

P61

Diploma in Insurance

Unit P61 – Life, critical illness and disability underwriting

October 2014 examination

Instructions

- Three hours are allowed for this paper.
- **Do not begin writing until the invigilator instructs you to.**
- **Read the instructions on page 3 carefully before answering any questions.**
- Provide the information requested on the answer book and form B.
- You are allowed to write on the inside pages of this question paper, but you must **NOT** write your name, candidate number, PIN or any other identification anywhere on this question paper.
- The answer book and this question paper must **both be handed in personally by you** to the invigilator before you leave the examination room. **Failure to comply with this regulation will result in your paper not being marked and you may be prevented from entering this examination in the future.**

Unit P61 – Life, critical illness and disability underwriting

Instructions to candidates

Read the instructions below before answering any questions

- **Three hours** are allowed for this paper which carries a total of 200 marks, as follows:

Part I	14 compulsory questions	140 marks
Part II	2 questions selected from 3	60 marks

- You should answer **all** questions in Part I and two out of the three questions in Part II.
- You are advised to spend no more than two hours on Part I.
- Read carefully all questions and information provided before starting to answer. Your answer will be marked strictly in accordance with the question set.
- The number of marks allocated to each question part is given next to the question and you should spend your time in accordance with that allocation.
- You may find it helpful in some places to make rough notes in the answer booklet. If you do this, you should cross through these notes before you hand in the booklet.
- It is important to show each step in any calculation, even if you have used a calculator.
- If you bring a calculator into the examination room, it must be a silent, battery or solar-powered non-programmable calculator. The use of electronic equipment capable of being programmed to hold alphabetic or numerical data and/or formulae is prohibited. You may use a financial or scientific calculator, provided it meets these requirements.
- Answer each question on a new page. If a question has more than one part, leave six lines blank after each part.

PART I

Answer ALL questions in Part I

Note form is acceptable where this conveys all the necessary information

1. State **four** reasons why some people do not respond satisfactorily to treatment of tuberculosis. (8)

2. An applicant states that he is having treatment for heart failure.
 - (a) Describe briefly **two** underlying conditions which are causing the heart failure where it is unlikely that a life policy could ever be issued. (6)
 - (b) Describe briefly **one** underlying condition which is causing the heart failure in which a life policy could be issued in the future. (3)

3. Identify the pulmonary function tests that may be useful in the assessment of the following conditions:
 - (a) Asthma. (3)
 - (b) Fibrosing alveolitis. (3)
 - (c) Pneumonia. (3)

4.
 - (a) Explain the meaning of the TNM staging system for cancer. (6)
 - (b) Describe **three** other methods used in the assessment of cancer. (9)

5.
 - (a) Describe briefly the symptoms of trigeminal neuralgia and state how it can be treated. (5)
 - (b) Explain the underwriting approach for life, critical illness and income protection for an applicant with trigeminal neuralgia. (4)

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6. (a) Define the condition haemolytic anaemia. (2)
- (b) Describe the signs a person may have with haemolytic anaemia. (3)
- (c) Describe briefly a form of haemolytic anaemia where the cause is hereditary and a form where it is acquired. (4)
7. An applicant has been diagnosed with non-alcoholic fatty liver disease.
- (a) Describe this condition and how it may progress. (6)
- (b) State the investigations that would be necessary before you could assess the risk for this applicant for life and disability insurance. (8)
8. Describe the unfavourable features of ulcerative colitis that would influence an underwriting decision for life insurance. (12)
9. (a) Describe the circumstances in which share protection insurance is needed. (4)
- (b) State **two** methods that may be used to allow for the transfer of shares when a claim is made under this type of insurance. (4)
10. (a) Draw a diagram of the heart showing an atrial septal defect (ASD). (4)
- (b) Explain the effect an ASD may have on the functioning of the heart. (4)
11. (a) Outline the main features of post traumatic stress disorder. (4)
- (b) Describe the main risks associated with this condition when considering applications for life and income protection. (4)

QUESTIONS CONTINUE OVER THE PAGE

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- 12.** **(a)** Explain briefly what the two figures in a blood pressure reading mean. **(4)**
- (b)** Outline the difficulties which may be encountered in obtaining true readings of blood pressure. **(3)**
- (c)** State **two** reasons why the blood pressure may be abnormally low and for **each** reason explain why this is the case. **(4)**
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- 13.** **(a)** Identify **three** types of people at particular risk of developing vitamin D deficiency. For **each** type, state why the deficiency may occur. **(6)**
- (b)** Explain the function of vitamin D and describe the effects of deficiency on children and adults. **(6)**
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- 14.** Outline **four** possible circumstances in which an underwriter may decide to postpone an application for life and disability insurance. **(8)**

Part II questions can be found on pages 8 and 9

PART II

Answer TWO of the following THREE questions
Each question is worth 30 marks

- 15.** A male applicant, aged 49, applies for a life policy with critical illness for £100,000 for a 15-year-term. He has been a Type 1 diabetic taking insulin for 20 years.

He works as a postman. He has never smoked and he drinks about 10 units of alcohol per week. In addition to insulin, he takes a lipid lowering agent and an ACE inhibitor.

- (a)** Identify the medical information that you would need in order to underwrite this application. **(12)**
- (b)** Describe briefly the function of an ACE inhibitor and explain why the applicant might be taking it. **(4)**
- (c)** State the **two** main pieces of information required about a Type 1 diabetic in order to underwrite an applicant with this condition. **(4)**
- (d)** Outline any features relating to the diabetes in the medical evidence that could adversely influence your final underwriting decision. **(10)**

- 16.** A 42-year-old man applies for a life policy for £400,000 to cover a 25 year mortgage loan. One year ago, he had an attack of chest pain and was admitted to hospital. He had an angiogram and a stent was inserted. He has felt perfectly well since and is working normally as a sales representative for a large engineering company. He is a member of a mountaineering club and has climbed with them for years visiting the Alps and the Himalayas.

Since his hospital admission, he has started climbing in the UK and has felt well enough to extend his climbing activities. He does not smoke and he has no significant family history of vascular disease. He takes a lipid lowering agent but no other drugs.

- (a) Describe how a stent is used and illustrate your answer with a diagram. (6)
- (b) Outline the possible coronary syndromes that led to the applicant's hospital admission and treatment. (6)
- (c) Discuss the evidence you would need in light of the history given and state the findings that would enable you to underwrite the medical risk. (12)
- (d) Explain the risks of mountaineering with regard to this applicant. (6)

- 17.** A female applicant, aged 45, wishes to buy a life assurance policy with critical illness. She lives on, and owns a farm which rears sheep. She has negotiated a loan of £1.5million repayable over five years to buy more land adjacent to her farm. Part of the loan will be used to extend buildings and buy equipment and new stock. Her application form states she has hypertension for which she has been on treatment for five years. Her father, who had hypertension, died from a stroke three years ago, age 78. Her mother is healthy, aged 74.

- (a) State the financial information you would require and the reason for collecting it. (9)
- (b) The medical data from a general practitioner report confirms she has hypertension. The last reading of her blood pressure was 150/100 a year ago. An ECG was performed at that time which showed sinus rhythm and left anterior hemiblock.
- Identify the extra medical data you would require and outline how you would collect it. (6)
- (c) Describe what is meant by left anterior hemiblock and state its significance. (3)
- (d) Discuss the financial and medical features of this application that would influence your underwriting decision. (12)

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