

# FSPGI21 – SQA Unit Code H5GF 04

## Underwrite complex new risks



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### Overview

This unit will be suitable for you if you work for an insurer or an intermediary or other organisation with delegated authority. Your work must involve you in assessing complex new risks within your authority, deciding if they can be accepted. A risk is complex if it is not routine and cannot be dealt with mechanistically requires negotiation and/or is technically demanding involving complex underwriting criteria, complex risk evaluation or substantial financial implications. This unit involves getting the required information from the customer, matching the customer's requirements to policy cover available and arranging for further investigations into the risk if they are required. All available information should be used to make an assessment of the risk, and to fix an equitable price. It also involves deciding whether to accept or decline the risk, suggesting risk improvement measures (if appropriate), and applying current underwriting criteria before informing the customer of the premium and terms.

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### Performance criteria

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- You must be able to:*
- P1 Accept only new risks which fall within your agreed level of responsibility and pass others to the appropriate person
  - P2 Gather sufficient information, resolving any discrepancies, to enable you to assess the risk accurately
  - P3 Advise the customer of any risk improvements required
  - P4 Decide whether to accept or decline the risk, allowing for all features and history of the risk and/or the effect your decision will have on other business
  - P5 Apply appropriate limitations or extensions of cover to reflect the features of the risk
  - P6 Identify and clarify any differences between policy cover and the customer's requirements
  - P7 Refer any situations you are not authorised to deal with to the appropriate person/department
  - P8 Take action to avoid any unnecessary delays in underwriting the risk
  - P9 Inform the customer promptly of your decision
  - P10 Agree final terms and premium
  - P11 Keep accurate and complete records at all times
  - P1 Demonstrate sound judgement and business acumen in your business decisions
  - P12 Comply with legal and regulatory compliance requirements, industry regulations, organisational policies and professional code

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### Knowledge and understanding

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*You need to know and understand:*

- K1 Relevant insurance and legal principles and regulations which affect your activities
- K2 The structure of the insurance market and the roles and responsibilities of the various parties within it as they impact on your activities
- K3 Your organisation's customer service standards and procedures including dealing with complaints
- K4 Sources of advice and information
- K5 Current market trends and development
- K6 The policy cover, terms and conditions relevant to your work including standard and non-standard extensions and/or limitations
- K7 The limits of your authority and the action required when underwriting falls outside those limits
- K8 Your organisation's policy and procedures regarding communicating with customers
- K9 How to determine if a proposal fits your organisation's planned profile of acceptable risk
- K10 Your organisation's procedures and the circumstances for granting cover subject to conditional acceptance
- K11 The action required for underwriting a risk that is outside your agreed level of responsibility
- K12 How to apply underwriting criteria
- K13 Your organisation's requirements relating to the application of codes, laws and regulatory requirements as they impact on your activities

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### Additional Information

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#### Behaviours

1. You evaluate issues effectively to make appropriate decisions
2. You use information and knowledge effectively, efficiently and in your customer's best interests
3. You show understanding of others and deal with them in a professional manner
4. You show awareness of the potential risks associated with any proposal
5. You disclose information only to those who need it and who are entitled to it
6. You negotiate effectively

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