

UNDERWRITING

UNDERWRITER: DEFINED AS SOMEONE SITTING IN AN IVORY TOWER 900 MILES FROM HERE, TRAINED TO SAY, "NO."

YOUR JOB: TO CONVINCE THAT UNDERWRITER, WITH TRUTHFUL INFORMATION, PRESENTED IN AS FAVORABLE A LIGHT AS POSSIBLE THAT IT IS DESIRABLE, EVEN POSSIBLE TO SAY "YES."

DECLINED

You've worked hard on what you thought was going to be a great case. Your primary company has just given you their underwriting decision. Unfortunately it is **DECLINED** – Is that the end of the world? Does **DECLINED** = **UNINSURABLE**? Of course not! **Declined** may mean opportunity. **Declined** means that your client who needs Life Insurance expects you to find it for him. You may have to look beyond your usual sources. You may have to work a little harder than usual.

Declined definitely does not mean uninsurable! When you receive a **DECLINED** you must define and begin to understand the problem.

Declined means that you need to understand that you have several choices available to you.

Let's look at all of your possible choices.

CHOICE 1

You can walk away from the case. If you select Choice 1 you're not very smart. Someone else is going to earn this fat commission.

CHOICE 2

Try to help your client. He wants to buy insurance. Maybe you can find a company willing to write coverage at a price acceptable to him.

Proceed to Step 1.

Step 1.

Find out from your company as much as you possibly can. What was the reason for the declination? Is the declination reversible? In other words, what can the client do to improve his chances of becoming an acceptable risk?

Step 2.

Tell your client that he has been declined for Life Insurance. That the company is not willing to offer him a policy at any price. That he is evidently considered to be a very bad risk! Make him understand that he has a serious problem. You did not cause the problem but perhaps, just possibly you may be able to help. He must be willing to cooperate, and must understand that if you do manage to find coverage for him it may be costly. Very costly! Is he willing to help you to help

himself? Is he willing to pay extra for the insurance if you can locate it? Can he afford to do so?

Step 3.

Tell the client that if he wishes you to help him locate coverage then he must go to his doctor, and if necessary, at his own expense have the doctor give him a complete transcript of his medical file including copies of any lab tests, EKG's, biopsy reports, etc.

A transcript by the way is nothing more than a photocopy of the file and doctors hate to give transcripts to patients. They usually can't charge the patient much, if anything at all for the transcript, whereas rich insurance companies pay big bucks for an APS!

Step 4.

With transcript in hand you are ready to begin to locate coverage for your client. Bring or send the complete file consisting of the TRANSCRIPT, copies of your original APPLICATION, MEDICAL, anything else that you have to the Impaired Risk Agency that you are working with. They can shop the markets and will try to obtain favorable offers for you somewhere.

Unfortunately, in some cases your client may be so severely sub-standard that no offer is possible. Let's say that the Impaired Risk Agency strikes out. They can't find a company willing to make an offer, or perhaps the client is unwilling to cooperate. He wants insurance but is not willing to help by obtaining the medical transcript.

Is that the end of the road? Of course not, you have two additional choices available.

CHOICE 3. SIMPLIFIED ISSUE

SIMPLIFIED ISSUE as the name implies, is easier to qualify for than regular underwritten insurance. Only a few medical questions need to be answered. Frequently your client can answer the questions on the abbreviated application satisfactorily and thus qualify for \$100,000 or more of coverage without a medical, without blood or urine exams, just by answering a few questions correctly.

SIMPLIFIED ISSUE is ideal for those clients who do not wish to be



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examined.

SIMPLIFIED ISSUE eliminates the requirement for either blood or urine testing.

In the event that your client does not qualify for SIMPLIFIED ISSUE you still have available...

CHOICE 4. GUARANTEED ISSUE

GUARANTEED ISSUE means exactly that. No underwriting whatsoever!

With GUARANTEED ISSUE your client faces some limitations.

GUARANTEED ISSUE is only available in smaller amounts, and only between the ages of 50 to 75.

The death benefit on a GUARANTEED ISSUE policy is limited during the first two or three years, and in the event of an early death claim you usually will face a commission charge back.

Most cases that have been **DECLINED** or **SEVERELY RATED** by one company can be underwritten on an affordable basis by a more enlightened company that specializes in Impaired Risk business.

Even those few extremely difficult cases that cannot be properly priced on an Underwritten basis may not be hopeless. You may still be able to assist your client to obtain either SIMPLIFIED ISSUE or GUARANTEED ISSUE Life Insurance.

SUB-STANDARD UNDERWRITTEN LIFE INSURANCE; SIMPLIFIED ISSUE LIFE INSURANCE; GUARANTEED ISSUE LIFE INSURANCE... are all good possibilities when you are attempting to make lemonade out of lemons.