



Chartered  
Insurance  
Institute

# P61

## Diploma in Insurance

### Unit P61 – Life, critical illness and disability underwriting

April 2019 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) Describe briefly the factors to take into account when underwriting an applicant for life insurance, with a history of malignant melanoma removed from their leg. (3)
  - (b) Describe the system employed in staging melanoma of the skin and how it is used to make a life underwriting decision. (6)
  
2.
  - (a) State **four** features which may be found in a person who has Parkinson's disease. (4)
  - (b) Outline the underlying cause of Parkinson's disease. (3)
  - (c) Explain your approach to underwriting an applicant for life, critical illness and income protection insurance, who has just started treatment for Parkinson's disease. (8)
  
3.
  - (a) Describe briefly the medical approach used to detect abdominal aortic aneurysm in the general population, and the clinical methods used to reduce the risk of death where abdominal aortic aneurysm is present. (4)
  - (b) State your approach to underwriting an applicant for life insurance who has had surgery for abdominal aortic aneurysm. (4)
  
4. An applicant for life and income protection insurance discloses she has migraine.
  - (a) Describe briefly a typical attack of migraine. (3)
  - (b) Identify a feature in the applicant's history which would alert you to requesting more information. (2)
  - (c) Explain briefly your approach to underwriting this applicant. (3)

5. A young woman has polycystic ovarian syndrome (PCOS).
- (a) List **four** signs or symptoms of PCOS she may have. (4)
  - (b) State the test results which need to be available in the medical evidence to underwrite this applicant and explain briefly why they are necessary. (4)
6. Discuss the main factors to consider when an applicant for life and income protection insurance discloses drug abuse. (12)
7. Describe briefly the main features of **each** of the following and comment on the implications for life and income protection insurance:
- (a) Cataract. (4)
  - (b) Nystagmus. (4)
  - (c) Papilloedema. (4)
8. In accordance with the agreement between the Association of British Insurers and British Medical Association, certain pieces of information should **not** appear on general practitioner's reports.
- (a) Explain briefly why information should be withheld. (2)
  - (b) List **four** types of information covered by the agreement. (4)
9. (a) Explain briefly a major symptom and **two** underlying causes of:
- (i) heart failure involving the right side of the heart; (6)
  - (ii) heart failure involving the left side of the heart. (6)
- (b) Outline your approach to underwriting an applicant for life insurance who has had treatment for heart failure. (3)

QUESTIONS CONTINUE OVER THE PAGE

- 
10. (a) State the information you would require from an employer who wants to set up an employee group scheme for life, critical illness and income protection insurance. (8)
- (b) State the conditions that must be fulfilled when the employee group scheme begins. (3)
11. (a) Describe briefly the symptoms of a panic attack. (4)
- (b) Explain briefly the risks of an applicant for life and income protection insurance who has disclosed a history of panic attacks. (5)
12. An applicant for life and critical illness insurance discloses a history of two adenomatous polyps removed at colonoscopy.
- (a) Define a colonic adenomatous polyp. (2)
- (b) State the information which needs to be available in the medical evidence to underwrite this applicant and explain briefly why it is necessary. (3)
- (c) State your likely underwriting decision based on the information required in **part (b)** above. (4)
13. Outline **one** function of **each** of the following found in a blood sample:
- (a) Polymorphonuclear neutrophil leucocyte. (2)
- (b) Plasma cell. (2)
- (c) 'T' cell lymphocyte. (2)
- (d) Platelet. (2)
14. (a) Describe briefly a typical attack of pancreatitis. (3)
- (b) State **two** common causes of pancreatitis. (4)
- (c) Explain briefly the likely underwriting terms for an applicant for life insurance who discloses two attacks of pancreatitis in the last two years. (3)

**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 40, requests a 15 year term life policy for £2,000,000.

He is the Chief Executive Officer of a long-established company supplying hotels in the UK and Europe which at present is struggling to make a profit.

He has managed to raise a loan of £2,000,000 from a reputable lender. In the event of death within the term this lender would be the beneficiary.

A general practitioner's report revealed that three years ago he developed chest pains. A coronary angiogram was abnormal and resulted in the insertion of a single stent. His body mass index at that time was 28 and there are no more recent measurements. He gave up smoking at the same time and he drinks approximately 25 units of alcohol a week.

- (a) State the financial information you would need to obtain to enable you to assess this application, and why **each** piece of information is necessary. (10)
- (b) Identify the additional medical information that would enable you to assess the application. (11)
- (c) Explain how the information obtained in **part (b)** above would help you to assess the risk. (9)

16. A female applicant, aged 37, applies for a life policy with critical illness to cover a loan for a house purchase for £250,000. She also wants income protection insurance for £25,000 per annum. She is a manager in a furniture shop and earns £50,000 per annum. She discloses she has asthma. She does not smoke or drink alcohol.

- (a) Outline the risk factors that would help you understand the severity of her asthma. (14)
- (b) Explain how the risk factors obtained in **part (a)** above would influence your assessment of this applicant and the likely acceptance terms. (16)



- 17.** A female applicant, aged 35, who earns £55,000 per annum, is a member of a paramedical team working for an international offshore oil company. She is applying for a life policy for £300,000 with critical illness and total and permanent disability.

Her work is mainly in the UK but for approximately three months a year she has to visit company installations in the Middle East and Nigeria.

Two years ago, she complained of some weakness in her legs and unsteadiness when walking. These symptoms lasted about three weeks, during which she was unable to work, and then gradually the symptoms subsided. She was seen by a neurologist but was not followed up. She does not smoke or drink alcohol.

- (a)** State the medical information you would need to underwrite this applicant, explaining why this information is necessary. **(4)**
- (b)** State **three** tests that are commonly performed in the investigation of a case of suspected multiple sclerosis, and for **each** test describe briefly what abnormality may be found. **(6)**
- (c)** Discuss the risk factors associated with her occupation. **(10)**
- (d)** Explain, giving reasons, the likely acceptance terms for life, critical illness and total and permanent disability. **(10)**

**BLANK PAGE**



