

Unit: LT1 Process new long term business contracts

Overview

This unit is about dealing with and processing standard and non-standard new business. You will decide if an application can be accepted, and process successful applications. You will check that the information accompanying applications is complete, that the application meets eligibility requirements and that the information supplied does not suggest that the application should be declined. You will refer any that appear to be outside of standard acceptance limits to a technical underwriter. You will inform the customer of the decision. When customers exercise their option to cancel long term contracts you will check that the notice of cancellation has been received within the period allowed, refer those that are outside the period to the person who can make the decision, notify any interested parties of the cancellation, update records, and make arrangements to recover any commission paid before the cancellation took place.

Outcomes of effective performance

- LT1/O1 You decide if applications can be accepted using customer records, rules of eligibility and limitations
- LT1/O2 You clarify promptly incomplete or inconsistent information with the customer
- LT1/O3 You find out if the customer has any existing business with your organisation and find the records of this
- LT1/O4 You accept medical risks which are within standard acceptance rules or are options under existing business and refer others to an underwriter
- LT1/O5 You process applications promptly and enter accurate and complete information into the appropriate file
- LT1/O6 You check that the details in the customer record file match the documentary basis of the contract
- LT1/O7 You advise the customer of the decision and issue documents promptly
- LT1/O8 You cancel contracts from inception where the notice of cancellation has been received within the statutory period allowed

- LT1/O9 You refer any cancellation notices which have been received outside the statutory period to the appropriate person
- LT1/O10 You notify any interested parties of the cancellation
- LT1/O11 You make arrangements for the recovery of commission
- LT1/O12 You make arrangements to reimburse any moneys received
- LT1/O13 You comply with legal requirements, industry regulations, organisational policies and professional codes

Behaviours which underpin effective performance

- LT1/B1 You use information and knowledge effectively, efficiently and ethically
- LT1/B2 You show understanding of others and deal with them in a professional manner
- LT1/B3 You make information available only to those who need it and have a right to it
- LT1/B4 You pay attention to details that are critical to your work
- LT1/B5 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

Underwriting

1. Standard application or enquiry questions and acceptable answers
2. Standard product cover, optional extensions and limitations for long term contracts
3. Wordings and attachments
4. Wording procedures
5. The content of contracts and associated documents
6. Cancellation rules and regulations for long term contracts
7. Commission recovery procedures

Your organisation's requirements

1. How to use existing client records
2. The purpose of, and where to find your organisation's rules to decide if an application or enquiry is acceptable
3. The action required if an application or enquiry is outside of new business rules
4. Your organisation's procedures for accepting applications
5. Your organisation's requirements for the time it takes to carry out work
6. Forms and documents used in long term contracts and their completion

7. Your organisation's procedures for collection of premiums and contributions
8. Essential information and procedures used to set up customer record files
9. Record systems
10. Information and procedures for amending customer record files
11. Your organisation's requirements relating to the application of codes, laws and regulatory requirements, including health and safety, as they impact on your activities

Regulation

1. The limits of what you can do under regulation
2. How to recognise when money laundering may be taking place and what to do if you suspect that it is
3. Legal requirements and regulations which apply to long term contracts
4. HM R & C regulations applicable to long term contracts

Industry products and practices

1. The principles affecting: underwriting; policy terms; premium and rating factors; extent of cover in products
2. The principles of: utmost good faith; insurable interest