

P61

Diploma in Insurance

Unit P61 – Life, critical illness and disability underwriting

October 2017 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.
 - (a) State and describe briefly the effects the disorder rheumatoid arthritis may have on the body, apart from the joints. (8)
 - (b) State the terms that could be offered for income protection for an applicant with rheumatoid arthritis. (4)

2.
 - (a) State the main purpose of the Equality Act 2010. (3)
 - (b) List **four** 'protected characteristics' under the Equality Act 2010. (4)
 - (c) State the information required that may make it possible to rate or refuse cover on the grounds of disability. (5)

3.
 - (a) State the information required to assess the risk for life and disability, for a 20-year-old applicant who has haemophilia. (3)
 - (b) Explain briefly the genetic basis for haemophilia. (4)
 - (c) State how haemophilia is treated. (2)

4.
 - (a) Describe the essential clinical features of sleep apnoea. (5)
 - (b) Explain briefly the measures used to treat the condition. (3)

5. Explain briefly **three** important factors which may contribute to the development of mental health disorders and in **each** case, provide an example. (9)

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6. (a) Explain how tele-interviewing and tele-underwriting are used to collect data from an applicant. (9)
- (b) State the benefits for insurers and applicants of using these techniques. (4)
7. (a) (i) Describe briefly the condition of retinal detachment. (3)
- (ii) Draw a diagram to illustrate the condition. (2)
- (b) State how the condition is treated and describe briefly the possible outcomes after treatment. (3)
8. An applicant discloses that he had treatment for testicular cancer 12 months ago.
- (a) Outline the treatment he is likely to have had. (3)
- (b) State the information you would need to assess the risk for life insurance. (3)
- (c) Explain briefly your likely underwriting decision. (3)
9. A 55-year-old woman is admitted to hospital with severe central chest pain. The medical evidence showed a diagnosis of full thickness anterior myocardial infarction.
- (a) State **two** important features on the electrocardiogram (ECG) which would typically be found with this diagnosis. (2)
- (b) Identify **three** tests, other than ECG, that may have been done during her hospital admission and explain briefly the value of **each** test. (6)
- (c) State the medical features to consider when underwriting this applicant for life and disability. (7)

QUESTIONS CONTINUE OVER THE PAGE

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10. Describe briefly **three** important functions of the skin. (6)
11. Describe briefly **five** features of ulcerative colitis which may mean an applicant with this condition is declined cover or rated heavily for life and critical illness. (10)
12. (a) Describe briefly the common clinical features which may be found in a young woman with myasthenia gravis. (4)
- (b) Explain briefly the reasons why this condition occurs. (4)
- (c) Explain briefly the features that would influence the underwriting decision for life and disability. (4)
13. A 22-year-old male, discloses that he had a 'spontaneous pneumothorax' two years before he applied for life and critical illness and another attack 18 months before he applied.
- (a) Explain briefly what happens in this condition. (3)
- (b) Explain briefly how this condition is treated. (3)
- (c) State the likely underwriting decision. (2)
14. (a) Explain briefly what an embolus is. (3)
- (b) Describe briefly **two** common examples of embolism and in **each** case, explain briefly how the condition starts and its outcome. (6)

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 business man, aged 45 who is self-employed and specialises in selling engineering components to foreign markets, applies for a life policy for 10 years for £150,000. While working in sub-Saharan Africa 18 months ago, he was injured in a motor accident. As a result, he required a blood transfusion. He returned home after two months and asked for an HIV test. The test was positive and he has been on treatment ever since. He has now returned to work.
- (a) Describe the symptoms an untreated subject may experience after being infected with HIV. **(8)**
- (b) Describe the risks to this applicant if he returns to work in West Africa. **(11)**
- (c) Discuss the information you would require concerning his positive HIV test that would enable you to assess the risk. **(11)**
- 16.** A male, aged 50, is the owner and captain of a deep sea fishing boat. He applies for a life policy for £250,000 to cover a loan he has raised to make improvements to his boat. He also wants income protection. His income is variable but, in the last three years, it has been between £40,000 and £60,000.
- From the medical evidence obtained, one year ago, he presented with haematuria and was found to have a papilloma (transitional cell carcinoma) of the bladder. He has been treated with cystoscopy and diathermy and followed up since. No further treatment has been required.
- (a) Describe briefly the possible occupational risks posed by this applicant. **(5)**
- (b) (i) Describe briefly the condition of papilloma of the bladder and how the disease may advance. **(8)**
- (ii) State how the condition is treated. **(4)**
- (c) State **four** other possible causes of haematuria. **(4)**
- (d) Explain, giving reasons, the possible underwriting terms that might be given to this applicant for income protection and life cover. **(9)**

- 17.** A female, aged 40, applies for a life policy for £2,000,000 with the object of protecting her family.

She is a high profile writer and broadcaster. She drinks no alcohol and has not smoked for the last 10 years. She has never had any significant physical or mental disorder.

During a routine medical screening, 12 months ago, she was found to have an enlarged liver. Subsequently, she was diagnosed by a liver specialist as having non-alcoholic fatty liver disease (NAFLD).

- (a)** Describe briefly how NAFLD may progress and what the eventual outcome may be. **(5)**
- (b)** Identify the other clinical features that might be associated with this form of liver disease. **(9)**
- (c)** State the liver tests used to define how advanced the condition is and explain what **each** test will show. **(8)**
- (d)** Explain, giving reasons, the likely acceptance terms for life cover that might be given to this applicant. **(8)**

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