

Insight to Underwriting – Access & Influence

Situation

We had screened the client's health with the expectation that we would receive a Standard Nonsmoker offer. During the underwriting process we came across a few surprises.

Circumstance

Surprise #1 - The client was initially postponed because she was referred to a pulmonologist the year prior due to a cough she had for an extended period of time. There was no documentation in her records that she saw a pulmonologist or that her symptoms were resolved. It turns out the client's cough was a result of an adverse reaction to a medication, so the client's physician provided us with a letter clarifying the situation.

Surprise #2 - After review of the letter, the underwriter advised he failed to disclose the client had multiple stroke history and requested we secure those records. Before relaying this new news to the advisor and client, we carefully reviewed the clients prescreen and insurance exam which had no mention of stroke history.

Problem

This was a long-time client of the advisor and long-time advisor to us, whom both we believed to be telling the truth. We knew the stroke history information did not match up, so we took it upon ourselves to investigate further.

Solution

After reviewing 250 pages of medical records we found two pages of records discussing the multiple stroke history. The records turned out to be for another patient of the doctors. It was apparent there was a mix-up, so we promptly addressed the situation with the underwriter and the client was approved immediately at our anticipated rates.

Takeaways

- Underwriting can be challenging; an advisor needs to have a good team behind them.
- It is rare when an advisor would have access to their client's medical records; usually the insurance company or Brokerage General Agency (BGA) collects them.
- IIC is uniquely partnered with a progressive BGA giving us unique access and influence during the underwriting process.