

Insurance company broker analysis essay sample

[Economics](#)



**ASSIGN
BUSTER**

AXA is a French global insurance group headquartered in the 8th arrondissement of Paris. AXA was originally founded in 1816 as Mutuelle de L'assurance Contre L'incendie (the Ancienne Mutuelle) it acquired Compagnie Parisienne de Garantie in 1978 and became Mutuelles Unies. It went on to buy the Drouot Group in 1982, at which time it adopted the AXA name. The takeover of the Equitable, a well known American insurer, came in 1981. It bought Union des Assurances de Paris (UAP), France's largest insurer in 1996 becoming AXA-UAP for a while before reverting to the name AXA in 1999. Then in February 1999 AXA acquired guardian Royal Exchange. In May 2000 AXA acquired all shares it did not already own in Sun Life & Provincial Holdings. On June 14th 2006 AXA acquired the leading Swiss insurance company Winterthur Group from Credit Suisse for approximately €9 billion.

The AXA group encompasses five operating business segments: Life & Savings, Property & Casualty, International Insurance (including reinsurance), Asset Management and other financial services. It ranks 9th largest company in the world based on revenue, on the 2010 fortune global list. AXA Ireland was acquired by AXA UK group in 1999 and has since become one of Ireland's largest general insurers, employing over 1, 200 people. AXA Ireland sells through insurance broker's as well as directly to customers through a nationwide network of over 50 branches and offices.

Organisational structure

As one of Ireland's largest general insurers AXA pride themselves on their core values of team work, spirit integrity, innovation pragmatism and

professionalism. AXA offer exceptional career prospects together with excellent working conditions and rewards that you would expect from any global company. The AXA group's corporate responsibility department was created in 2001 within the communications department, upon the request of the management board. Corporate responsibility department

The corporate responsibility department is headed by Alice Steeland. The department oversees and coordinates the implementation of the group's corporate responsibility policy, it's also responsible for centralizing relations with social and environmental rating agencies, investors and analysts. The CR strategy and progress, both at group and local levels is formally reviewed twice a year by the management board. Network of corporate Responsibility Correspondents

A network of chief corporate responsibility officers has been set up by the CEO's of AXA's main companies around the world, responsible for coordinating the CR strategy and promoting best practices at local level. The network of CCRO's meet up with the CR department during regular scheduled seminars and conference calls in order to take stock of projects for the current year and draw up action plans for the year ahead. The CR department works closely with correspondents in the groups various divisions in connection with their projects (procurement marketing, brand, distribution, risk management, human resources, and legal affairs). (www.axa.com)

Legal Structure

Capital Ownership

<https://assignbuster.com/insurance-company-broker-analysis-essay-sample/>

As of February 3rd 2011 AXA's fully paid up issued and outstanding share capital totaled €5, 313, 040, 992. 73 dividend into 2, 320, 105, 237 shares, each with a par value of €2. 29 and eligible for dividends as of January 1st 2010. To the best of the company's knowledge, the table below summarizes the ownership of its issues outstanding ordinary shares and voting rights as of December 31st 2009

CAPITAL OWNERSHIP

	No. Shares	Capital ownership	Voting rights (a)	Mutuelles AXA (b)
Treasury shares held directly by the company	323, 355, 484	14. 12%	20. 20%	
Treasury shares held by company subsidiaries (directly and indirectly)	8, 616, 128	0. 38%	(0. 31%)	(c)
Employees and agents	135, 653, 412	5. 92%	6. 84%	
BNP-Paribas SA	120, 821, 662	5. 28%	8. 29%	
General public	1, 683, 751, 575	73. 52%	61. 24%	
Total	2, 289, 965, 124 (d)	100%	100%	

(a) In this table voting rights ' percentages are calculated on the basis that all outstanding ordinary shares are entitled to voting rights, notwithstanding to the fact that certain of these shares may be deprived of voting rights by law or otherwise (b) AXA Assurances IARD Mutuelle (11. 08% of capital ownership and 17. 41% of voting rights) and AXA Assurances Vie Mutuelle (3. 05% of capital ownership and 4. 79% of voting rights) (c) These shares will be entitled to vote when they cease to be treasury shares (e. g. Upon their sale or other transfer to unaffiliated third party) (d) Source: Euronext notice of December 29th 2008 Types of insurance policies and cover AXA <https://assignbuster.com/insurance-company-broker-analysis-essay-sample/>

Ireland offers a wide variety of policies and cover. AXA Ireland specialize in motor insurance, home insurance and business insurance Motor insurance.

AXA offer both comprehensive insurance and third party fire and theft car insurance Full comprehensive: compensation will be paid out for all vehicles damaged in an accident including the insured's own car, also any successful personal injury claims will be paid. Third party fire and theft: compensation is paid out for third party damage only. Compensation will also be paid out in the case of the insured's car receive burn damage AXA car insurance benefits

Details on the benefits that come with your car insurance| Features and benefits| Type of policy| Significant or unusual limits and exclusions| | comprehensive| Third party fire & theft| |

AXA will pay for loss of or damage to your car and accessories & spare parts while they are in the car| ●| | AXA will not cover any reduction in the market value of your car because it has had to be repaired. They will not cover loss or damage arising from putting in wrong fuel or lubricant to your engine| AXA will cover personal belongings up to €250. Fire brigade charges up to €1, 000 and replacement locks up to €750| ●| ●| | AXA will cover loss of or damage to your car, including glass breakage, by fire or theft| ●| ●| AXA will not cover loss or damage by theft if keys or keyless entry system are left unsecure or left in or on an unattended car| AXA will replace your car with a new model if you make a claim| ●| ●| Your car must be less than a year old and have damage that costs more than 60% of its value to repair| If you have a claim under the policy AXA will give you up to seven days car hire while your car is

being repaired| ●| ●| You must use one of AXA's approved repairers to take advantage of this benefit| AXA will pay for broken or damages windows or sunroof glass in your car and any scratching of the bodywork caused by them breaking| ●| | Glass cover will be limited to €250 when AXA's approved supplier is not used.

The policy applies while you are towing a trailer or caravan| ●| ●| AXA will not cover loss or damage to the towed trailer or caravan| AXA will provide cover for your legal liability for accidental death or injury to other people as a result of using your car cover in unlimited| ●| ●| | AXA will cover legal liability for damage to other people's property due to an accident as a result of using your car| ●| ●| AXA will not pay more than €30million| AXA will cover you while driving other cars you do not own or have hired under a hire purchase agreement| ●| ●| There are some expectations where this does not apply, you will find these on your certificate and schedule| You have cover to drive in the European Union and Union approved countries| ●| ●| Full policy cover applies for trips up 31 days in a row during the period of insurance. The minimum cover you need in these countries applies while the policy is in force| You can earn up to 75% no-claims discount| ●| ●| You may lose this discount if you make a claim| If you have an accidental damage claim, AXA will only reduce your no-claims discount by one year| ●

This will not apply if you have more than one claim in the period of insurance| You have a 'step back' facility if you are earning 60% or 75% no-claims discount. This means that you will only lose part of your discount if someone makes a claim against you| ●| ●| The 'step back' no-claims

discount facility will not apply if you are convicted of dangerous driving or a drink-driving or drugs offence under road traffic laws following an accident|

Home Insurance

AXA offer a wide range of house insurance. The main policies are home insurance contents cover and home insurance building cover. Aswell as building and contents cover their standard policy benefits include the following Home insurance contents cover

- * Contents temporarily removed from the home
- * Title deeds and documents
- * Accidental breakage of mirrors and glass
- * Entertainment equipment
- * Visitors and employee's belongings
- * Wedding and Christmas presents
- * Contents in open
- * Accidental loss of heating oil
- * Frozen food
- * Loss of money
- * Loss of debit and credit cards
- * Tenants' liability (this applies if you rent the home) * Fatal accident cover
- * Jury service

Home insurance building cover

- * Replacement locks
- * Television, radio aerials and masts and satellite dishes * Fire brigade

charges

- * Cover for finding a leak
- * Temporary accommodation and rent

Business insurance

AXA offer three small business insurance products, office insurance, shop insurance and surgery insurance Standard cover includes the following:

- * Compensation cover for building, stock and other contents
- * Maintains your income if you suffer property damage
- * Protection against injury or damage claims by employees or members of the public
- * If you increase your policy you can receive cover for the following:
 - * Increased goods in transit cover
 - * Increased loss of freezer contents cover
 - * Theft by employees up to €5, 000

Principles of insurance within the policy

Principles of insurance

The principles of insurance are concerned with conditions that create the need to insure, allow for the items to be insured and allow for appropriate compensation to be gained having placed a claim with the insurer Insurable interest The insured must benefit from the existence of what he/she is getting insured. A person has an insurable interest in something when loss-of or damage-to that thing would cause the insured to suffer a financial loss or other kind of loss. The type of insurable interest can vary depending on the type of policy the insured holds, e. g.: Motor insurance

<https://assignbuster.com/insurance-company-broker-analysis-essay-sample/>

If the insured's car is damaged in an accident the value of the insured's car has been reduced and whether the insured pays to have it repaired or sell it for scrap, the insured has suffered a financial loss resulting from the accident

Home insurance: If the house the insured owns is damaged by fire, the value of the insured's house has been reduced, and whether the insured decides to pay to have the house rebuilt or sells it at a reduced value, they have suffered a financial loss resulting from the fire.

Business insurance If the property the insured owns is damaged by a fire, it reduces the value of the building causing the insured to be at a loss, the insured would also be at a loss from all stock destroyed by the fire.

Utmost Good Faith

Trust must exist between the insurer and the insured. This means that all parties to an insurance contract must deal in good faith, making a full declaration of all material facts in the insurance proposal. If all facts are not disclosed it could lead to a void of the contract of insurance

Motor insurance

With motor insurance it is very important to disclose all relevant information, for example, if the insured has alloys wheels or any other modifications to their car and do not disclose this on their proposal form and are involved in an accident, the insurance company could deem the insured's contract void

Home insurance

If purchasing a home insurance policy disclosing all truthfully information is very important, for example, if the insured has an alarm system but it is not

<https://assignbuster.com/insurance-company-broker-analysis-essay-sample/>

armed or working properly and the insured fails to disclose this information to the insurer, when making a claim it could render the contract void if the insurer becomes aware of the non disclosure of all information at time of purchasing the policy.

Business insurance

When insuring a business disclose all truthful and relevant information you must not lie about anything especially security details, such as cameras, what type of locks you have on windows and doors, if in the event of a robbery and the insurance company discover such security items were never on the premises the insurance contract can and will be deemed void.

Indemnity

Only the loss incurred is compensated for and no more. The insured is no better off (no profit gained) than they were prior to the incident that triggered the claim. Subrogation, contribution and proximate cause all follow on conditions of indemnity. All of the above apply to all policies in the same manner whatever the claim is, for example: * Subrogation- after the insurance company has paid out the compensation to the insured, through a motor, home or business policy, the company is then entitled to claim against any third party and can take legal action against the person responsible

* Contribution- if two different insurance companies are employed IE: if the insured is over insured, the principle of indemnity still applies and the insured only gets back the loss and no more. This is rarely seen with motor

insurance but can be very common in home and business policies. If it happens the compensation will be paid between the companies.

* Proximate cause- this refers to the nature of the risk that an item is being insured against. The insurance company always checks the policy to be certain that the risk was insured against before paying out any compensation. IE: if a person who holds a third party fire and theft motor insurance policy crashes their car and tries to claim for damage to their own car the insurance company would find proximate cause not to pay the compensation.

Claims

How claims are handled

On submitting a claim to AXA the insured can call their 24hour claims helpline on 1890-247- 365. AXA will make arrangements to get the insured immediate assistance if required. AXA will take all details relevant to the claim and arrange for an assessor to call out and assess the damage caused. The assessor contacts the insured within seven days. The assessor then meets the insured where he can examine damage caused to the insured's car or property. A statement is then taken by the assessor from the insured and the claims forms are signed, in the presence of the assessor. The assessor then returns to the insurance company where he submits all his findings and all documents signed by the insured. If claiming for a motor car incident and the insured's car has been badly damaged the assessor will arrange with the insurance company to provide the insured with a courtesy car for up to seven days, while the insured's own car is being repaired.

<https://assignbuster.com/insurance-company-broker-analysis-essay-sample/>

Once the insurance company have investigated the claim fully and have checked the insured's policy to make sure that there is no flaws in the contract, the assessor will then contact the insured telling them the amount of compensation the insurance company are paying them. If the amount is €5, 000 or less a cheque is issued and posted to the insured's address. If the amount is over €5, 000 arrangements are made between the insurance company and the insured for collection of the cheque. If the insured's car was deemed to be a riot off and no longer road worthy the car becomes the property of the insurance company after compensation is paid to the insured.

Conclusion

AXA are a major leading insurance company who not only provide great insurance policies and cover, but also play a vital role in the Irish economy providing much need jobs throughout their 50 branches across Ireland

Bibliography

axa group legal structure. (n. d.). Retrieved february 17, 2011, from www.axa.com.
axa ireland. (n. d.). Retrieved february 17, 2011, from www.axa.ie.
irish insurance federation. (n. d.). Retrieved february 18, 2011, from www.IIF.ie.