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| **Checklist 6—Underwriting** |  | **Project Assigned To** | **Date Completed** | **Completed By** | **Notes** |
| ***Overview*** |  |  |  |  |  |
| Meet with underwriting manager (and/or other appropriate personnel) to discuss the insurer’s procedures, management/ supervisors and their responsibilities, staffing and duties required as a result of the order. |  |  |  |  |  |
| Interview the underwriting manager (and/or other personnel as appropriate) to discuss the insurer’s underwriting function and operation to determine the progression of documents through the department. Document same. |  |  |  |  |  |
| Obtain copies of departmental procedures, underwriting, code and rate manuals. |  |  |  |  |  |
| Determine whether the insurer used an off-site storage facility and coordinate with other team members to ensure that any off-site records are inventoried and accounted for. |  |  |  |  |  |
| Determine the underwriting department’s filing system, noting:* Locations of files and documents
* Filing method (e.g., alphabetical, numerical, terminal digit, etc.)
* Possible segregation by line of business
* Who has access to files and file sign-out procedures – modify as appropriate
* Whether files are copied to electronic media
 |  |  |  |  |  |
| ***Insurance*** |  |  |  |  |  |
| Locate, obtain copies and review all insurance policies and contracts:* General Liability
* Property
* Auto
* Workers’ Compensation
* Fidelity Bond
* Directors and Officers
* Large Deductible Endorsements
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| **Checklist 6—Underwriting** | **Project Assigned To** | **Date Completed** | **Completed By** | **Notes** |
| * Errors and Omissions
* Professional Liability
 |  |  |  |  |
| Determine that insurance coverage is adequate or modify as appropriate for property lines. |  |  |  |  |
| Check on status of pending claims filed against the insurer. |  |  |  |  |
| Obtain payment status on all coverage. |  |  |  |  |
| Renew coverage as necessary. |  |  |  |  |
| ***Gathering Documentation*** |  |  |  |  |
| Determine location of all underwriting records – secure and inventory. This should include:* Blank policies, binders and/or applications
* Pending policies, endorsements and applications
* Underwriting procedure manuals
* Issued policies and associated underwriting files
* Specimen copy of each type of insurance contract written by the insurer, including all endorsements, side letter agreements and other forms that may have been used with each policy; document any unique or special forms, exclusions, etc.
 |  |  |  |  |
| Determine types and lines of business written by the insurer. Obtain a listing, by state and policy line, detailing the following information:* Valuation of policies
* Number of policies in-force
* Annual premium volume
* Reserves
* Unearned premium
* Audit Premiums
 |  |  |  |  |
| As you become aware, document any limited or unusual exposures that do not appear on the insurer’s policy registers. |  |  |  |  |

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| **Checklist 6—Underwriting** | **Project Assigned To** | **Date Completed** | **Completed By** | **Notes** |
| Obtain a listing of in-force policies, as of date of liquidation, which should include (and be able to sort by):* Policy or certificate number
* Insured name
* Type of coverage
* Effective and expiration date
* Cancellation date if applicable
* In-force and written premium
* Premium frequency
* Paid premium
* Premium paid thru date
* Unearned premium
* Resident state
* Audit premiums
* Collateral postings
* Indemnification agreements
 |  |  |  |  |
| Obtain group table that lists premium history. |  |  |  |  |
| Obtain expired/cancelled policy listing by policy number. |  |  |  |  |
| Obtain expired/cancelled policy listing by policyholder. |  |  |  |  |
| Review the insurer’s underwriting interface with the insurer’s computer systems:* Is the rate/quote system separate from the Policy Mgmt system, or combined? (e.g.: Generate and WINS)
* What are they? How long have they been in place?
* If separate systems, determine if there is an electronic interface.
	+ How often is it run?
	+ Are they immediate or batch process systems?
	+ If batch, when is it run and by whom?
	+ What are the backup strategies?
* Are they under maintenance or license agreement contracts currently?
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| **Checklist 6—Underwriting** | **Project Assigned To** | **Date Completed** | **Completed By** | **Notes** |
| Compile an all-time policy report which includes limits information. |  |  |  |  |
| Document whether home office copies of declaration pages are maintained by the insurer. |  |  |  |  |
| Determine the existence of surplus lines policies. Determine whether surplus lines are identifiable by:* Code number
* State code
* Policy number
* Other marking

Request a computerized listing of surplus lines policies if available. |  |  |  |  |
| ***HMO/Health Insurer*** |  |  |  |  |
| Obtain copies of all health plans. |  |  |  |  |
| Obtain databases for each of the following:* All subscribers, listing name, address, subscriber number, enrollment date, and group name and number
* Dependents, including their age, enrollment date and subscriber number
* All COBRA subscribers
* All conversion subscribers
* All Medicare/Medicaid subscribers
* All subscribers of downstream provider groups, if available
 |  |  |  |  |
| ***Binding Application and Non-Renewals*** |  |  |  |  |
| Determine and secure insurer’s method for binding policies. |  |  |  |  |
| If writing of new business has been prohibited, determine which pending applications are binding. Return all other applications along with an approved form letter. |  |  |  |  |
| Work with Legal to compose a letter to be used in the non-renewal notification process, if renewals have been prohibited. |  |  |  |  |

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| **Checklist 6—Underwriting** | **Project Assigned To** | **Date Completed** | **Completed By** | **Notes** |
| ***Status of Work*** |  |  |  |  |
| Obtain all pending and/or in-process work from the underwriting department and determine its nature and volume. |  |  |  |  |
| Determine which work may be completed and processed, and establish priorities. |  |  |  |  |
| Utilize the telephone script of responses to common questions regarding the receivership that may be asked by policyholders, producers and claimants. |  |  |  |  |
| ***Producers of the Insurer*** |  |  |  |  |
| Obtain a list of all producers who did business with the insurer. The list should contain names, addresses, phone numbers and insurer identification number. If possible, the list should also identify type of producer (agent, broker, general agent, etc.). |  |  |  |  |
| Obtain copies of all producer, TPA and general agent agreements. Distribute copies to other takeover team members as requested. |  |  |  |  |
| Determine ownership of policy renewals. |  |  |  |  |
| Be sure Accounting has a copy of the producer’s accounts receivable open balances. |  |  |  |  |
| ***Loss Experience*** |  |  |  |  |
| As necessary, coordinate with other departments to obtain and review copies of the following:* Loss experience reports for the past 3 to 5 years (if premium detail isn’t included on reports, obtain premium reports for corresponding periods)
* Actuarial reports (including year-end actuarial reports)
* Underwriting composite experience reports
* Premium and loss analysis reports
 |  |  |  |  |

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| **Checklist 6—Underwriting** | **Project Assigned To** | **Date Completed** | **Completed By** | **Notes** |
| ***Large Deductible Policies*** |  |  |  |  |
| Review underwriting, billing and collateral records to determine which policies have large deductible endorsements and the status of collateral held, billings, and reserve calculations |  |  |  |  |
| Arrange for continued reporting of loss experience to insureds/producers as appropriate. |  |  |  |  |
| ***Premium Finance Companies*** |  |  |  |  |
| Obtain an address listing and database of premium finance companies. |  |  |  |  |
| Determine if premium finance information is available on a policy- level basis electronically or manually. |  |  |  |  |
| Determine whether there is an in-house, affiliate or subsidiary finance company. If so, document all aspects of the finance company. |  |  |  |  |
| ***Policies and Premium*** |  |  |  |  |
| Review policy files to determine whether they appear to be complete.* Determine if it is the insurer’s policy that some documents are retained by producers.
* Determine if lack of completeness is relevant to the current situation.
* If missing contents are available, but have not yet been placed in files or are in another department, designate a company employee to coordinate retrieval and drop filing of the documents.
 |  |  |  |  |
| Capture all records pertaining to certificate holders, subscribers, etc. |  |  |  |  |
| Verify that all UDS return premium data and optional data can be obtained from the insurer’s records. |  |  |  |  |
| Assist in the composition and/or approval of any notices to be sent |  |  |  |  |

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| **Checklist 6—Underwriting** | **Project Assigned To** | **Date Completed** | **Completed By** | **Notes** |
| to policy and certificate holders regarding the receivership. |  |  |  |  |
| Monitor premium receipts to ensure correct application to producer accounts and policies. |  |  |  |  |
| Coordinate with appropriate guaranty associations to provide copies of policy forms. |  |  |  |  |
| Determine if the department has a work backlog, and if so:* Determine the extent of the backlog
* Determine the volume of work involved
* Determine what work needs to be completed and processed
* Develop production goals for elimination of the backlog
* Begin processing work
* Provide periodic status updates of processing progress
 |  |  |  |  |
| ***Premium Auditing and Retrospective Rating*** |  |  |  |  |
| Review billing records to determine which policies require premium audits or are retrospectively rated. |  |  |  |  |
| Determine whether the insurer performs its own premium audits or if an audit service provides this function. Determine the following:* If audits are handled by mail or electronically
* If the insureds’ records are examined on-site
* How often policies are audited or retrospectively rated
* If audit procedures are sufficient and cost effective
* Whether alternative audit procedures need to be established
 |  |  |  |  |
| ***Producer Notifications and Commissions*** |  |  |  |  |
| Create an appropriate form letter notifying producers of the following:* The insurer’s state of receivership
* Revocation of binding authority
* Subsequent procedures to be followed, including procedures for remitting premiums
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| **Checklist 6—Underwriting** | **Project Assigned To** | **Date Completed** | **Completed By** | **Notes** |
| Prepare a list of commissions due from producers and notify producers accordingly. |  |  |  |  |
| ***Certificate of Authority*** |  |  |  |  |
| Obtain a list of states in which a Certificate of Authority has been approved and verify what lines of business the insurer is authorized to write in each state. |  |  |  |  |
| Determine whether the insurer is complying with other state insurance department’s C&Ds, or actions taken by foreign departments. |  |  |  |  |
| Contact DOIs to advise of status of rehabilitation, and request suspension rather than revocation of Certificate of Authority. |  |  |  |  |
| If in liquidation, obtain the original Certificates of Authority, coordinating with Legal as necessary. |  |  |  |  |
| Determine if any business, other than surplus lines, is being written in states where the insurer is not an authorized insurer. |  |  |  |  |
| ***Underwriting Records*** |  |  |  |  |
| Determine if files at branches or outside facilities need to be returned or sent to other locations. |  |  |  |  |
| Complete ID of all underwriting files. |  |  |  |  |