoing faxes must be stamped of the date of Fax sent. A copy of the Fax, the Cover Sheet and the Activity Report must be kept on file as evidence and originals of important faxes must also be sent by post on the same day as the fax. As evidence, the following stamp should be placed on copy of the fax and the details completed:

ORIGINAL SENT BY MAIL
ON / /
Signed

Figure 3.2. Facsimile Mailing Stamp.

Incoming faxes must be sorted in the trays separating by division and also be stamped to identify the date of receipt. The recipient must check for completeness of all incoming faxes.

3.2.5 Mailing

Outgoing Mail: All correspondence should be clearly addressed to the intended recipient. The subject of the letter must be detailed in the 'letter head' paper with address of the office, however, the following pages must be detailed in the 'logo head' paper. See Appendix B.4 and B.5.

It must also clearly identify the enclosures. Clear copies of the letter must be retained in the files. Each department must maintain its own master correspondence file of all outgoing facsimiles and letters.

If the outgoing mail is sent by messengers, the details, the reference, the date and the forwarder's name must be specified for recording in the Tog Book'.

Incoming Mail: All incoming mail must be date stamped on receipt. The responsibility for date stamping is with the receptionist.

If its details or instructions received are not absolutely clear, clarification must be sought immediately.

3.2.6 Telecommunications

To make a phone calls, all staff must ensure they have all information before making the call. The manner of using telephone calls is the utmost importance that the staff have to be polite and confine conversation to essentials.

Whenever calls are received for staff who are unavailable, the first step is to ascertain whether other staff can handle the inquiry. If nobody is available, the following 'message pad sheet' should be used to leave messages. The important details must be completed; name and firm of caller; telephone number; time of inward call and date; the actual subject of the inquiry and immediately hand the 'message pad sheet' to staff on return call.

W'9.ZE W21205RE 07/17

To:o Please return call

From:o Will call again

Co.:o Returned call

Phone No.:o **URGENT**

Date: **Time:**

Message.

.....

..... **By** _____

Figure 3.3. Message Pad Sheet.

3.2.7 Contact with Clients or Insurers

For professional liability exposures reasons, it is essential that a written Contact Record, See Appendix B.6, is to be completed for all telephone conversations and for all personal contacts with Clients, Insurers or other concerned parties.

The Contact Record should retain in file as permanent record and do not allow it to be destroyed.

3.2.8 Meeting Record

All meetings with clients or insurers for the discussion of coverage placement, renewal, review or claim, must be recorded as Minutes of Meeting. See Appendix B.7.

The name of the person concerned must be shown and that person should also receive a copy of the Minutes. Copies are to be dispatched to all parties in attendance within 7 days of the meeting, together with a cover letter similar to that detailed in Appendix B.7.

As in the Contact Record, Minutes of Meeting should retain in file as permanent record and not allow to be destroyed.

3.2.9 Diary Systems

Each department should establish and manage its own diary system for follow up on outstanding issues. All office diary notes must be of sufficient clarity for staff to be able to understand and to take action. Moreover, one staff in the division must be responsible for particular care of reminding the action.

3.2.10 Filing

It is important that every department should have filing procedure. Everyone should be able to understand another person's files. Each file can tell the whole story.

A 'client master file' should be maintained for each client in yellow file. The 'client master file' should contain general information, correspondence and documents such as Annual Report, brochures, Premium Agreements, copies of Minutes of Meetings, client profiles and notes personalities involved, correspondence on classes of insurance quoted for.

For all the clients there should exist:

- (a) a client Master File (Yellow file color)
- (b) a separate policy file for each class of insurance, a copy of the policy, subsequent copy endorsements and copy proposal forms should contain on the left hand flap of the Green file color. On the other right hand flap, all correspondence of that class of insurance should be filed.

On the top of the files must be labeled as follows:

Name of company	Type of Policy	Year	(File Label)

Figure 3.4. Broking Operations File.

The central filing cabinet should be created for each division. The files will be filed in alphabet order of client's names and run from the class of policy. The following is an example of placing file in the central cabinet for Broking Operations Department:-

<u>Client's Name and Type of Policy</u>	<u>File Label</u>
A & A Engineering Co.,Ltd.	
Master File	GEN
Employees Compensation Policy	EC
Industrial All Risks Policy	IAR
Machinery Breakdown Policy	MB
Marine Insurance Policy	MAR
Motor Vehicle Policy	MOV
Public/ Products Liability Insurance Policy	PL

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Wonderful Department Store Co.,Ltd.

Master File	GEN
Electrical Equipment Insurance Policy	EI
Employers' Liability Policy	EL
Industrial All Risks Policy	IAR
Inland Transit Insurance Policy	NT
Machinery Breakdown Policy	MB
Marine Insurance Policy	MAR

Claim files should be kept with the different color of blue file. Each claims colleague should have their own filing system. However, each file can tell the whole story that everyone could be able to understand another claims files. The top of the files must be labeled as below:

Name of company	(Nature of Claim)	Insurer	Ref. No.

Figure 3.5. Claims File.

Documents on existing and cancelled policies should be retained for company records. To provide effective use of office space but still maintain a filing system, all files for existing, potential and lost clients more than two years must be stored in a godown.

To avoid any possible breach of litigation, all unnecessary items must be destroyed and no file will be handed over to the third party without authorization from Managing Director and legal advisers.



3.3 Client Service

3.3.1 General Procedure

As an Insurance Brokers, we have responsibilities to all clients to use a proper degree of skill and care in satisfying their insurance needs. We have a duty towards the insurers to properly present all material details of the risk and to comply with any undertaking which we may have. Therefore, through the whole of transactions with the client and the market, we must maintain a high degree of professionalism.

This section, therefore, aims to provide the quality service to the client and to try to make them appreciate our expertise. RIB staff must consider and ensure that:

- (1) each client's needs must be clearly understood and identified;
- (2) all relevant information should be fully obtained and the client's requirements are adequate;
- (3) adequate broking skills are available to meet the client's requirements;
- (4) the client understands the extent of the responsibility of brokers.

As the nature of service provided to clients depends on their size and their operations, different service guidelines therefore should be developed for two segments of the client market.

There should be:

- (a) personal clients;
- (b) corporate clients

(a) Personal Insurance Client Service Guidelines

The staff must consider and keep under review the following key factors:

- (1) Provide which class of insurances and extent of coverage are to be arranged for each client.
- (2) Obtain all relevant underwriting information.
- (3) Collect past claims experience/history.
- (4) Negotiate and submit appropriate premium terms and options to the insurer.
- (5) If required by Insurers, send proposal form to client for completion and return.
- (6) Proposals must be checked for errors and ambiguities before forwarding to the Insurer.
- (7) Follow up receipt of the policy from the Insurer with diary system.
- (8) Obtain the policy from the Insurer, check the document for errors and send it to the client within 60 days of the inception/renewal date.
- (9) Must keep evidence that broker has checked documents.
- (10) Send original policy to client and retain copy in the client file.
- (11) Any request for changes by clients must be confirmed to clients in writing.
- (12) Any changes from the client's instructions must be agreed with clients, informing them the reasons.

(b) Corporate Client Service Guidelines

The staff must consider and keep under review the following key factors:

- (1) Obtain instructions to submit quotations.
- (2) Obtain all relevant underwriting information.
- (3) Discuss insurance, uninsured risks and risk management requirements with client and identify full extent of each.
- (4) Request copies of old policies from client for comparison.
- (5) Collect past claims experience/history, if possible from previous Insurers.
- (6) Negotiate policy terms and clauses appropriate with client's requirements.
- (7) Keep evidence on file that the new business report has been checked by Managing Director or Manager.
- (8) Submit new business report including policy terms to client.
- (9) Immediately obtain a letter of appointment similar to the detailed in Appendix C.1.
- (10) Ensure everything meets client's requirements before placement of the policy.
- (11) Notify client of the details and names of the Insurers.
- (12) Explain all policy terms and conditions, special provisions and premium collections.
- (13) Verbal quotations must be recorded and confirmed back to the Insurer.
- (14) Make a note of any verbal additional information to the Insurer and confirm in writing.
- (15) Any request for changes to the original instructions by clients must be confirmed in writing.

- (16) Changes to the original instructions must be agreed with clients and give them reasons.
- (17) Inform clients of legal disclosures.
- (18) Issue cover notes and debit notes within 14 days of the inception/renewal date.
- (19) If required by the insurer, the proposals must be signed by the client.
- (20) Proposals must be checked for errors and ambiguities before forwarding to the Insurer.
- (21) Follow up each step with diary system and ensure that all contact records relating to the discussion are kept.
- (22) Prepare a meeting with client to explain policy terms and conditions RIB placed and provided for them.
- (23) Produce a report within 60 days of inception/renewal. The report should contain.
- (a) Full title of the Insured.
 - (b) Full details of client/business.
 - (c) Policy numbers.
 - (d) Term of insurance.
 - (e) Claims handling procedures.
 - (f) Insurer's name.
 - (g) Adjustment conditions.
 - (h) Special conditions.
- (24) The report must be checked by Managing Director or Manager.

- (25) Obtain the policy from the Insurer, check the wording and send it to the client within 60 days of the inception/renewal date.
- (26) Keep evidence that broker has checked the document.
- (27) Send the original policy document to client and retain a copy on the client's policy file.
- (28) Produce Minutes of Meetings and indicate all details and descriptions.
Despatch to the client within 7 days of the meeting.

3.3.2 Communicating with Clients

When a client requests an action concerning their current insurance programme, the staff must:

- (a) act on the instruction immediately
- (b) record all instructions by contact record or note and confirm the instructions to the client in writing
- (c) if the instruction cannot be carried out immediately, keep the client informed of developments
- (d) make the client aware of any problems as soon as possible.

3.3.3 Client Meetings

All meeting with the clients for the discussion of cover placement, renewal or review of the policy must be recorded in Minutes of Meeting. See Appendix B.7.

Copies are to be despatched to all parties within 7 days of the meeting, together with a covering letter similar to the detailed in that Appendix B.7.

3.3.4 Service Plans

Service Plan and timetable for major clients should be designed as to keep contact and close servicing the client.

This plan should include the date for:

- (1) regular review visits, twice a year
- (2) risk management/loss control and regular claims reviews
- (3) pre-renewal meeting

Issue Minutes of Meeting to the client within 7 days.



3.4 Broking Operations

3.4.1 New Business development

From the beginning of involvement with a prospective client New Business staff must consider the following matters:

- (a) Can we be reliable with that prospective client?
- (b) Can we trust their credit status?
- (c) Does their background indicate frequent change of brokers?
- (d) Are we being provided with sufficient information to report properly?
- (e) Are we just being used?

If some doubts arise on one or more of the above, **RIB** staff should never be afraid to withdraw from the client. However, the final decision of declining a new client should be with the Managing Director and New Business Manager.

All information **RIB** investigated must be retained for potential future use.

Confirmation of an appointment as brokers must be obtained in writing, See Appendix C.1, for new ventures and for the extent of **RIB** authority.

New Business staff must also agree with the client to get involved with existing claims and handle adjustments for past periods.

On appointment we must obtain all necessary information from the existing Insurers to enable us to perform effectively and efficiently for the new client. The information must include:

- (a) Copy of existing policies;
- (b) Premium rating;
- (c) Declarations;

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(d) Outstanding and claims experience including the current position on all outstanding matters.

To conduct the business in highest standard, New Business Team staff must keep following the details of client service guidelines description in Chapter 3.2.

3.4.2 Policies Management

A number of policy status that relate to the cover conditions after a policy has gone live are Expired Policies, Lapsed Policies and Renewed Policies.

Expired Policies: The insurance period has passed and the policy has to be actioned

Lapsed Policies: The insurance period has passed and the policy has been denied as "Not to be renewed"

Renewed Policies: The insurance period has passed and a renewal policy has been agreed

The process of establishing a policy is almost important for new clients and for existing clients. In this section, therefore, will involve procedures regarding new or renewal policy management.

The policy processes should start at least three months prior to the client's primary renewal date, or the date of expiry of the policy. For new clients the timing will be largely determined by the client, however, new business development staff should provide themselves with sufficient time to ensure the cover is placed.

In practice, the following processes are done in parallel:

3 months prior to expiry date	Prepare broking strategy plan
	Establish client requirements
	Conduct a survey
	Check credit control and claims
	Review existing coverage
	Obtain claims experience
	Prepare underwriting information
2 months prior to expiry date	Arrange pre-renewal meeting
	Design insurance programme
	Prepare quotation slips
6 weeks prior to expiry date	Obtain proposals for policies
	Obtain most updated claims experience
	Market quotation slips
3 weeks prior to expiry date	Obtain market terms and conditions
2 weeks prior to expiry date	Prepare and present client report
	Negotiations with Insurers
10 days prior to expiry date	Obtain placement instructions from client
7 days prior to expiry date	Close business with Insurers
	Confirm placement with client
	Obtain appointment confirmation
Within 14 days of expiry date	Prepare and issue debit notes/ cover notes

Within 60 days of expiry date

Prepare and present the renewal register

Following are the details of each activity:

(1) Prepare Broking Strategy Plan

This is a timetable of all activities to be completed. It is important to plan activities as this will assist staff to manage their work.

(2) Establish Client Requirements

Staff should keep closely with client to determine their requirements and anticipate their requirements.

Staff should establish exactly what they want to say before contacting the client. This will help them to present a professional image. To try to obtain clear instructions from the client. Everything they requested must be confirmed in writing in accordance with their instructions.

Every discussion with client/Insurer must be confirmed in writing. Every advice given to the client must be sure of the answer to escape from legal liability.

(3) Insurance Programme Design

At this stage, brokers have to discuss the risk exposures with the client and which risks they wish to insure and the amount of deductible they would accept. RIB will select the appropriate Insurers and policy wordings, terms and conditions to meet the client's requirements.

The action included in this stage is also to review and assess the existing insurance programme of the client. There are some points to be considered as below:

- (a) The sum insured is adequate or not
- (b) The terms and conditions are covered enough
- (c) The changes of the client's business activity have effected any risk exposures
- (d) The policy deductibles are appropriate to the claims experience
- (e) Are there any uninsured risks?
- (f) etc.

The details of an insurance programme that RIB will seek for the client must be confirmed in writing.

(4) Explain Variations in Coverage

The variations in coverage RIB recommended against the existing coverage must be emphasized to the client both verbally and in writing.

Information obtained from the client verbally must be noted on a contact record and then confirmed back to them in writing.

(5) Explain Uninsured Risks

Brokers have to identify risks which are not currently insured and discuss with the client to make them clearly understand on the coverage.

(6) Obtain Letter of Appointment

Staff have to obtain a letter of appointment from the client if they are a new account. The letter should be filed in the client's general information file which RIB can use to gain an authority of brokers which may arise.

(7) Check Current Credit Control and Outstanding Claims

Brokers should check whether there are premiums outstanding on the client's account if they are an existing client.

Claims experience to be presented must be accurate. It should be rechecked with the client.

(8) Obtain and Review Claims Information

Brokers should endeavor to obtain at least three years' claims experience from the client or the existing insurer. The claims experience must include the number of claims, the amount paid and the current situation of the claim.

When receiving the claims information, brokers have to review and validate that information. If practicable, check with the client.

(9) Prepare Underwriting Information

At this stage, an Insurance Broker must provide as much information as possible about the client and the information presented is accurate and unambiguous. If possible, provide them with client's literature or brochures.

(10) Prepare Quotation Slip

The quotation slip is used to provide the prospective Insurer with all the underwriting information necessary to quote a risk properly. It is also one of the principal forms of communication with the Insurers.

Quotation Slip must include. See Appendix D.1.

- | | |
|---------------|--|
| (1) Insured: | The name insured must include all the insured companies and their subsidiaries. Staff must ask the client to check all of the description. |
| (2) Business: | All the client's activities undertaken by the client. |

- (3) Cover: Coverage range is broad enough for the client's business.
- (4) Location: Geographical limits of the policy.
- (5) Period of Insurance: The dates of effective and the expiry time.
- (6) Sum Insured: Maximum loss limits of compensation of the loss
- (7) Deductibles: Careful checking of the wording and extent of the deductible requires in the policy.

Staff must follow the check list of activities as below:

- (a) Establish that policy wording is adequate : Use standard policy wordings and review that the wordings are suitable for the client.
- (b) Modify policy wording or draft wording : Ensure that wording modified is appropriate for the client.
- (c) Prepare and print quotation slip : Check all special requests, additional coverage or unusual clauses when constructing a quotation slip. The quotation slip must also be clear and unambiguous.

(11) Present Quotation Slip to selected Insurers

Additional telephone and discussion of the details of Quotation Slip are also needed. Must draw attention to any special circumstances, special requests, additional coverage or unusual clauses or endorsements.

All submissions to the Insurer should be presented in a folder with staff's name and a date of required reply. The quotation slip should include:

- (a) a Schedule;
 - (b) a policy wording;
 - (c) endorsements;
 - (d) Client Profile or details of the client;
 - (e) Underwriting Information or additional information;
 - (f) an Asset schedule;
 - (g) survey reports, business brochures, annual reports;
 - (h) claims experience
- (12) Obtain Proposal Forms for Policies
- Should obtain new proposal forms for each class of insurance as an additional information.
- (13) Negotiate and Re-market
- Staff must endeavor to negotiate with the insurers to obtain the most competitive terms and premium rating from the selected insurers.
- (14) Collect Insurers Responses
- During 3 weeks prior to expiry date, staff must obtain market terms and conditions from Insurers in written responses.
- Staff must be sure that they understand the quotation. If there are any ambiguities, brokers should clarify the Insurer before acting on the quote.
- Collate and compare Insurer responses. Check any differences in coverage and other details.
- (15) Report to Client
- Present a report to clients. This report should mainly contain:

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- (a) premium for the past 3 years
 - (b) uninsured exposures
 - (c) recommendation
 - (d) Insurers response and their quotations
 - (e) comparison table of all quotations
 - (f) claim experience history
 - (g) summary of existing coverage and the improvements
- (16) Obtain Placement Instructions from Client

If verbal instructions are received, they must ensure that there is a confirmation with the client in writing. The confirmation of risk placement should be provided to the client in writing.

- (17) Confirm Placement with Insurers

The cover must be in place for a policy prior to the expiry of the policy. As soon as the quotations are accepted by the client, the cover must be placed by written instruction to the Insurers. The cover also must be acknowledged in writing by the Insurers and the client should confirm of the placement.

Placement of the risk must be supported by signed confirmation from the Insurer. This confirmation will take the form of a signed placement slip. See Appendix D.1.

- (18) Confirm Placement with the Client

The placement must be confirmed in writing with client. The confirmation should include details of the class of insurance, the covered risk, the sums insured, the conditions, and the Insurers and the premium.

The changes to the policy wording or conditions applied to the policy which were not anticipated at the quotation slip should also be notified to the client.

If the coverage is not placed at 100% as instructions, brokers must notify the client immediately by telephone and in writing.

(19) Prepare and Print Placement Slip

Brokers must prepare and forward the Placement slip to the Insurers before the inception date of the policy.

Also ensure that the information presented on the placement slip is accurate and reflects client's intentions. The placement slip should be clear and unambiguities and must reflect the information presented in the quotation slip and any agreements made with the Insurers and the clients.

(20) Prepare and Send the Client Cover Notes

Once the placing slip has been placed then a cover note must be issued to the client for each class of insurance. Any cover qualification must be clearly identified on the cover note.

(21) Invoice client

Policies should be billed within 14 days of the inception of the risk. The cover note, See Appendix D.1, must be issued to make temporary coverage for client in order to wait for the actual policy coverage which is in process.

(22) Receive and Check All Policy Documentation

It is essential that Brokers check all policy documents for accuracy before forwarding to the client. Brokers will ensure that the policies are

issued in accordance with clients' requirements as detailed at the quotation stage.

The following are the important checkpoints of the policy:

- (a) Policy wording must reflect the placement slip
- (b) The original policy must be signed and stamped by all participating insurers
- (c) Proportions of all ultimate Insurers
- (d) Policy numbers
- (e) Premium correct
- (f) All charges are calculated in accordance with the method agreed

If the policy document is not satisfactory, retain a copy of the document on file with explanatory note and return the document to the issuing Insurer with evidence of the error.

(23) Copy Policy for File and Send Original to Client

If the policy document is in accordance with the instructions, copy the policy document and file in the policy file.

Forward the original policy document to the client under cover letter as soon as practicable. A copy must also be retained for records.

When a policy is sent to a client the covering letter must request that they carefully read the document and advise if it is not in accordance with their requirements. A standard format letter is detailed in Appendix D.2.

(24) Prepare and Present the Renewal Register

A register of insurance or a summary of the coverage placed for each client will be issued and should be delivered to the client within 60 days of expiry date.

All Registers will have as a frontage:

- (a) the full title of the client
- (b) a full business description
- (c) the names of contacted personnel
- (d) special claims procedures

A reference to the fact that the details in the Register are only a summary and that the client must refer to the policies themselves for exact detail of the cover.

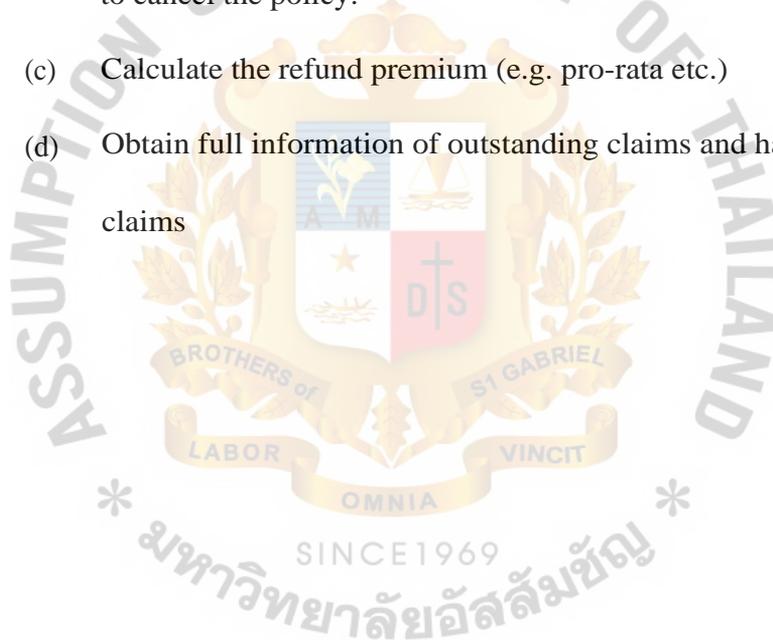
All registers should be issued on standard format basis as per Appendix D.3.

3.4.3 Cancellation and Lapsing of Policies

Cancellation or refusal to renew a policy is a serious step which the broker has no authority to cancel a policy unless he has been instructed to do by the client. Only the actual parties to the contract, the Insured and Insurer, have the right to cancel.

- (1) Cancellation by Insurer, there are a number of factors:
 - (a) The cancellation notice from the Insurer must be in writing
 - (b) Report to Managing Director
 - (c) The reason for cancellation
 - (d) Cover needs to be replaced immediately with another Insurer

- (e) Calculate the refund premium (e.g. pro-rata etc.)
 - (f) Obtain full information of outstanding claims and handle all existing claims
- (2) Cancellation by Client, there are a number of factors:
- (a) The clear instructions must be received from the client by telephone or writing. If the request is received by telephone, it must be recorded in writing.
 - (b) Fax and write to the client confirming the Insurer has been requested to cancel the policy.
 - (c) Calculate the refund premium (e.g. pro-rata etc.)
 - (d) Obtain full information of outstanding claims and handling all existing claims



3.5 Accounting Matters

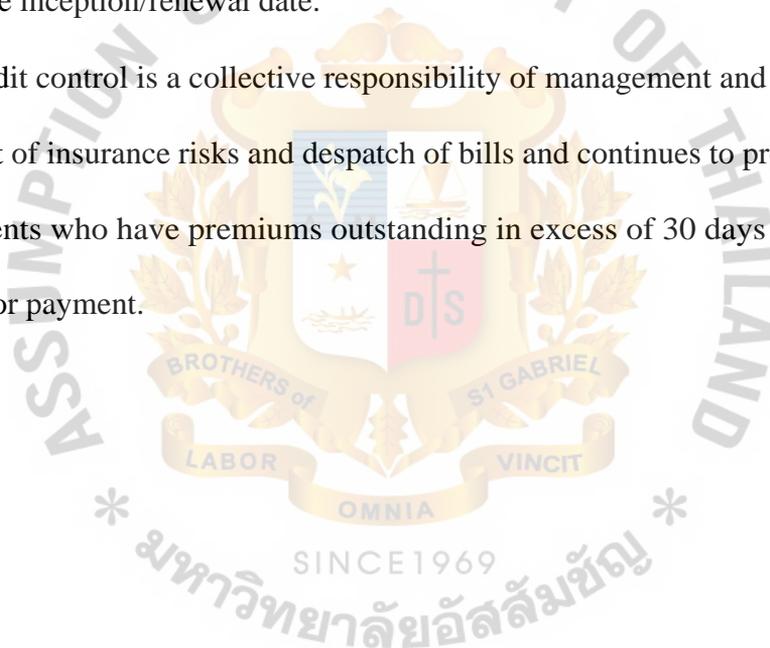
Cover/debit notes should be despatched within 14 days of the placement of cover. If the precise premium is dependent upon an outstanding qualification or any other matter, then a provisional premium should be agreed with insurers and the client, and debited within 14 days of the inception date.

Credit Control

As a general rule clients are not provided with credit facilities. Premiums are due from clients on presentation of the bill, and should always be paid by clients within 30 days of the inception/renewal date.

Credit control is a collective responsibility of management and starts from prompt placement of insurance risks and despatch of bills and continues to premium collection.

Clients who have premiums outstanding in excess of 30 days should be actively pursued for payment.



3.6 Claims Management

The successful settlement of a claim is the single most important service Insurance Brokers give to client. A claims cheque is 'the delivery of the product'. It is evidence that correct insurance has been arranged and is proof of professionalism.

3.6.1 Claims Servicing Objectives

To provide the clients with a quality claims service, it includes:

- (1) The prompt and fair settlement of claims by Insurers.
- (2) Establishing a positive claims contact with the clients.
- (3) Establishing a positive contact with the Claims Managers of the Insurers.
- (4) Producing meaningful claims information to supplement broking and risk management activities.

3.6.2 Claims Rules

- (1) Prompt and Effective Settlement.
- (2) Follow company's standard guidelines and procedures.
- (3) Brokers will not complete claim forms on behalf of clients. Naturally they will only assist and advise the client.
- (4) Read all completed claim forms when received and advise client of potential problems.
- (5) Initiate appropriate action within 24 hours of receiving claims report.
- (6) All new claims to be promptly recorded on Claims book
- (7) All faxes or hand delivered material must be passed to the claims department on the day received
- (8) Any claims must be sent to the correct Insurer on the same day it is received. Any delay may prejudice the client's claim.

- (9) Claims tasks on claims diary will be actioned every day.
- (10) Where delegating claims settling authority staff must act within the scope of such authority with integrity and professionalism. Any doubts on the extent of authority must be referred to the insurer.
- (11) Ensure that all outstanding claims are followed up on agreed dates.
- (12) Keep client informed of the progress of their claim and advise reasons for any delay.
- (13) Keep Claims Manager informed of all claims problems.
- (14) Claims cheques to be obtained within 10 days after lodgement of full documentation with Insurer.
- (15) Forward Insurers claims cheques to clients within 24 hours of receipt from Insurer.
- (16) If the claims is rejected or substantially reduced, claims staff will refer it to their manager before notifying client.
- (17) Arrange a claims meeting with any parties concerned whenever such problem occurs.
- (18) Arrange a monthly claims meeting to discuss, to update information and to gain brain storming.

3.6.3 Claims Processing

To achieve the most effective claims standard, the following processes are created to guide claims staff:

- (1) If the claim is notified by telephone, claims colleague must record details on claims telephone report form. See Appendix E.1. Ensure that all essential information is obtained.

- (2) Advise and guide the client how to properly handle the case. Anticipate Insurer requirements. Advise client of potential problems. Action that the insured should take, e.g. security, minimise loss, report the loss to the police etc.
- (3) Roughly explain the relevant documents required. Request the client to prepare all the documents and fax to RIB.
- (4) In the meantime, check that the policy will operate and details of deductible applying.
- (5) Large or potentially large claims:
 - (a) Suggest RIB visit the site
 - (b) Where appropriate arrange to meet adjuster at site
 - (c) Take a leading role if problems arise
 - (d) Gain as much information as possible at the site by completing in Survey Form. See Appendix E.2.
 - (e) Notify of claims to Managing Director and Claims Manager
- (6) Notify the case to insurer. Forward and pass all relevant documents to insurer. Documents received from a client and passed to insurers shall be photocopied before despatch.
- (7) Negotiate to gain prompt and effective settlement. However, Claims Brokers are not Claims Processors, it is staff's responsibility to maximise client's claim within the terms of the policy.
- (8) If the case is covered, claims cheques should be obtained within 10 days after lodgement of full documentation with Insurer. The cheque should be forwarded to client within 48 hours.

(9) If not, it must be fully explained and clarified to the client of the reasons.

3.6.4 Settlement Cheque

Presenting a claims cheque is the 'delivery of product'. It is evident that correct insurance has been arranged and is proof of broking professionalism.

It should be a rule that Insurer's claims cheques are made payable to the client, rather than RIB. If the amount is correct, the cheque should be forwarded to client within 48 hours with a cover letter similar to that detailed in Appendix E.3.

Where the cheque exceeds Bt. 1,000,000.-, the Claims Manager and Managing Director responsible for the account must be given the opportunity to deliver the cheque personally, provided payment is not delayed. This can be a good, 'public relations' exercise and, there may be Policy amendments/adjustments required as the result of the claim.

3.6.5 Claims Rejection/Reduction

If the claims is denied by Insurer, Brokers should not automatically accept the Insurer's decision. They can be wrong. Denial of a claim which client expects to be paid will probably prejudice RIB' s reputation with the client. Either Brokers have failed to explain the coverage correctly to client or Brokers have failed to arrange the correct cover, it is quite possible that a valid professional indemnity claim may follow against the company.

As soon as Brokers first hear the suggestion from an Insurer that he is thinking about declining a claim, that is the time when claims staff must tell their Claims Manager. Timing and the action to be taken are crucial, any delay will inevitably make it worse.

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If the claims quantum is reduced by Insurer, Brokers again do not automatically accept the Insurer's decision. It is duty as Broker to advise client whether the amount being offered by the Insurer is the maximum amount collectable in terms of the Policy. Whether or not the client accepts, but Brokers' advice must be correct.

All such claims must be referred to the Claims Manager and Director responsible for the client.

3.6.6 Claims Report

At the end of the full month, the management will know the number of new claims reported to RIB and also will know the current and update situation of the existing cases by Monthly Claims Report. See Appendix E.4.

The management will review this report to check that all the files on this report have received the attention and where necessary action of the claims staff

Any files that have not received attention will be scrutinized by the Claims Manager and then discussed with the claims staff concerned.

Moreover, by the end of the full year policy period, claims staff must prepare Claims Experience Report, See Appendix E.5, to conclude all the number of claims during a year, total amount of claims have been settled, all the claims denied etc.

This Claims Experience Report can be an information for the renewal of policy.

3.6.7 Claims Audits

The claims audit should be set with two objectives. First is to ensure that all claims are periodically reviewed and that responsibility for settlement of the claim is escalated to the appropriate level. Secondly, it provides the forum for claims practices to be enforced and practical training received by all parties.

The claims audit will be conducted monthly.

Audit Process

Review each outstanding claim to establish:

- (a) why it is outstanding
- (b) what RIB has done to achieve settlement
- (c) what can RIB do to progress the claim
- (d) commit to who will do, what and by when

The benefits of Audits is that the client can achieve a faster claims settlement.

Clients receive a full settlement in terms of the policy cover. The claims Broker will automatically receive practical training.



IV. QUALITY CONTROL IMPLEMENTATION

After the procedure has been designed for the company, it is time to examine its effectiveness by putting into operation. There are several basic steps for the implementation to follow:

- (a) Placement of quality control procedure
- (b) User Training
- (c) Implementation
- (d) Review after the implementation is completed

Once the implementation has been set up, timing of it is important. It should be done at a time which is best for all parts of the company. We should escape from busy periods such as the end of renewal or end of financial year.

Convenience of the new users is also important. If the new users do not feel happy with the time that the new procedure is brought into operation it can affect the success of the whole process. If they are under pressure and stress, the more possibility that they will not accept the new procedure and will always look to find fault in it.

To achieve the effective training and implementation, we therefore decide to bring the new procedure into use during the months of August and September as that is the right time which is traditionally slowest for renewal and is after June financial year end period.

Placement of Quality Control Procedure

Two representatives of each department should be selected to test the implementation plan.

Copy of new quality control procedure must be distributed to the new users. The new users must read and initially attempt to understand the new procedure by themselves.

Also, the representatives ought to concentrate on the department they attend so that they will learn and realize what will happen in this changing of the process and what will affect their day to day job.

User Training

In the interim users will be given as much training as possible in the training room so that they are able to understand the overall process and the changing of the new system. They will also be able to handle any minor problems that may occur during the time they are operating with the new procedure.

As a large group, later on, this in-house training would separate into small groups of department. It is believed this would be better to teach the staff in each department and concentrate on their part of the procedure. It would be an effective training by teaching them step by step of the operation.

Some initial inquiry or misunderstanding of the new procedure ought to be raised in this training seminar.

Implementation

After the training and seminar are complete, it is a time to bring the new procedure into operation. The actual operation that we are doing will have very little effect on most of the existing process as we choose only 2 of each department's colleague.

The actual operation should be placed for 2 and half months to test of the plan.

Overseeing of Implementation

We will observe and remain on hand for any arising inquiry during the period of the implementation. We will also be on call in case they are required to become involved.

Review after Implementation

After a running period of two and a half months, this is a time that the users have to discuss the operation of the new system.

The most important is that whether the new procedure has met its objectives and it is giving the results that were required by **RIB**.

The period of two and a half months operation will allow adequate time for all users to properly assess what procedure is taken and whether some added refinements of changes need to be made.

The review of problems experienced by the users will allow them to give results, comments and recommendations. Small changes may be able to be made by their recommendations.

The review will also assist management in evaluating whether the desired productivity objectives of the new procedure have been achieved.

The testing of the new procedure will be done as part of the implementation process and it also should be done on parallel basis with the existing system to ensure should there be any serious problems with the new design. It is to observe if the new system meets any problems or not run according to the plan.

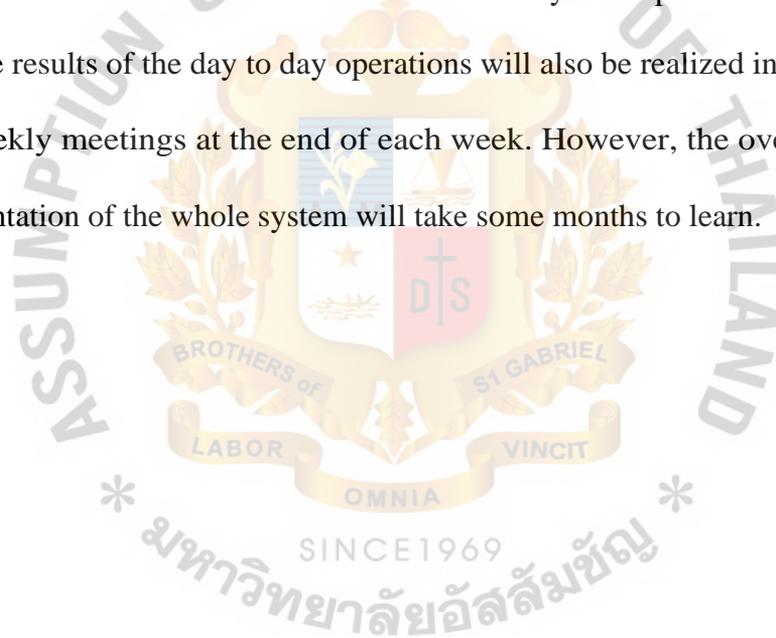
This will also ensure that the operations and results of the new system can be compared with the existing system to check that the new system is operating correctly.

Constant checking of the process will be done to make sure that any problems or new unforeseen developments which arise are able to be addressed immediately in order to ensure the smooth operation of the new system.

It is planned that weekly meetings be held with all departments so that all the parties involved in the implementation and testing are kept up to date with developments and ensure that they all have the opportunity to raise any issues or concerns they encounter. Any ideas they may have should be also raised to improve.

As the checking process will be done on a continuous basis as the implementation proceeds, we believe the results will be realized early in the process.

The results of the day to day operations will also be realized in a short time as we have weekly meetings at the end of each week. However, the overall results of the implementation of the whole system will take some months to learn.



V. CONCLUSIONS AND RECOMMENDATIONS

The purpose of this final chapter is to tie up a final conclusion and recommendation that there are some closing remarks about the Quality Control for insurance brokers after having undertaken the study of the whole report.

There are a number of particular areas which need to be realized in establishment of the efficiency and effectiveness to standardize for Insurance Broking business. Those areas are:

The Product

The Insurance Broking business is set out as a service industry. The 'product' is less tangible, and less obviously measurable than manufacturing organizations. The product is ended at 'quality service', 'professional commitment' and 'customer's satisfaction to the service'.

The Service

As insurance brokers sell an intangible product which is totally different from tangible or manufacturing goods, the customer therefore cannot touch the product directly, but receive a good service from professional advice instead.

The vital factor to run the business successfully is to provide high quality service both before and after-sale service. The brokers have to present how they can assist the client to manage the risk and to be a good consultant, when the risk arises. Prompt and accurate response from the brokers present the quality of service.

Therefore, it is the utmost importance to keep our business to the highest standard of quality service.

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The Intermediate

The insurance brokers act as a good intermediate to co-operate among all the parties to make them achieve the highest satisfactory commitments.

The good middleman who co-operate and make all the parties understand each other is the true objective of the insurance brokers business.

To reach these objectives, the Insurance Brokers therefore has to set down the most efficiency and effectiveness of the quality control standard.

The Staff

Our fundamental business is the provision of risk management and retail insurance services to clients, utilizing the latest industry technology and the best professional skills of the people.

The aim is to create a growth oriented company founded on effective teamwork and quality of service to the clients.

The main asset is its people and will provide maximum opportunities for development of their professional skills and a corporate commitment to both technical training and management development.

The Customer

These are the important elements which affect the design of quality control of the company. However, there are still some areas, the external element, which also influence how to design the appropriate quality control.

No business could survive without the client support. Therefore, the satisfaction of the client is our goal to achieve, especially for servicing business as an Insurance Brokers.

The company has to set the quality control system to support the operation of the business. The prompt marketing team would be ready to handle both individual and corporate client. The strategy should be both keeping on servicing the existing client and developing the new target client to expand the business.

The Government and Economy

Sometimes, the regulation or the economy is changed and these reflect the operation of the business unavoidably. The business would certainly be effected from this varying situations. Quality control system should be updated or improved according to the current situation. The updated quality control system could help the business run smoothly and successfully.

The Competitors

"Keep your friends close, but enemies closer" is the true word. The competition among the market is needed to be concerned. According to Insurance brokers, business is not monopoly, the company should know the movement of the competitors around them. This would assist the company to improve the strategy and quality control system to have standard and be an excellent firm in the market.

Recommendations

After studying the whole project, it was found that the management should realize Quality Control System will increase an effectiveness of the business.

Nowadays, ISO 9000 or Quality Control is becoming an important role in every organization. The recommendation of the Quality Control has been thoroughly studied, developed and introduced to use in the actual Insurance broker's operation so that the organization would be successful in their business.

To be a leading force in the world of insurance business, this will only be achieved through excellence in performance.

To achieve this excellence, the management of the insurance broking company must apply the following principles:

- (1) To concentrate on developing and strengthening ability to win and handle increasing volumes of insurance and risk management related business.
- (2) Strength and major assets are in the staff.
- (3) To provide opportunities and training in order to develop skills and progress careers to peoples' personal satisfaction.
- (4) To maintain a programme of personal self-development to enable the company to meet the challenges of the industry today and in the future.
- (5) The progress is sustained by skill in communication.
- (6) To share expertise, new products, new concepts and management techniques and keep employees informed on all matters which affect them.
- (7) The target is quality, not size.

Finally, the company can only achieve their objective to be the best if they all work together to achieve these goals.



APPENDIX A
QUESTIONNAIRES

QUALITY CONTROL USER REQUIREMENT

Name of Employee:	
Job Title:	
Department:	

Answer the following questions to give information of user requirements for a new quality control system:

- (1) Write down your duty, responsibility and scope of your work in day to day job.
- (2) What are your company objectives, your department objectives, your own objectives concerning RIB?
- (3) In your view, what is(are) the important thing(s) for Insurance Brokers business?
Why?
- (4) Explain existing procedure, rule or practical standard of your department.
- (5) Explain your existing filing system.
- (6) List problems which you encounter in day to day job. *
- (7) What are the limitations that you are aware of related to the existing process?
- (8) What kind of communication you co-operate with other organizations such as corporate client, personal client, insurers, etc.
- (9) What are the limitations or problems that you co-operate with other parties both inside and outside office? Please illustrate your idea.
- (10) Have you ever heard somebody complain on the system of the company? If yes, what is it? How?
- (11) What is the importance of each department in the company? What is their responsibility? How do they effect the company?

- (a) Administration
 - (b) New Business Development
 - (c) Broking Operations
 - (d) Claims
 - (e) Finance
- (12) From the person outside other department, could you please write down the good point and weak point of each department. What are their problems or limitations? (Please answer in the department that you do not work for)
- (13) In what way do you feel quality control system may play an important role to help you to achieve your business objectives?
- (14) How do you see quality control system to help you to achieve your business goal or to improve productivity and efficiency? Please illustrate with examples to support your idea.
- (15) Do you know about ISO 9000? What do you think about it? Any ideas or visions concerning ISO 9000.
- (16) If your company can either achieve ISO 9000 or Quality Control standard, what benefit will we earn from it?
- (17) In your own opinion, if the company has an effective ISO 9000 or Quality Control procedure, will this effect the company's growth? How?
- (18) Do you know an auditor? If yes, do you know what is their duty and responsibility?
- (19) If the company either assigns an external auditor or has an internal auditor, in your own opinion, what benefit will the company and staff earn on these?



APPENDIX B
GENERAL OFFICE DOCUMENTS



Royal Insurance Brokers Ltd.

STORE REQUISITION FORM

Item	Description	Amount Requested
	Total	

Requested by Date

Division

Figure B.1. Store Requisition Form.



Royal Insurance Brokers Ltd.

APPLICATION FOR LEAVE



NAME

DATE

MIA WIEAW

DIVISION

SIGNATURE

1) SICK LEAVE FROM TO

PROOF OF SICKNESS YES NO

2) ANNUAL LEAVE FROM TO

3) BUSINESS LEAVE FROM TO

REASON

LEAVE RECORD SICK LEAVE DAYS BUSINESS LEAVE DAYS

ANNUAL LEAVE DAYS ABSENT DAYS

NOTE

APPROVE

DISAPPROVE

"d1Oviruoi

SIGNATURE

Figure B.2. Application for Leave Form.



Royal Insurance Brokers Ltd.

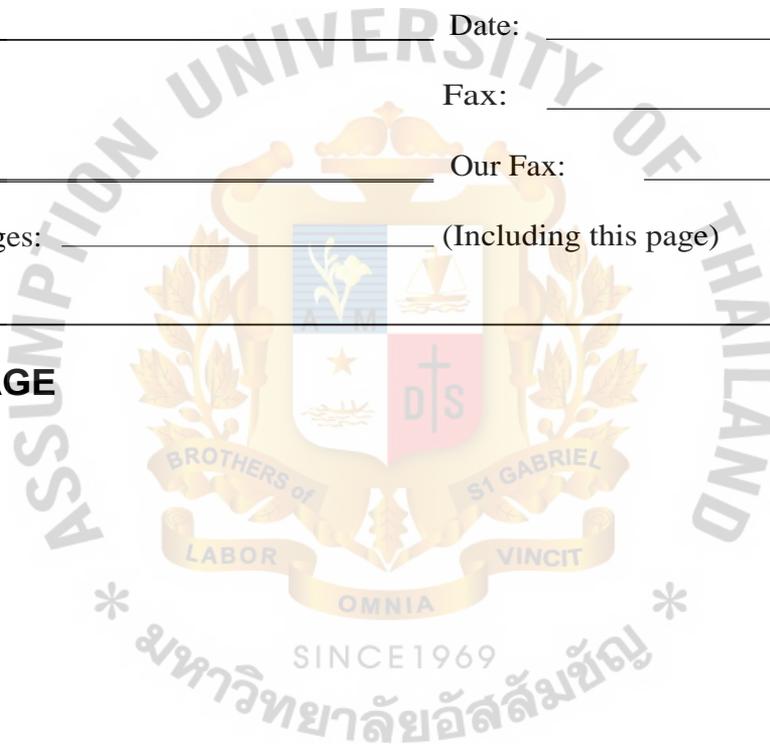
FACSIMILE TRANSMISSION

18th Floor, Fleet Building
38 New Petchburi Road
Bangkok 10400

Telephone: 864 5333
Facsimile: 8612758

To: _____ Date: _____
Company: _____ Fax: _____
From: _____ Our Fax: _____
No. of Pages: _____ (Including this page)

MESSAGE



This facsimile copy is for information only and we do not take any responsibility differences between the original and transmission copy. If all pages are not received clearly, please contact us at the above number.

Figure B.3. Facsimile Transmission Form.

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Royal Insurance Brokers Ltd.

18th Floor, Fleet Building
38 New Petchburi Road
Bangkok 10400

Telephone: 864 5333
Facsimile: 8612758



Figure B.4. Letter Head Form.

Royal Insurance Brokers Ltd.



Figure B.5. Logo Head Form.



Royal Insurance Brokers Ltd.

Contact Record

18 th Floor, Fleet Building 38 New Petchburi Road Bangkok 10400		Telephone: 864 5333 Facsimile: 8612758
Contact name		Call made/ received by
of		Division
Tel no.		Date
Subject		Time
Conversation facts and action to be taken		Action by

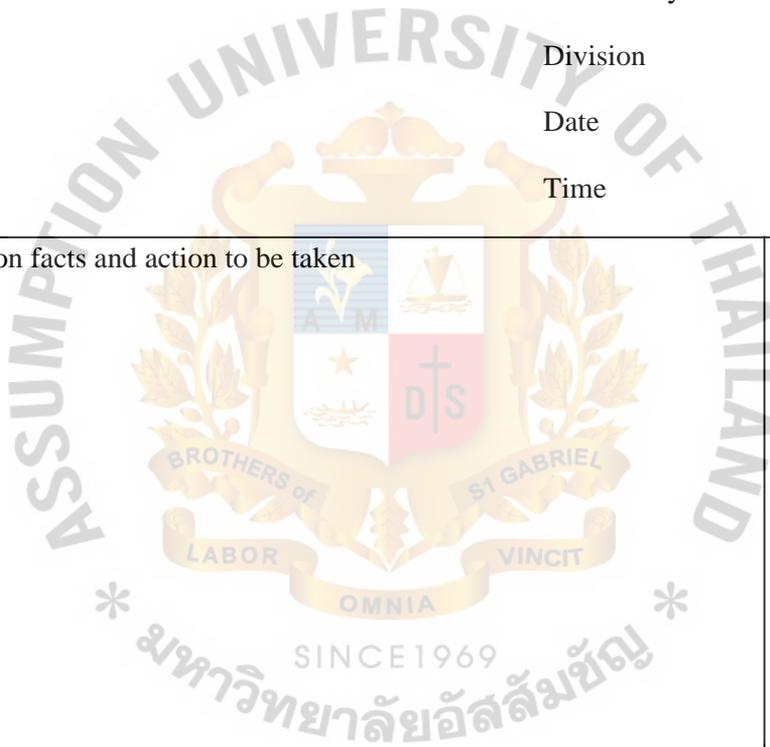


Figure B.6. Contact Record Form.



Royal Insurance Brokers Ltd.

MINUTES OF MEETING

Date

Time

Place

Attendees

Subject

ACTION



Figure B.7. Minutes of Meeting Form.



Royal Insurance Brokers Ltd.

18th Floor, Fleet Building
38 New Petchburi Road
Bangkok 10400

Telephone: 864 5333
Facsimile: 8612758

Dear

With reference to our meeting dated _____, please find attached a copy of the Minutes of our meeting which we hope you find to be of interest and to a true reflection of our discussions.

Please do not hesitate to contact us if we have omitted something or if you are not in agreement with anything.

Yours sincerely,



Figure B.8. Cover Letter for Minutes of Meeting.



(Your Letter Head)

Letter of Appointment

To whom it may concern:

Re: (Company name)

We hereby appoint "Royal Insurance Brokers Limited" to act as our insurance broker with immediate effect.

Royal Insurance Brokers Limited is authorized to act on our behalf in respect of negotiation and placement of all our insurance arrangements for the ⁴⁴ _____ " and our affiliated subsidiaries and/or associated companies.

Please provide any information relevant to our existing or past insurance arrangements which Royal Insurance Brokers Limited may request and extend all facilities to them to assist in the negotiation and placement of our insurance arrangements.

Yours sincerely,

.....

Date

Figure C.1. Letter of Appointment Form.



APPENDIX D
BROKING OPERATIONS DOCUMENTS

**QUOTATION SLIP / PLACING SLIP / COVER NOTE
TYPE OF INSURANCE**

Insured: XXX Group of Companies including, but not limited to:
a)
b)
c)

Business: Principally
.....
and any other occupation incidental thereto.

Cover:

Location:

Interest: Total Sum Insured **Bt.**

Extensions:

Major Exclusions:

Deductible:

Period: 12 months with effect from date to be advised.
and any further period for which the Insurer agrees to provide cover.

Premium: Bt.....

Claims Information: * มหาวิทยาลัยอัสสัมชัญ *
SINCE 1969

Brokerage:

Capacity:

Quotations Required: By: (indicate deadline of quotation)

Quoted & Agreed by:

Figure D.1. Quotation Slip / Placing Slip / Cover Note Form.

W?- Royal Insurance Brokers Ltd.

18th Floor, Fleet Building
38 New Petchburi Road
Bangkok 10400

Telephone: 864 5333
Facsimile: 8612758

Dear Sir,

Policy Document

In accordance with the recent placement of your _____ insurance, we are pleased to enclose the policy document issued by the underwriter.

We have reviewed the policy document and confirm that it is in accordance with the coverage previously advised to you in our Insurance Register. We do however strongly recommend that you also review this policy to ensure it meets your specific requirements.

If you should have any questions concerning this policy, please do not hesitate to contact us.

Yours faithfully,

Figure D.2. Cover Letter for Policy Document.

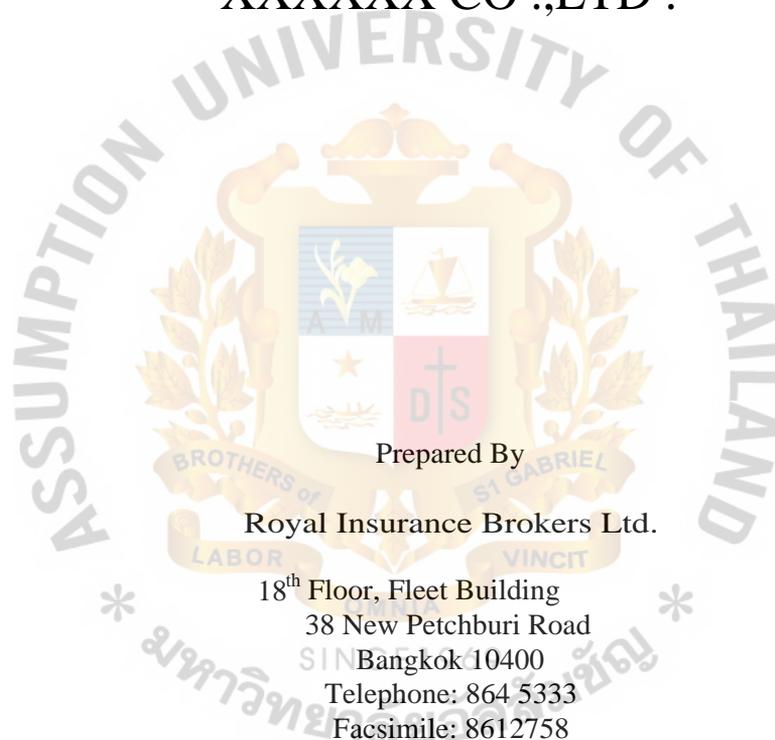
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Private and Confidential

INSURANCE REGISTER

FOR

XXXXXX CO.,LTD.



Prepared By

Royal Insurance Brokers Ltd.

18th Floor, Fleet Building
38 New Petchburi Road
Bangkok 10400
Telephone: 864 5333
Facsimile: 8612758

Date :

Figure D.3. Example for Insurance Register.

ROYAL INSURANCE BROKERS LTD.

ADDRESS: 18th Floor, Fleet Building
38 New Petchburi Road
Bangkok 10400

POSTAL ADDRESS: As above

TELEPHONE: 864.5333

FACSIMILE: 861.2758

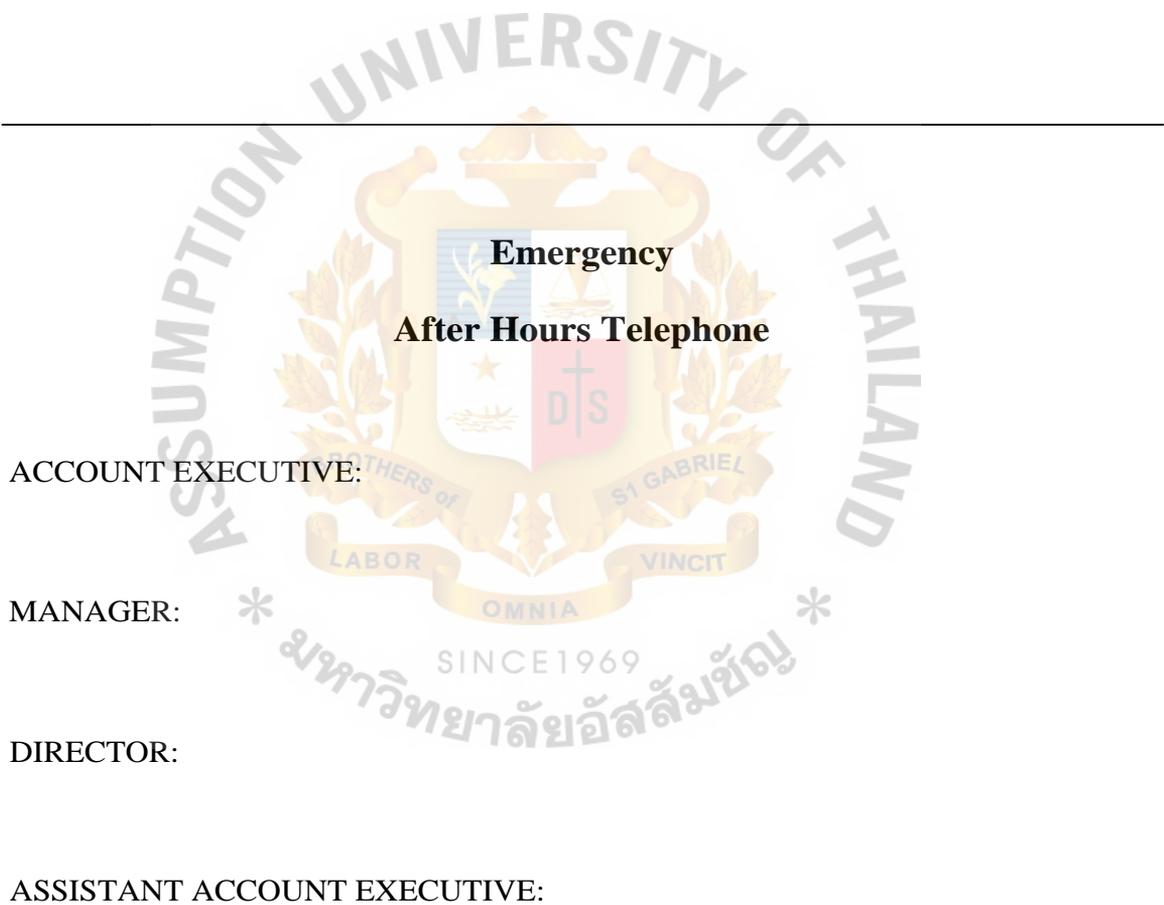


Figure D.4. Enclosing for Insurance Register.



APPENDIX E
CLAIMS DOCUMENTS



Royal Insurance Brokers Ltd.

GENERAL CLAIM FORM

Message from: _____

Phone No.: _____ Fax No.: _____

Insured: _____

Insurance Company: _____ Policy No.: _____

Date of Loss: _____ Time: _____

Claims Details: _____

Third Party: _____

Estimated Loss: _____

Deductible : Yes No Amount: _____ Baht

Other Information: _____

Contact Person: _____ Tel: _____

Surveyor: _____

Received by _____ Date _____ Time _____

Advised to _____ Date _____ Time _____

Remarks _____

Figure E.1. General Claim Form.



Royal Insurance Brokers Ltd.

MARINE CLAIM FORM

Message from: _____

Phone No.: _____ Fax No.: _____

Insured: _____

Insurance Company: _____ Policy No.: _____

Date of arrived (Port) : _____ At: _____

Date of arrived (Factory): _____ At: _____

Claims Details: _____

Estimated Loss: _____

Deductible : Yes No Amount: _____ Baht

Other Information: _____

Contact Person: _____ Tel: _____

Surveyor: _____

Received by _____ Date _____ Time _____

Advised to _____ Date _____ Time _____

Remarks _____

Figure E.2. Marine Claim Form.



Royal Insurance Brokers Ltd.

MOTOR CLAIM FORM

CLAIM NO. MC _____ / _____

Insured.....

Insurance company..... Policy no.....

Insured's vehicle..... Colour..... Reg. no.....

Driver..... Tel no.....

Date of loss..... Time.....

Place of accident.....

Nature of loss.....

.....

The Third party's vehicle..... Colour..... Reg. no.....

The Third party's driver.....

Message from..... Tel no.....

Received by..... Date..... Time.....

Advised to..... of..... Tel.....

Date..... Reference no.....

Type of Insurance: Comprehensive Fire/Theft T/P only
I:1

Deductible Yes No Amount.....Baht

Other information:

Figure E.3. Motor Claim Form.



Royal Insurance Brokers Ltd.

CLAIMS SURVEY NOTES

Our Ref.: Survey Date: / /
Insured: Location:
Nature of Claim:

Persons present: Name Organisation

Check list;	Details;
• Date of loss:	
• Discovery:	
• Exact cause:	
• Damaged property:	
• Estimated loss:	
• Details of events:	
• Evidence support	

Figure E.4. Claims Survey Note Form.



Royal Insurance Brokers Ltd.

18th Floor, Fleet Building
38 New Petchburi Road
Bangkok 10400

Telephone: 864 5333
Facsimile: 8612758

DD MM, YY

.....
.....
.....

For the attention of xxxxxxxxxxxxxxxxxxxxxxxxxxxx

Dear xxxxxxxx,

SETTLEMENT OF CLAIM

We have pleasure in enclosing a cheque for settlement of the undermentioned claim. We attach Discharge Voucher and it would be gratefully appreciated if you will complete, sign and return the same to us at your earliest convenience.

Yours faithfully, *

xxxxxxxxxxxxxxxxxxxxxxxxx

Claims Manager

- Our Claim Ref:
- Policy No.:
- Nature of Loss:
- Date of Loss:
- Location:
- Cheque attached for:

Figure E.5. Letter for Settlement of Claim.

Monthly Report
Current Claims Situation
As at DD/MM/YY

Sl. No.	Insured	Our Ref.	Nature of Loss	Date of Loss	Date of Notice	Loss Estimate	Claim Situation
1	A... Co.,Ltd.						
2	B... Co.,Ltd.						
3	C... Co.,Ltd.						

Monthly Claims Report.

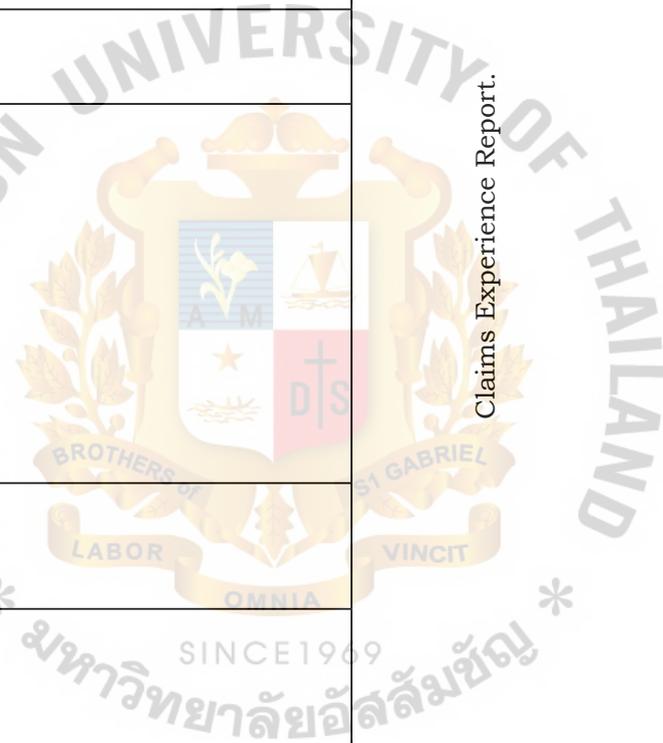
CLAIMS EXPERIENCE

№. of Page : 1

Date of Issue : 17/08/2008

Item	Our Ref	Policy No	Date of		Nature of Claim	Claim		Date of Settlement	Remarks
			Loss/Accident	Notification		Amount	Percentage		

Claims Experience Report.





APPENDIX F
GLOSSARY OF TERMS

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Glossary of Terms

Account Executive An employee of the insurance broking company who is responsible for handling a number of client accounts.

Broker An insurance intermediary who represents the interests of the client, not the insurance company. In certain countries, use of the word 'broker' is regulated and the intermediary needs to be a member of the appropriate Brokers Association and meet their minimum requirements. This is to ensure a proper professional standard, and redress for the client in the event of problems.

Business An insurance policy covering business enterprises normally only covers you in respect of the 'business' described in the policy schedule. It is important, therefore, to ensure that your business is fully and correctly stated in the policy, especially if you engage in more than one activity, or run more than one company.

Cancellation Insurers have the right to cancel your policy at any time. However, they have to give the required period of notice, usually between 7 — 28 days. And they must refund a pro-rata premium, that is, full proportion of the unexpired period. But in practice, mid term cancellation is exceptional. If you cancel, then insurers will charge short period rates, although they may return pro-rata if, for example, you have sold the property insured.

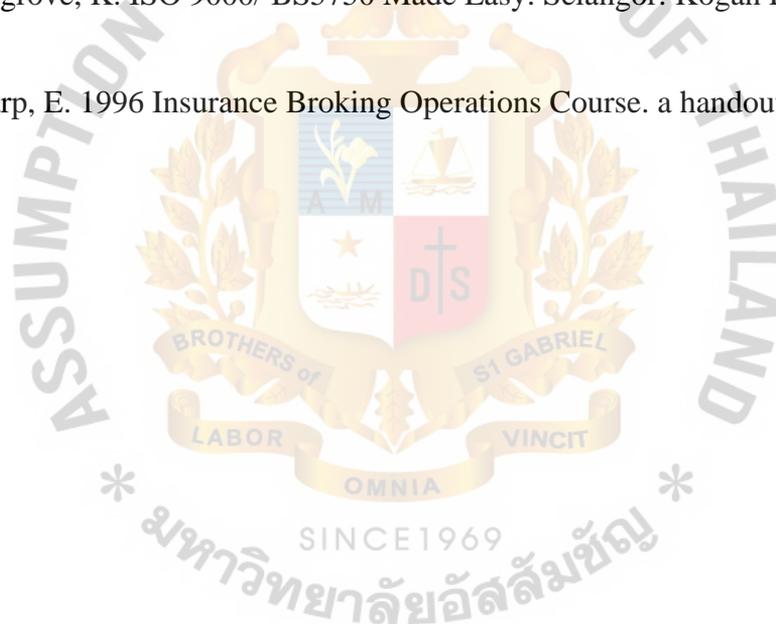
Claim	When a client wants to seek compensation from an insurance company for a loss they are insured for under their insurance policy.
Cover Note	The document sent to the client to confirm that the insurance policy they have instructed the insurance broker to place has been placed with the Insurance Company.
Debit Note	The document sent to client when a debt has been raised / created on the client account record.
Deductible	Sometimes called an 'Excess', it refers to the amount of your claim that you yourself must pay before your insurance cover will operate. Sometimes this deductible is imposed by insurers because of the nature of the risk and in other cases it is voluntary and a premium reduction can be allowed.
Effective Date	The date from which the insurance is in force. Also known as commencement date.
Endorsements	These are special or unusual provisions that have the effect of varying a standard policy wording, or they may be alterations made to the cover offered by the insured or insurer, after the policy has begun.
Expiry Date	The date at which the insurance policy is due to cease covering the subject matter of the insurance policy.
Gross Premium	Normally refers to that premium payable by the Insured, that is, without deduction of intermediaries commission.

Indemnity	One of the five general principles. An insured should not profit by a claim, but should be put in the same financial position as he was immediately before it happened.
Insured	The party named in the insurance policy for which indemnity is provided under the insurance policy.
Insurer	The insurance company providing the indemnity agreed under the insurance contract between the parties to the contracts.
Intermediaries	The 'middlemen' of insurance who arrange a contract between the insured and insurance company. The main types are Brokers and Agents, who are paid a commission by the insurer.
Lapse	Expiring of policy due to failure to pay the renewal premium.
Loss Adjusters	Adjusters are independent firms which deal with the investigation of insurance claims, their causes and the values involved. Although their fees are paid by insurers — who would have to maintain more technical claims staff if adjusters did not exist — loss adjusters are impartial.
Placing Slip	The insurance broker's formal notification to the Insurance Company to start the insurance policy as detailed by the Placing Slip.
Premium	Consideration paid by the insured for an insurance policy.
Professional Indemnity Exposure	The exposure that an insurance broking company has because of their operations in giving professional advice to clients.

Proposal Form	A proposal form is an application form to be filled in by any one who wants to take out insurance; he or she is then known as the proposer. This is the basis of the insurance contract. The proposer must disclose all relevant facts known to him or her, or which he or she ought to know. If the proposer fails to disclose such facts, he or she may find the policy virtually useless when the hour of need arises.
Quotation Slip	The document that is given to the client when quoting any insurance and details the terms, conditions and premium payable for the insurance policy being offered.
Renewal Notice	This is a form sent to the insured advising him or her that the policy renewal date is approaching and inviting renewal on payment of a stated premium. This invitation is extended on the basis of information that the insured has already given to the insurer.
Sum Insured	The amount stated under the policy and the maximum claim that will be paid out.
Underwriter	An insurer's employee who decides whether or not to accept a proposal or insurance and, if so, on what terms and conditions.

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