SSC # 161 – LIFE INSURANCE RATINGS: WHAT ADVISORS MUST KNOW ABOUT RISK CLASSES, UNDERWRITING, AND CLIENT IMPACT

This course is eligible for:

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

2.5 Life ONLY CE Credits for AB.

Target Audience

This course is designed for:

- Life & Accident & Sickness licensed insurance advisors
- Independent brokers, Captive agents
- Financial Planners
- MGA-affiliated advisors
- New advisors seeking foundational knowledge
- Experienced advisors seeking advanced strategies
- Investment Advisors
- Estate & Tax Professionals
- Corporate & Business-Owner Advisors
- Compliance Officers & Supervisors

1.2 Purpose of the Course

The purpose of this course is to equip Canadian financial advisors with the knowledge, tools, and frameworks needed to:

1. Understand how life insurance ratings are determined
2. Explain ratings clearly and confidently to clients
3. Integrate ratings into financial, retirement, and estate planning
4. Identify when ratings change product suitability
5. Navigate compliance and documentation requirements
6. Reduce E&O exposure related to underwriting outcomes
7. Use ratings to guide ethical product recommendations
8. Support clients through rating reconsideration
9. Develop strategies for rated or declined clients
10. Apply real-world case studies to client situations

Learning Objectives

Upon completion of this course, advisors will be able to:

Knowledge Objectives

- Define life insurance ratings and explain how they are determined
- Identify the most common medical and non-medical reasons for ratings
- Understand table ratings, flat extras, and preferred classes
- Explain how ratings affect premiums, renewals, and conversions
- Understand how ratings impact suitability and product selection

Application Objectives

- Apply rating considerations to financial, retirement, and estate planning
- Recommend appropriate product solutions for rated clients
- Communicate underwriting outcomes effectively
- Prepare clients for underwriting and manage expectations
- Support clients through rating reconsideration

Compliance Objectives

- Document rating discussions to reduce E&O exposure
- Understand provincial regulatory expectations
- Apply due diligence when recommending rated policies
- Avoid common compliance pitfalls related to underwriting

Behavioural Objectives

- Reduce client defensiveness when discussing ratings
- Use behavioural language to maintain trust