

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."

Placing Sub-Standard

The secret to placing an impaired risk case begins with you, the agent.

Agents are called "Field Underwriters" because they are supposed to function as the eyes and ears of the Home Office Underwriter.

The Home Office Underwriter is never going to have the opportunity to meet your client. His or her impressions must be drawn from the Application, the Medical or Non-Medical, Inspection Report, Lab Tests, Attending Physician's Statements, and most importantly whatever information you can convey that may not be readily apparent from the medical records.

Even though you know that your client is going to have to be examined, **always complete the non-medical part of the application.** Eliminate surprises. It is far better for you to learn about your client's "seizures" on the Non-Med than to get a declination from the home office. What you know about can be dealt with. **Surprises kill cases.**

Now that you are aware that you have a "prospect with a problem," it's time for you to begin closing the sale!

Explain to the client that he may have great difficulty getting insurance, you are really not certain if you can get it for him at any price. If he does qualify he may have to pay extra. Make him sweat!

Obtain as much information about his condition as possible. Complete a non-medical application plus any appropriate diabetic or other questionnaires (need not be signed). Promise to try to see if you can obtain coverage for him anywhere, that you will get back to him as soon as possible with at least a tentative offer.

If you have done your homework and gathered at least some of the important preliminary information, an experienced and cooperative underwriter should be able to give you a "Ball Park Offer."

Now you are ready to "Challenge Close" your case and here's how it's best done. Let's assume the Ball Park offer for \$100,000 is \$1,800.

Mr. Prospect, based upon what you have told me I believe I can get you a policy for approximately \$20/\$1,000.

If I can get it for you for \$20/\$1,000 or less, how much do you want?

The next thing you must learn is not to quote a low-ball Super Preferred rate

unless you truly have reason to believe that the client will likely qualify for that Super Preferred rate.

Clients don't like being low-balled. If you quote a super low rate, be prepared to lose the case if you can't deliver the rate.

For example, your prospect needs \$10 million of life insurance. He asks you for a quote and mentions that two other agents have already given him figures in the \$150,000 range. So what do you do? You request quotes from your most competitive sources. The premium has to be less than \$150,000, and of course he is a "man of steel."

However, if you didn't ask carefully about any medical problems, and convey that information to the underwriter you are working with, you have just made a potentially costly mistake.

Your prospect is going to expect that the policy you attempt to deliver be issued at or close to the premium you quoted. If the policy comes in substantially higher because he is not preferred, is a smoker, or is rated for medical reasons, your chances of placing the case may be slim to nil.

When this happens, you have lost your credibility, you have lost any potential referrals, and you've lost the sale.

It is not your responsibility to tell the underwriter whether any medical impairment your client has is serious or not. You are not qualified to pass such judgement. It is your responsibility to document to the underwriter any information that you may have which will assist him to make (hopefully a positive) decision. Learn to gather your facts and to provide the underwriter with a cover letter explaining any facts that you may have which will assist him in the decision-making process.

Financial Underwriting

Frequently Financial Underwriting can be just as difficult as medical underwriting, as the following case will reveal:

The Underwriter had a bad feeling about the inspection. Too neat. Too clean. Too packaged. Not credible.

After numerous attempts, the inspector finally reached Mr. Rasim. He claimed to be unmarried and the sole owner of Ocean Shipping, Inc. with U.S. offices in New York and Miami. In



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addition Mr. Rasim and his family also operated an exporting company headquartered in Istanbul. He travels to Turkey twice each year and generally stays one to two weeks during each visit.

Mr. Rasim indicated he has invested heavily in commercial real estate in Florida, but refused to disclose any property addresses. He refused further references. The agent was not helpful.

The firm's CPA was finally contacted. He provided the information that Mr. Rasim was actually married, his personal tax returns for the previous two years indicated nominal amounts of income, he had no property in his name, and his wife Hanan was listed as the co-owner of Ocean Shipping, Inc.

A few days later the inspector received a call from a mysterious gentleman calling himself Faud Aziz and claiming to represent the Gibraltar Corporation, advisors to Mr. Rasim. "We are quite familiar with Mr. Rasim's financial status and wealth. How can we help you?" The inspector asked for a financial statement listing Mr. Rasim's personal assets, liabilities and net worth including commercial real estate listings and businesses. "Look, what net worth figure does the insurance company require to simply approve the application?" replied Mr. Aziz. When the need for written documentation was explained, Mr. Aziz said that such information simply cannot be provided in writing, but that he would speak to Mr. Rasim.

There was no further word either from Mr. Rasim or Mr. Aziz, but none was required. The underwriter decided he'd seen enough deception to justify closing the file as declined.