

**Unit: UW4 Underwrite complex new risks**

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**Overview**

This unit may be suitable for you if you work in any type of insurance firm but your work must involve you in assessing complex new risks and deciding if they can be accepted and that you have the underwriting authority to accept them. A risk is complex if it is not routine and cannot be dealt with mechanistically. Examples of complex risks may include fleets, commercial combined requiring separate underwriting, high net worth personal lines. This unit involves getting the required information about the risk from the customer, matching the customer's requirements to policy cover available (and identifying any differences), arranging for further investigations into the risk if they are required, using all available facts and material facts to make an assessment of the risk and fixing an equitable price. It also involves deciding whether to accept or decline the risk, suggesting (if appropriate) risk improvement measures and applying limitations or extensions before informing the customer of the premium and terms.

***Outcomes of effective performance***

- UW4/O1 You accept only new risks which fall within your agreed level of responsibility and pass others to the appropriate person
- UW4/O2 You gather sufficient information, resolving any discrepancies, to enable you to assess the risk accurately
- UW4/O3 You advise the customer of any risk improvements required
- UW4/O4 You decide whether to accept or decline the risk, allowing for all features and history of the risk and the effect your decision will have on other business
- UW4/O5 You apply appropriate limitations or extensions of cover to reflect the features of the risk
- UW4/O6 You identify and clarify any differences between policy cover and the customer's requirements
- UW4/O7 You take action to avoid any unnecessary delays in underwriting the risk
- UW4/O8 You inform the customer promptly of your decision
- UW4/O9 You agree final terms and premium
- UW4/O10 You keep accurate and complete records at all times

- UW4/O11 You comply with legal requirements, industry regulations, organisational policies and professional codes

***Behaviours which underpin effective performance***

- UW4/B1 You evaluate issues effectively to make appropriate decisions
- UW4/B2 You use information and knowledge effectively, efficiently and in your customer's best interests
- UW4/B3 You show understanding of others and deal with them in a professional manner
- UW4/B4 You show awareness of the potential risks associated with any proposal
- UW4/B5 You disclose information only to those who need it
- UW4/B6 You negotiate effectively
- UW4/B7 You carry out tasks with due regard to your organisation's policies and procedures, including those covering health and safety at work

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***Knowledge and understanding***

1. Your organisation's customer service standards and procedures (including dealing with complaints)
2. Sources of advice and information
3. Current market trends and development
4. The cover provided by the policies offered by your organisation
5. Your organisation's policy and procedures regarding communicating with customers
6. How to determine if a proposal fits your organisation's planned profile of acceptable risk
7. Your organisation's procedures and the circumstances for granting cover subject to conditional acceptance
8. The action required for underwriting a risk that is outside your agreed level of responsibility
9. How to calculate premiums
10. Your organisation's requirements relating to the application of codes, laws and regulatory requirements, including health and safety, as they impact on your activities