



THE PLUS GROUP

America's Premier Disability Marketing Organization

DI Underwriting

Making it Simple

Mutually Exclusive

- Definition

Wikipedia... in layman's terms

2 events are mutually exclusive if they cannot occur at the same time.

- Underwriting and Simple

Words not normally used together

Simplified Underwriting Programs

A number of top carriers have programs that have the potential to make the process easier for you and your clients.

Keep in Mind

Complete and accurate information is still key to successfully managing your clients expectations!!

Why Simplified Underwriting?

Simplify the Process

Make obtaining a policy easier for customer

Speed up the Process

Good for agents and customers

Lower Costs for Carrier

- No exam expense
- No Attending Physician Statement (APS) expense
- Case Load advantage

How do the programs work?

- No medical exams
- No attending doctor reports
- No income documentation
- No Personal History Interview (PHI)*

* Unless Teleapp used

How do the companies do this?

They are not without underwriting tools at their disposal

- MIB
- DIR
- Script Check
- Insured's info from application or teleapp

Program Details

- Products

 - IDI (individual disability insurance)

 - BOE (business overhead expense)

 - DBO (disability buyout)

 - Pension Protector

- Availability

 - Most carriers allow for all occupations

- Ages

 - 18-60 for some carriers

 - 18-50 for others

Program Details

Maximum Benefit Amounts

- IDI \$3,000/mo to \$5,000/mo
- BOE \$10,000/mo
- DBO \$360,000
- Pension Protector \$4,125 to \$5,125/mo

Limitations

- All IDI coverage is counted towards the maximum
- Some carriers limit to income less than 150k
- Applicants with postponed, rated or limited policies underwritten in recent years
- Age 50 limit for some carriers

Potential Outcomes

- Approved as applied for
- Approved with limitations
- More information needed
- Declined coverage

Approved as applied for

- Happy Day
- Deliver policy within 2 weeks of taking application

Approved with Limitations

- If offer has exclusions or other limitations then the underwriter may request further underwriting
- If this occurs then original offer is off the table and underwriting result will depend on APS

More Information Needed

- Underwriter may request an Attending Physician Statement (APS)
- Underwriter may request the producer to further query applicant
- Result depends on information received

Declined Coverage

- Normally this outcome can be avoided with a properly informed customer
- The applicant likely lacked candor or important details or the producer did not solicit enough information on yes answers to medical questions

How to avoid surprises

- Accurate and detailed information is the key to avoid surprises and manage your customers expectations
- Professionally advise your clients to avoid underwriting pitfalls. To prepare them you need to make them aware of the most common medical issues that prevent policies from being issued or issued other than applied for

DI Medical Underwriting Issues

- What medications are they or have they taken?
 - Dates used, name of medication, dosage
- Doctor Visits
 - Details
- Any Chiropractic visits?
 - Frequently results in back exclusions
- Stress and anxiety related problems
 - Frequently results in limited benefit period and options and rating or even decline

DI Underwriting Issues

- Tobacco Use
 - If cigar, frequency and need for clean specimen
 - If cigarette or smokeless tobacco...higher premium
- Adverse Driving History
 - DUI limitations or decline depending on time frame
- Pregnancy Complications
 - If previous complications including c-section, then complications will likely not be covered

Managing your client's expectations

- Advise your client of expected exclusions and limitations
- The information will be discovered and you may as well prepare proposed insured up front so they expect the outcome, improving your chances of placing the policy.

For more information

- Please contact your local Plus Group office.
- Go to www.plusgroupus.com and click on the office locator map to find an office near you or call 800-831-1018.