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## Life and Disability Underwriting

### Objectives:

To provide a knowledge and appreciation of the underwriting considerations for life and disability and critical illness insurance, including both medical and non-medical factors, and a knowledge of the major disorders and diseases of the body.

### Learning Outcomes:

At the end of the course, student should be able to:

1. Discuss the underwriting considerations and constraints in both medical and non-medical, for life and disability and critical illness insurance.
2. Explain the major disorders and diseases of the body
3. Describe the documentation used in life and disability underwriting.
4. Formulate the underwriting process for life and disability and critical illness insurance.

### Notes:

The syllabus will be based on Malaysian law & practice. Reference is made to UK law & practice where applicable.

### Syllabus:

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| <b>1. ANATOMY AND PHYSIOLOGY</b>  |
| 1.1 Functions of the main body systems their structure and inter-relationship, including body cells, musculo-skeletal, cardiovascular, respiratory, digestive, genito-urinary and nervous systems and the endocrine glands. |
| 1.2 Eyes, ears, heart, blood vessels, vitamins and the skin.  |
| 1.3 Main causes of diseases.  |
| <b>2. DISORDERS AND DISEASES</b>  |
| 2.1 Nature and function of the heart investigation of heart disease, various diseases associated with the heart and their underwriting implications.  |
| 2.2 Main causes of hypertension and its complications and their underwriting implications.  |
| 2.3 Vascular system diseases of the arteries and the veins the relevant treatments and underwriting implications.   |
| 2.4 Blood and functions of blood cells.   |
| 2.5 Major types of blood disorders including haematological investigations abnormalities of red and white cells and the platelets and their underwriting implications.  |
| 2.6 Respiratory system and investigation of respiratory diseases.   |
| 2.7 Main diseases of the respiratory system and their underwriting implications.  |
| 2.8 Endocrine system and how endocrine glands function.   |
| 2.9 Metabolic effects and the over and under production of hormones by the endocrine glands and their underwriting implications.  |
| 2.10 Treatments of metabolic disorders including diabetes mellitus gout and tetany and their underwriting implications.   |

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| 2.11 | Diseases resulting from vitamin deficiency and their underwriting implications.                                      |
| 2.12 | Investigation of alimentary disease.   |
| 2.13 | Disorders of the alimentary tract and their underwriting implications.   |
| 2.14 | Diseases of the liver gall-bladder and pancreas and their underwriting implications.                                 |
| 2.15 | Diseases of joint connective tissue muscles tendons and ligaments and their underwriting implications.               |
| 2.16 | Diseases of the bones and their underwriting implications.   |
| 2.17 | Disorders of the spine and their underwriting implications.  |
| 2.18 | Diseases of the muscle-skeletal system and their treatment.  |
| 2.19 | Abnormal skin reactions, skin manifestations of systemic disorder skin diseases and their underwriting implications. |
| 2.20 | Malignant tumours of the skin and their underwriting implications.   |
| 2.21 | Major disorders affecting the eyes and ears and their underwriting implications.                                     |
| 2.22 | Investigation and diagnosis of disorders of the nervous system.  |
| 2.23 | Major disorders which affect the nervous system and their underwriting implications.                                 |
| 2.24 | Classification of psychiatric disorders.   |
| 2.25 | Major psychiatric disorders and their underwriting implications.   |
| 2.26 | Genito-urinary disorders, their investigation and their underwriting implications.                                   |
| 2.27 | Diseases of the breast and their underwriting implications.  |
| 2.28 | Sexually transmitted diseases, including viral infections, and their underwriting implications.                      |
| 2.29 | Diseases due to worms and flukes and their underwriting implications.  |

### 3. NON-MEDICAL RISK FACTORS

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| 3.1  | Various types of policies in relation to life and disability underwriting and their application to the provision of health care. |
| 3.2  | The nature of occupational and recreational risks.   |
| 3.3  | Impact of occupational and recreational risks on the type of insurance products offered.   |
| 3.4  | Underwriting process and consideration of specific hazardous occupations.  |
| 3.5  | Underwriting hazardous recreational risks.   |
| 3.6  | Increased mortality and morbidity for residential risks and the underwriting process.  |
| 3.7  | Geographical risk factors or major continents.   |
| 3.8  | Use of occupational and recreational questionnaires.   |
| 3.9  | Principles of genetics.  |
| 3.10 | Rating implications of hereditary disorders and abnormalities.   |
| 3.11 | Impact of lifestyle on mortality and morbidity with particular reference to smoking and the use of alcohol and drugs.            |

### 4. ASSESSMENT OF EXTRA RISK

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| 4.1 | Nature of extra risks.   |
| 4.2 | Methods of treating under-average lives and extra risks.             |
| 4.3 | Imposition of additional premiums or restrictions on cover provided. |
| 4.4 | Mechanism of loading.  |

### 5. FINANCIAL RISK ASSESSMENT

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| 5.1 | Main objectives of financial underwriting including anti-selection and fraud. |
| 5.2 | Range and underwriting of personal covers.                                    |

5.3 Range and underwriting of key person insurance.

5.4 Business loans cover and the evidence required.

## 6. UNDERWRITING-LIFE AND DISABILITY RISKS

6.1 Social and legislative constraints (on underwriting practice).

6.2 Mechanics of application processing.

6.3 Structure of an underwriting department.

6.4 Role of the Chief medical officer.

6.5 Requirements for medical evidence, including non-medical limits, private medical attendant's report and medical examiner's report.

6.6 Use of additional medical tests.

6.7 Non-medical underwriting requirements.

6.8 Ethics and confidentiality.

6.9 Practical procedures in connection with the Access to Medical Reports Act 1988 (UK)

6.10 Access to Medical Records Act 1990 (UK)

## 7. MECHANICS OF UNDERWRITING

7.1 Structure of the full and short form of proposal forms.

7.2 Supporting medical evidence, with particular reference to the private medical attendant's report, medical examiner's report and questionnaires.

7.3 Basic concepts of life underwriting.

7.4 Assessing the risk.

7.5 Selection against life offices.

7.6 Numerical systems of rating.

7.7 Classification of life risks.

7.8 Assessment and rating of life assurance, permanent health insurance, critical illness benefit and group life cover.

7.9 New types of health policies.

7.10 Acceptance terms.

7.11 Life of another proposals.

## 8. AIDS RISKS

8.1 HIV virus and modes of transmission.

8.2 Clinical features of AIDS.

8.3 'At risk' groups and laboratory test for AIDS

8.4 Treatment of HIV infection.

8.5 Developing an underwriting strategy for HIV and AIDS.

8.6 Development of underwriting practices.

8.7 AIDS questions on application forms.

## 9. CLAIMS

9.1 Admission of death claims on individual policies, with particular reference to non-disclosure, cause of death not covered and overseas deaths.

9.2 Validity of critical illness claims.

9.3 Assessment of permanent health insurance claims, including evidence required and policy conditions.

9.4 Assessment of permanent and total disability claims.

## 10. GENETICS

10.1 Basic principles of genetics.

10.2 Underwriting implications of advances in genetics.

### Primary Texts

1. Course book 555 : Life and Disability Underwriting. London, The CII.
2. Pre-Contract Examination for Insurance Agents - MII

### Periodicals

1. Insurance Annual Report, Bank Negara Malaysia
2. Asia Insurance Review.
3. The Journal, The CII.
4. Post Magazine.
5. The Edge Daily.
6. BNM Annual Report.
7. BNM Takaful Annual Report.