



Insurance Financial Dynamics

Because every decision impacts your bottom line.

Insurance Financial Dynamics Suite

An online learning solution from The Institutes

As an interactive learning tool, Insurance Financial Dynamics teaches the Educational Objectives of each module by using hands-on, real-life scenarios. The Insurance Financial Dynamics suite contains hours of insurance finance fundamental course material, in addition to the suite's three courses, which are broken down into the following scenarios:

Measuring Insurance Industry and Company Performance

The Scenario (How You'll Learn):	Your Goal (What You'll Learn):
As a manager in an insurance company, you are asked to analyze your company's financial results using financial statements and appropriate ratios and to compare them to the results of your largest competitor.	Learn how to evaluate the results compared to the stated plan to assess how well the company performed last year.
The chief financial officer asks you to evaluate trends for your company's ability to write new business, liquidity, and underwriting profits compared with industry benchmarks.	Using financial reports, evaluate a company's trends in performance over the last five years.
You must analyze an account with a potentially very large loss exposure and make recommendations while considering the insurer's capacity and large line capacity.	Learn how to determine whether an insurer has the capacity to provide insurance coverage to a client.
A client wants to know why rates have increased despite declines in losses. You must explain the effect of hard markets and insurance cycles to the client.	Confidently explain to your largest client why his or her insurance rates have doubled over the last two years even though his or her company has suffered below-average losses.

Impact of Business Decisions on the Bottom Line

The Scenario (How You'll Learn):	Your Goal (What You'll Learn):
As an underwriting manager, your supervisor wants you to determine why the loss ratio is increasing, analyze alternative actions, and select one by considering not just the loss ratio, but the effect on the insurer's net income.	Given a portfolio of insurance policies with a loss ratio exceeding the established goal, learn how to analyze the effects that various corrective actions would have on the organization's financial ratios and statements.
The vice president of claims wants you to determine where the problem in estimating loss reserves is occurring and then make recommendations for solutions, including analyzing net income effects.	With a trend of loss reserves stairstepping, analyze the effect various corrective actions would have on the organization's financial ratios and statements.
Your company expands into a new market, and you must analyze the financial impact and make recommendations for continuing in the new market.	Learn how to analyze the effect of entering a new market segment and how that will impact the organization's financial ratios and statements.
You are asked to analyze company results and determine whether changes in the line of business mix would improve the insurer's profitability.	Given an insurance company with a combined ratio exceeding the established goal, analyze the effect various corrective actions would have on the organization's financial ratios and statements.

Issues in Finance and Accounting

The Scenario (How You'll Learn):	Your Goal (What You'll Learn):
In the role of an insurance broker, you help a new client place coverage. Through the process, you help the client learn about insurance ratings and their importance when considering coverage.	Given a case, learn how to determine the minimum insurer rating a risk manager should require when developing a request for proposal to place insurance coverage.
You must analyze how Enterprise Risk Management implementation at an insurer impacts the insurer's financial ratings provided by rating agencies.	Explain how rating agencies are incorporating ERM into their insurer ratings.
Your manager asks you to determine how expanding into a new line of insurance would affect the company's IRIS ratios and RBC requirements.	Analyze the effect of entering a new line of business on RBC requirements.

Because every decision impacts your bottom line.

What Your People Don't Know Can Hurt You...

Every individual management decision impacts your financial bottom line. And in the midst of today's turbulent economy, every decision counts. But do the people who make business decisions in your organization fully understand this? You might be surprised at the answer.

We surveyed dozens of top insurance executives and they told us that many line and nonfinancial managers, and other operational decision makers, do not fully understand the bottom-line impacts of their daily decisions. Those same executives then told us what decision makers in any organization need to know about insurance finance. The Institutes responded to this industry demand with the Insurance Financial Dynamics suite of courses.

Designed for insurance professionals (including managers and other operational decision makers in areas other than finance), each highly interactive application-based course walks the participant through a series of business issues that most professionals commonly face. Insurance Financial Dynamics doesn't simply tell you what to do—this interactive learning tool presents a problem, teaches you how to analyze the situation, and then helps you solve the problem.

Bottom-Line Benefits

- Strengthen organizational performance by demonstrating how individual business decisions impact the organization's financial performance
- Build confidence in problem solving as it relates to financial decisions
- Increase efficiency through a common understanding of financial concepts and terminology
- Improve alignment of personal performance goals and organizational strategy by learning insurer performance metrics and their uses

We Recommend Insurance Financial Dynamics For

Insurance professionals who work in areas other than finance, such as claims, marketing, sales, or underwriting (including managers and other operational decision makers).

Course Length

Each Insurance Financial Dynamics course can be completed in 3 to 5 hours.†

† Exact time can vary by individual, depending on knowledge level and how much fundamental learning material is reviewed.

Financial Fundamentals Courses

The Insurance Financial Dynamics suite also contains bonus Financial Fundamentals courses. Depending on individual needs, interests, and backgrounds, participants can drill down to discover more information about specific technical topics related to insurance finance.

A great place to start for those new to insurance finance, or for those who need to refresh their knowledge, the Financial Fundamentals courses include:

Financial Statements

- Purpose of Financial Statements
- Users of Insurer Financial Statements
- Balance Sheet
- Income Statement
- Statement of Changes in Owners' Equity
- Statement of Cash Flows
- Relationships Among Financial Statements
- NAIC Annual Statement
- Consolidated Financial Statements

Insurance Accounting

- Generally Accepted Accounting Principles (GAAP)
- Statutory Accounting Principles (SAP)
- GAAP versus SAP
- SAP Accounting: Losses
- SAP Accounting: Loss and LAE Reserves
- SAP Accounting: Premiums
- Limitations of Accounting and Financial Statements

Financial Ratios

- Financial Ratios
- Calculating Corporate Financial Ratios
- Limitations of Financial Ratios
- Insurance Specific Financial Ratios
- Calculating Insurer Financial Ratios

Insurance Cycles

- Insurer's Legal and Regulatory Environment
- Effect of Insurer's Economic Environment
- Causes of Cycles
- Cycles and Business Strategies
- Factors Influencing Underwriting Cycles
- Underwriting Cycles Supply and Demand
- Effects of Underwriting Cycles
- Cycles: Profit and Other Industries
- Study of Underwriting Cycles

Rating, Regulation, and Reinsurance

- Reinsurance Functions
- Treaty and Facultative Reinsurance
- Pro Rata Reinsurance
- Excess of Loss Reinsurance
- Benchmarking
- Insurer Rating Tests
- Monitoring Insurer Financial Performance
- Risk-Based Capital Requirements
- Adjusting Ratemaking Data
- Underwriting Commercial General Liability and Loss Exposures

Insurance Financial Dynamics is Delivered Completely Online

This online learning interface helps save time and money, while providing a flexible learning environment. Plus, The Institutes' online learning interface is SCORM compliant, so Insurance Financial Dynamics will integrate seamlessly with your existing learning management system (LMS).

Insurance Financial Dynamics features

- Active student involvement
- Individualized learning
- Immediate constructive feedback
- Use of sight and sound to enhance retention

Online Learning Benefits

Online learning benefits both the individual employee and the insurance organization. The Hudson Institute, a forward-looking research organization, found that students learn 30% more from computer-based instruction. In addition, a study by the Interactive Multimedia Association showed 56% greater learning gains and 25–50% higher content retention with computer-based instruction.

For the insurance organization, online learning:

- Reduces employees' time away from work
- Shortens learning curves for new hires
- Provides a common knowledge base across the organization
- Improves individual and organizational performance
- Saves money and time
- Helps monitor and manage student progress

For the individual, online learning:

- Teaches needed information quickly
- Makes learning more enjoyable and convenient
- Offers tightly targeted learning
- Helps balance professional development with a busy career and personal life
- Strengthens skills and improves job performance

Unique Course Features

- The Institutes' practical technical insurance-specific content
- Problem scenarios that require learners to read, analyze, and apply, which increases retention and understanding
- Problem-solving architecture that guides the learner through the decision making process
- A "virtual mentor" guides you through the scenarios*
- Scenarios that unfold via simulated real-life interactions, like phone calls and email
- Hours of fundamental course material, which allows participants to drill down and learn more about specific topics

* Audio capability required.