

**Unit: LT6 Decide if applications for long term insurance are acceptable and rate them by technical underwriting**

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**Overview**

When customers apply for insurance cover under a long term contract, the life office must decide if the application is acceptable and, if it is, what terms and conditions must be applied. You request the information necessary to carry out the underwriting and the documentary evidence to support this (such as medical attendant's reports, medical examination reports, HIV test results, life style questionnaires, etc.), ensuring that all information is complete. You consult with experts (such as your own organisation's medical officer, re-insurers, etc.) where necessary. You follow your organisation's rules and requirements to arrive at the actual decision and to set the terms and conditions, as well as taking the necessary steps to effect reassurance and inform the customer of the decision.

***Outcomes of effective performance***

- LT6/O1 You request the information and documentary evidence needed for underwriting
- LT6/O2 You clarify any incomplete or unclear information within the time required by your organisation's procedures
- LT6/O3 You pass any risks which fall outside your authority to the appropriate person
- LT6/O4 You consult with experts if this is required by the case
- LT6/O5 You make underwriting decisions within the time required, based on appropriate underwriting information and records
- LT6/O6 You set terms and conditions according to the details of the risk
- LT6/O7 You make arrangements for any required reassurance promptly and in compliance with your organisation's procedures
- LT6/O8 You advise customers of the decision promptly
- LT6/O9 You comply with legal requirements, industry regulations, organisational policies and professional codes

***Behaviours which underpin effective performance***

- LT6/B1 You use information and knowledge effectively, efficiently and ethically
- LT6/B2 You present information clearly and concisely
- LT6/B3 You are vigilant for potential risks
- LT6/B4 You make information available to those who need it and have a right to it
- LT6/B5 You pay attention to details that are critical to your work
- LT6/B6 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***

**Procedures, systems and products**

1. Policy and procedures for supplying information to customers and others and keeping records of requests
2. Guidelines on disclosure of information to others
3. Standard underwriting procedures, including any associated essential information required from the customer
4. Procedures for informing and communicating with interested parties
5. Policy and procedures regarding writing to customers
6. Procedures for the issue of contract documents
7. Filing and information retrieval systems
8. Customer service procedures (including dealing with complaints)
9. Procedures for making recommendations
10. Procedures for reassurance
11. Sources of advice and information at work
12. How to access customer records
13. The purpose, location and how to use guidelines to decide if an application can be accepted, including decline and refer lists
14. The limits of your own personal authority and the action required if an application or an enquiry received is beyond them
15. The essential information and procedures to calculate premiums
16. Your organisation's requirements relating to the application of codes, laws and regulatory requirements, including health and safety, as they impact on your activities

**Information regarding current products of your organisation:**

1. Detailed information on contract cover
2. Standard contract wording

3. Optional extensions
4. Limitations
5. Other standard endorsement wordings
6. Underwriting criteria
7. Standard application questions and acceptable answers
8. Rules for qualifying policies
9. The need for and your organisation's procedures for dealing with the following documents: medical attendant's report; medical examination report; HIV test results; life style questionnaire; ECG; chest X-ray; occupation questionnaire; pursuits questionnaire; financial evidence; specialist medical evidence; own office records; ABI register

**Industry products and practices**

1. The principles affecting: underwriting; policy terms; premium and rating factors; extent of cover in products
2. The principles of insurance: utmost good faith; insurable interest; proximate cause
3. The structure of standard policies
4. Procedures for dealing with the following types of amendment: changes to amount of premium; changes to term of the contract; increments; decrements; changes to cover provided

**Regulation and legal requirements**

1. The relevant legal and regulatory requirements affecting your work and how to meet them
2. The role of the financial ombudsman service
3. HM Revenue & Customs regulations which apply to claims on long term contracts