



SSC # 28 – UNDERSTANDING LIFE and A&S INSURANCE UNDERWRITING PROCESS

This course is eligible for:

4 Life & A&S CE Credits for BC, AB, SK, MB & ON.

What will the Financial Advisor learn as a result of completing this course?

This course will greatly benefit the Life and Accident & Sickness advisor as they learn more about the insurance underwriting process in Canada.

It has been said that responsible people buy life insurance for one of two reasons; they either love someone or they owe someone.

However, purchasing life insurance is not as easy as buying any other type of financial product. Just because someone wants life insurance and is willing to pay for it, does not automatically mean that an insurance company will offer to insure them.

Once someone applies for Life or A&S insurance coverage, the application must go through a strict underwriting process by the insurance company before an individual is eligible to even purchase the policy.

Today in the 21st century the underwriting process of a life insurance policy is still a mystery to most in the financial professionals and especially to their clients.

The underwriting process includes the following three steps:

1. Examination of the application.
2. Decision as to whether to insure.
3. Determination of the premium.

This course covers:

- History of the term “underwriting.”
- The answers to the above 3 questions
- The importance of underwriting in the insurance process.
- What categories the Underwriter bases their decisions on whether to issue or not.
- Selection and classification of underwriting risks.

- Where the Underwriter gets information from - The Medical Information Bureau and the part they play in underwriting.
- Accelerated Underwriting
- The rating system that Underwriters use
- Additional information such as Physical examinations, laboratory test, Attending Physicians Reports, and Inspection companies will be studied.
- Hazardous Sports Questionnaires and the various ratings attached to different sports.
- The rating of impaired risks
- The Advisors / Agents / Brokers role in the underwriting process.
- Insurability & reinsurance.
- The types of reinsurance.
- Field underwriting as part of the process.
- The application form and the importance of each question in determining risk.
- How the new Cannabis legislation will affect the underwriting process.
- Whether the new application is meant to replace the old one and what the process is.
- The dangers of submitting incomplete information.
- The Temporary Insurance Agreement (TIA)
- When not to issue the policy.
- The future of underwriting and the effect of AI.