

Underwriter interview questions

careertips.com.au: common questions and what they're really testing

What to expect

Underwriter interviews test whether a candidate can apply consistent judgement to incomplete or conflicting information, follow regulatory and internal guidelines under time pressure, and explain decisions clearly to people who aren't underwriters themselves. Expect a mix of technical questions about how you actually work through a file and behavioural questions about handling disagreement or pressure from brokers or sales teams.

- **Process:** Questions asking you to walk through how you actually assess an application, from documents received to final decision.
- **Technical/analytical:** Questions probing your understanding of financial statements, credit scoring, actuarial inputs or premium calculation.
- **Behavioural:** Past-experience questions about handling difficult decisions, disagreements with brokers, or errors.
- **Scenario/judgement:** Hypothetical cases testing how you'd handle ambiguous or borderline risk without a clean guideline answer.
- **Compliance:** Questions on how you keep decisions consistent with regulatory requirements such as APRA prudential standards or the NCCP Act.

Most underwriting interviews open with questions about your current or most recent caseload and the systems you use, move into a scenario or two where you talk through a borderline file, then close with behavioural questions about working with brokers or internal stakeholders under pressure. Technical questions are often woven throughout rather than kept in one block.

1. Walk me through how you'd assess an application where the financial statements look inconsistent with the stated income.

Why they ask

This tests whether you have a genuine method for working through a file rather than pattern-matching to approve or decline.

How to structure your answer

Walk-through structure: describe the first checks you'd run, what additional documents or clarification you'd request, how you'd weigh the inconsistency against other risk factors, and what decision (or referral) you'd reach and why.

Example answer

"I'd start by cross-checking the stated income against supporting documents like payslips, tax returns or bank statements to see whether the gap is a timing issue, an error, or something more concerning. If it's not immediately explained I'd go back to the broker or applicant directly for clarification rather than assume the worst. Depending on what comes back, I'd either proceed with adjusted terms that reflect the verified income, or refer the file up if the inconsistency points to a bigger risk issue I'm not authorised to clear myself."

2. Tell me about a time you had to decline or significantly modify terms on an application, and how the broker or applicant reacted.

Why they ask

Underwriters regularly have to deliver unwelcome decisions and keep the relationship intact, so this checks judgement under interpersonal pressure.

How to structure your answer

STAR: situation, task, action, result, focusing on how you communicated the decision and managed the relationship afterwards.

Example answer

"A broker submitted an application where the property inspection flagged structural issues that fell outside our risk appetite for standard cover. I explained the specific inspection findings driving the decision rather than just citing a policy line, and offered an alternative set of terms with a loading that reflected the risk instead of a flat decline. The broker pushed back initially but accepted the adjusted terms once I walked them through the inspection report, and continued placing business with us afterwards."

3. How do you keep underwriting decisions consistent with regulatory requirements like APRA prudential standards or responsible lending obligations under the NCCP Act?

Why they ask

Compliance failures in underwriting carry real regulatory consequences, so interviewers want evidence you treat this as routine practice, not an afterthought.

How to structure your answer

Direct explanation structure: state the specific requirement, describe the practical step you take to meet it, and give a concrete example of applying it.

Example answer

"For lending decisions I always check serviceability against verified income and existing commitments rather than relying on the applicant's stated figures, which is a core responsible lending requirement under the NCCP Act. I also keep file notes on the reasoning behind any exception to standard guidelines, since that documentation is what gets checked in an internal audit or an APRA review. It's become second nature to document the 'why' at the point of decision rather than reconstructing it later."

4. A broker you rely on for volume is pushing you to approve a file that sits right on the edge of your guidelines. How do you handle it?

Why they ask

This scenario tests whether commercial pressure changes your risk judgement, which is exactly what underwriting guidelines exist to prevent.

How to structure your answer

Judgement-under-pressure structure: state the competing pressures clearly, explain the principle you'd hold to, and describe the specific action that resolves it without damaging the relationship unnecessarily.

Example answer

"I'd separate the relationship from the decision. If the file sits within guidelines with some flexibility, I'll use that flexibility and explain why. If it doesn't, I'll tell the broker plainly that I can't approve it as submitted, but I'll look for a version of the deal, different loading, different terms, that could work. Brokers generally respect a clear answer with a reason more than a maybe, and it protects the portfolio in the long run."

5. What underwriting systems and tools have you used, and how do they fit into your day-to-day workflow?

Why they ask

This checks practical familiarity with platforms like Guidewire or Sapiens and credit scoring tools, since a new underwriter needs to be productive quickly.

How to structure your answer

Walk-through structure: name the tools, describe what each one is used for in your workflow, and note how you cross-check outputs rather than accepting them blindly.

Example answer

"I've worked mainly in Guidewire for policy administration and case tracking, alongside a credit scoring model for the initial risk triage on personal lines. I use Excel heavily for anything the system doesn't handle well, like modelling a non-standard premium adjustment. I don't treat the scoring output as final, I still check it against the actual documents in the file before signing off, because the model can miss context that's obvious once you read the application properly."

6. How do you monitor whether your underwriting decisions are holding up over time, and what would make you flag a guideline for review?

Why they ask

This tests whether you think about your work at a portfolio level, not just file by file, which matters for a role that's meant to feed back into guideline updates.

How to structure your answer

Direct explanation structure: describe what you track, how often, and give an example of a trend that led to a change.

Example answer

"I keep an eye on claims and default outcomes for the segments I underwrite most, looking for patterns rather than one-off surprises. When I noticed a cluster of early defaults in one loan category that had passed standard serviceability checks, I raised it with the guideline review process rather than just tightening my own approach informally, since the issue was likely affecting other underwriters on the same guideline."