

Chapter 16

Checkpoint 16.1

1. Why do states require licensing for some insurance professionals?

Answer: To ensure that they understand the laws that govern the industry as well as the expectations of ethical behavior.

2. How might a professional designation or certification help an insurance professional's career?

Answer: Increased salary potential relative to others who do not have it.

3. What certification is pursued by property and casualty professionals as well as underwriters?

Answer: The Chartered Property Casualty Underwriter (CPCU) certification.

4. What is the purpose of continuing education classes for a licensed insurance professional?

Answer: It keeps professionals up-to-date on the knowledge they need to perform their jobs.

5. If an insurance adjuster who lives in Florida wants to move to South Carolina to work, what practice allows him to continue working without having to start his education and licensing procedure over?

Answer: Reciprocity

Checkpoint 16.2

1. What two administrative support roles use their strong computer and communication skills to draft letters, organize files, and schedule appointments as a central part of their jobs?

Answer: secretaries and administrative assistants

2. What is the difference between the duties of an accounting clerk and an auditing clerk?

Answer: Accounting clerks deal with payments and billings, and auditing clerks verify records posted by other workers.

3. What part does a policy processing clerk typically play in the insurance

industry?

Answer: They take in new applications and review them for completeness.

4. What can most customer service representatives do that other administrative support personnel cannot?

Answer: Sell new policies to current clients.

5. What aspect of many customer service representatives' work environments lead to the need for them to obtain state licenses?

Answer: Many insurance customer service representatives work in call centers that are open around the clock and answer questions for clients that agents are not available to answer during that time.

Checkpoint 16.3

1. What role do top executives such as presidents, executive directors, and chief executive officers, play in a corporation?

Answer: They direct the operations of the organization.

2. How could a company benefit from elevating its existing employees into top executive roles?

Answer: Those already employed by the company know the business and may be better able to motivate and lead the employees than would someone from outside.

3. Attracting and retaining professionals who have the potential to fill key leadership roles is a concept known as what?

Answer: Succession planning.

4. What is the role of a marketing manager in the insurance industry?

Answer: Promotes existing and new lines of insurance products through advertising, sales, media, and customer service initiatives.

5. Through what means are sales opportunities typically developed?

Answer: Sales managers identify and manage opportunities to make sales through existing clients and prospective customers.

Checkpoint 16.4

1. What field(s) does a claims adjuster work in?

Answer: The property and liability insurance industry.

2. What type of property do insurance appraisers deal with?

Answer: automobiles

3. What background do employers prefer when hiring investigators?

Answer: Previous experience in law enforcement or private investigation.

4. What does a CPCU designation mean for an underwriter?

Answer: Coursework related to certification as a Chartered Property and Casualty Underwriter has been completed.

5. What percentage of actuaries work in the insurance industry?

Answer: 60%

Checkpoint 16.5

1. What is another way to refer to a sales agent?

Answer: As a producer.

2. When sales people are paid a percentage of the sales they close, what is this called?

Answer: Being paid a commission.

3. An agent that sells homeowner's insurance and life insurance is what kind of agent?

Answer: A multiline agent.

4. What are sales and revenue goals?

Answer: Targets for how many policies the agent wants to sell and how much revenue they seek to generate on those sales.

5. What strategies do sales agents employ to help meet sales and revenue goals?

Answer: They maintain relationships with clients they have previously sold to and constantly look for potential new customers.