

# Field Underwriting: It's All about You

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Agents: Coach your clients!

Avoid losing the sale because your client is not prepared for the underwriting process. When taking the application, take a few extra minutes to explain what the client should expect:

- The underwriting process can take 45-60 days (or longer) on large cases or cases involving complicated medical conditions where APSs are ordered.
- An examiner will be contacting him to schedule an insurance examination that will involve answering medical history questions, taking blood pressure readings, weighing and measuring, drawing blood, urine sample, possibly an ECG, treadmill stress test, and a chest x-ray on larger cases. Suggest that your client fast and drink plenty of water before the examination. Try to schedule the exam first thing in the morning before the stressors of the day begin. If your client is an "occasional tobacco user," please see to it that the occasion isn't the night before the exam.
- An inspection company may call to verify some basic medical, personal and financial information. Please stress that anything they divulge is kept in strict confidence. Encourage your clients to provide the same information to all sources. Oftentimes, we see applications get hung-up because there is conflicting information among the application, exam, inspection report and APS.
- A copy of his medical chart (APS) will likely be requested from his primary physician. These records allow the underwriter to evaluate the client's health history. Unfortunately, some doctors' offices are not as cooperative as others, and the records may take weeks to reach the insurance company. It may be wise to have the client call his doctor's office and explain that the request for these records is very important and to please expedite the process (it can't hurt).

If the client is prepared and knows what to expect, you *will* place more cases.

***Impaired risk (The big 3): Ask the right questions and get the right answers.***

**The impaired risk market is wide open**, and many life insurance companies have enhanced their products and sharpened their underwriting guidelines to accommodate these risks. Meet with your client and get complete details of his situation up front so the business can be directed to the appropriate company. Avoid losing the sale to sticker shock by giving your client an initial and accurate premium quote. Providing the specific details of your client's health condition will allow your underwriter to give you more specific quotes. Do your homework and get the facts up front.

**Coronary artery disease** (e.g., heart attack, angioplasty, bypass surgery, angina)

- Age at time of heart attack or surgery
- How many heart vessels were involved
- Has the client had subsequent chest pain (angina)
- Date and results of last stress test
- Medications

**Diabetes**

- Age of onset
- Type of treatment (e.g., diet, oral medication, insulin)

- Any related problems with circulation, eyes, kidneys or infections
- Results of most recent (after fasting) blood sugar or glycohemoglobin A1C

### **Cancer**

- Type of cancer and the location (e.g., tumor size, stage, grade)
- Date of diagnosis
- Describe treatment (chemo/radiation) and give dates of when completed
- Any metastasis (spreading to other organs) or any recurrence
- Medications

\*On any impaired risk case, your best bet is always to obtain the client's medical records and send them to your underwriter for review on a trial basis; hence, keeping the case off the rated/declined radar screen. If a case does come back higher than quoted, assure your client that your GA has shopped the marketplace and he's getting the best rate available.

### **The challenge: large case underwriting**

When amounts applied for reach the \$2 million-plus range, the insurance company expects the agent to supply documentation that normally is not needed for smaller amounts. Prepare your client early on for the need for more detailed information, such as:

- Personal and business financial statements
- Tax returns
- Trust documents
- Employment contracts

Medical requirements escalate (be prepared for the depth of medical underwriting information needed to evaluate the large case:

- Physician's examination
- Treadmill EKG
- Chest x-ray
- Complete medical records from *all* physicians consulted
- Comprehensive inspection report

### **Tie the sale together for the underwriter (the cover letter)**

As the agent, you have probably been immersed in the sale for months, so the purpose of the sale is perfectly clear to you. However, you need to take into account that the underwriter will know only what's specifically in the file you submit. A simple yet comprehensive cover letter can be worth its weight in gold.

Here's an example outline for your large case letter:

- Summary of the application (client, amount, plan, beneficiaries, owner)
- Need and purpose of the insurance program
- Any potential underwriting problems
- Financial statements
- Prior underwriting action/other pending applications
- Attending physicians (names, addresses, telephone numbers)

### **Underwriting the older age client**

The older age market is a relatively new, yet it's growing by leaps and bounds every day. This group of clients wants to buy the products as badly as you want to sell them. However, the

insurance companies take a different approach to underwriting these "nontraditional" risks. Bottom line, the average 75-year-old is *not* a standard risk as he is likely to have multiple impairments and take multiple medications. Here is a common-sense outline to follow in approaching these clients:

- Medical histories: Develop the medical history up front in order to avoid surprises later. Obtain the client's medical report (APS) right away so we know exactly what impairments we are dealing with.
- Patterns of medical care: Underwriters are concerned with any changes and the underlying reasons. In other words, is the client suddenly seeing his doctor(s) more or less than before? Why? Obviously, the concern is deterioration in health.
- Financial aspects: Most people over age 65 have little earned income; thus, their motivation for buying insurance is different than that of younger people. You need to provide information to the underwriter to allow them to understand how the insurance fits into the client's financial plan. Does the purchase make sense? Be prepared to provide additional financial information.
- Functional ability/cognitive impairments: An underwriter is particularly concerned about any failure to perform basic daily activities or see any signs of dementia, depression, or change in intellect/emotional status. Explain all this!

The older market offers you tremendous opportunities, as many of these types of cases involve very large premium dollars.