



51A Middle Street Newburyport MA 01950
Phone: 800-588-7039 Fax: 877-902-4284
contact@bhfe.com www.bhfe.com

Course Information

Course Title: *Business Insurance Overview #366018*

Number of continuing education credit hours recommended for this course:

In accordance with the standards of the National Registry of CPE Sponsors and the CFP Board, CPE credits have been granted based on a 50-minute hour.

CPA: 3 (All states)

National Registry of CPE Sponsors ID Number: 107615.

Sponsor numbers for states requiring sponsor registration

Florida Division of Certified Public Accountancy: 4761 (Ethics #11467)

Hawaii Board of Accountancy: 14003

New York State Board of Accountancy: 002146

Ohio State Board of Accountancy: M0021

Pennsylvania Board of Accountancy: PX 178025

Texas State Board of Accountancy: 009349

CFP®: 1.5 CFP Board Course ID#: 222057

Course Description

Every business needs insurance to mitigate its exposure to risk. This course is designed to enhance one's knowledge of business insurance by providing an overview of the insurance industry, including the operations and distribution systems of insurers. It also notes the more common insurance policy terms and conditions, the types of insurance most applicable to businesses, and how to manage and account for insurance. There is a particular emphasis on managing the cost of insurance. In short, this course shows how to determine which risks require insurance and which types of insurance to buy.

Program Delivery Method: NASBA QAS Self-Study (interactive)

Subject Codes/Field of Study

NASBA (CPA): Finance

CFP Board: Insurance

Course Level, Prerequisites, and Advance Preparation Requirements

Program level: Overview

Prerequisites: None

Advance Preparation: None

Course Content

Publication/Revision date: 8/27/2018.

Author: Steven M. Bragg, CPA.

Final exam (online): Fifteen questions (multiple-choice).

Instructions for taking this course

In order to receive CPE credit for this course, you must complete the course within one year of the date of purchase. This includes achieving a passing grade of at least 70% on the final exam. Exams may be retaken if not passed on the first attempt (no charge).

Complete the course by following the learning assignments and objectives listed below and studying the review questions after each major section in the text. Once you have completed each learning assignment and you are confident that the learning objectives have been met, answer the final exam questions (online).

Instructions for Taking the Final Exam Online

- Login to your account online at www.bhfe.com.
- Go to "My Account" and view your courses.
- Select "Take Exam" for this course and follow instructions.

Have a question? Call us at 800-588-7039 or email us at contact@bhfe.com.

Learning Objectives

- Recognize the types of insurance offered by insurers.
- Identify the classifications of sellers of insurance products.
- Specify the measurements used to judge the performance of insurers.
- Recognize the conditions needed for a risk to be insurable.
- Identify the reasons for the different clauses used in an insurance contract.
- Specify the benefits and problems associated with each type of insurance.
- Identify the differences between the various types of life insurance.
- Recognize the methods used to reduce the cost of insurance.
- Specify the circumstances under which self-funded insurance might be successful.

About the Author

Steven Bragg, CPA, has been the chief financial officer or controller of four companies, as well as a consulting manager at Ernst & Young. He received a master's degree in finance from Bentley College, an MBA from Babson College, and a Bachelor's degree in Economics from the University of Maine. He has been a two-time president of the Colorado Mountain Club, and is an avid alpine skier, mountain biker, and certified master diver. Mr. Bragg resides in Centennial, Colorado. He has written the following books and courses:

2018 by AccountingTools, Inc. All rights reserved.

Published by AccountingTools, Inc., Centennial, Colorado.

No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, except as permitted under Section 107 or 108 of the 1976 United States Copyright Act, without the prior written permission of the Publisher. Requests to the Publisher for permission should be addressed to Steven M. Bragg, 6727 E. Fremont Place, Centennial, CO 80112.

Limit of Liability/Disclaimer of Warranty: While the publisher and author have used their best efforts in preparing this book, they make no representations or warranties with respect to the accuracy or completeness of the contents of this book and specifically disclaim any implied warranties of merchantability or fitness for a particular purpose. No warranty may be created or extended by written sales materials. The advice and strategies contained herein may not be suitable for your situation. You should consult with a professional where appropriate. Neither the publisher nor author shall be liable for any loss of profit or any other commercial damages, including but not limited to special, incidental, consequential, or other damages.

Table of Contents

Chapter 1 - Overview of Business Insurance.....	1
Types of Insurers	1
Insurance Distribution	2
Insurance Company Analysis.....	3
Insurer Operations	4
Insurer Financial Performance	4
Insurer Failures.....	5
Insurance Pricing.....	5
An Insurable Risk.....	6
The Insurable Interest Concept	6
Insurance Policy Terms and Conditions	6
Indemnity	7
Deductibles.....	7
Limit of Insurance.....	7
Coinsurance	7
Exclusions	8
Insurance Riders	8
Perils	8
Endorsements	8
Losses and Claims	8
Who is the Payee?	9
Chapter 2 - Types of Business Insurance.....	11
Boiler and Machinery Insurance	11
Business Interruption Insurance	11
Policy Inclusions.....	12
Additional Coverages.....	12
Management Actions	13
Commercial Automobile Insurance.....	13
Commercial Crime Insurance	14
Commercial General Liability Insurance.....	14
Coverage Limitations.....	15
Umbrella Coverage.....	15
Credit Insurance	15
Cyber Risk Insurance.....	16
Management Actions	17
Directors and Officers Liability Insurance	17
Management Actions	17
Additional Coverages.....	17
Fidelity Bonds	18
Inland Marine Insurance	18
Life Insurance.....	18
Group Term Life Insurance.....	19
Medical Insurance	20
Political Risk Insurance	21
Professional Liability Insurance.....	22
Property Insurance.....	22
Types of Property	22
Policy Inclusions.....	22
Policy Exclusions	23

Additional Coverages.....	23
Coverage Limitations.....	23
Valuation Issues.....	24
Management Actions	24
Surety Bonds	24
Surplus Lines Insurance.....	25
State Unemployment Insurance	26
Unemployment Benefit Claims	28
Workers' Compensation Insurance	28
Policy Inclusions.....	28
Management Actions	28
Reinsurance.....	29
Insurance for the Home Business.....	30
Chapter 3 - Insurance Management	33
Managing the Cost of Insurance.....	33
Broker Training	33
Odds Analysis.....	33
Insurer Messaging.....	34
Covered Items Analysis	34
Double Coverage Analysis.....	34
Split Limits Elimination.....	34
Continual Policy Updates.....	34
Unlikely Payouts.....	34
Non-Comparability	35
Deductibles Analysis	35
Small Claims Avoidance.....	35
Inventory Reduction	35
Delayed Payments	36
Self-Funded Insurance	36
Captive Insurance Company	36
Insurance Claim Problems	37
Insurance Claims Administration.....	37
Core Reports.....	38
Losses Report	38
Incidents Report.....	38
Insurance Claims Report.....	39
Accounting for Insurance.....	39
Insurance Payments	39
Claims Receipts	40
Answers to Course Questions.....	42
Glossary	45
Index	47