

Be Aggressive When Pre-underwriting Your Client

Do you go skydiving,
rock climbing,
anything like that?



▶ Don't take underwriting for granted. Clients don't like surprises and neither should you.

By David E. Appel

What's involved in securing new life insurance? What kind of personal information do I need to provide? What's the medical exam like? Is it invasive? Do I really need to disclose everything — even stuff I did in college?

These are just a few of the questions clients will most likely ask their advisor when trying to obtain new life insurance. Obtaining life insurance today is one of the most invasive processes someone can go through — medically, financially and lifestyle-wise.

Carriers leave no stone unturned when considering a prospect for a life insurance policy. If a doctor recommended the client have a medical procedure and that request is still open, the test must be completed. If the procedure or issue is not “closed out” and complete, the client

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needs a detailed explanation from the physician of why the procedure is delayed or is no longer necessary.

Clients also must understand that insurance-carrier physicians will look at their medical history differently than their primary care doctors do. My client's doctor is making sure the client continues to live a long and healthy life, while the carrier doctor is making sure there isn't anything in the records that could throw a curve ball into that plan.

Today, there also seems to be an abundance of unnecessary testing done in hospitals, by primary care doctors, and by concierge doctors to be “safe.” In addition, we frequently see notes in a physician's files that tend to be elusive, unclear or downright wrong. This is where a letter of clarification from the doctor comes into the process and must be requested. This is when the agent, along with the client, must request the doctor to provide further explanation of why certain tests were completed, along with a description of the results.

We also must conduct our due diligence and not take results at face value. Question the client on any information found in their records that doesn't make sense. After 25 years in this business, I can't even tell you the number of times incorrect bloodwork or procedures were found in our clients' medical records.

Addressing the Issue

What's the initial message here? Successful agents take full control of the situation. Clients don't like surprises and neither should you. Start by having an aggressive pre-underwriting program. Before surprises pop up on you or your client unexpectedly, look for red flags in your client's history. These red flags include

medical issues as well as problems related to their motor vehicle report, in addition to any hazardous activities, use of controlled or uncontrolled substances, drugs prescribed for mental health conditions such as anxiety, or lifestyle decisions.

Without some probing or asking detailed questions, these issues tend to be placed in the “I forgot that” part of the memory bank or in the “we don't need to disclose that now” category. Clients may think these shouldn't make a difference on

a life insurance application. But they need to understand that everything makes a difference when it comes to applying for life insurance. Even though technology has come a long way, getting an application underwritten properly and approved is still an arduous process.

Once we start the informal tentative underwriting process or we submit a full formal application for approval, we like to make sure we present our client in the best possible light to the various insurers. We want to present the client as a human being, not just a stack of papers in a file.

In some cases, we include detailed cover letters that include a client's background and community work, as well as a “possible underwriting issue” we recognize, such as a recent driving under the influence charge or any other pertinent information that we believe an underwriter could use to consider our client as positively as they can. The reason we bring up the “possible issue” is because we do not want the underwriter to discover it on their own. If we know an issue exists, let's get it out on the table for discussion and be up front about it.

The amount of data you have, the clarity of that particular data, and how well it's organized and presented can be the difference between a client getting a favorable decision from an insurer or being poorly rated, or — worst-case scenario — having their application postponed or declined.

We don't ever want to take that chance. Our clients, their families and/or their businesses are too important to them and to us to take life insurance underwriting for granted.

Take control, take charge, and make it happen! [in](#)

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