

TIPS TO IMPROVE THE UNDERWRITING PROCESS

Crafting an Underwriting Cover Letter

When applying for a large life insurance case, it all comes down to underwriting. It's part science, part gut feeling, but the underwriter can't consider all the facts unless you provide them.

A cover letter can be the key to getting insurance issued. It helps differentiate your case while providing underlying details around financial needs, medical history and lifestyle. Submitting electronically, simply direct the cover letter to your case manager and they will have it matched to the file at the carrier. A good cover letter will:



EXPLAIN THE NEED

What is the purpose(s) for the requested insurance coverage? Paint a clear picture and be detailed.



JUSTIFY THE AMOUNT

How was the amount of coverage determined? Explain your process and substantiate it.



EXPLORE FINANCIAL DETAILS

How will the policy be funded? Communicating the complete financial picture is KEY to getting a policy issued and some cases may involve full financial statements.



DISCLOSE EXISTING COVERAGE

What other in-force and applied-for insurance exists? Include clear ownership and beneficiary designations, amounts, and information on any policies that will be replaced.



VALIDATE PRODUCT SELECTION

Why did you choose this product? Set the expectation of the quoted rate class and why you chose it.



REVEAL UNDERWRITING CONSIDERATIONS

What critical lifestyle factors exist? Share the underlying facts up front – favorable or not. It's better to form an opinion, rather than change the opinion of an underwriter.



CREATE A CONNECTION

What personal details are relevant? Establish your relationship and don't be afraid to include commentary on key facts. Make it known this is a good risk to insure.



THINK LIKE AN UNDERWRITER

When reviewing your letter, it's important to think like an underwriter. Ask these questions one last time:

1. Is there a clear, insurable interest?

Life insurance is highly regulated, and the underwriter is on the hook to validate the policy. Make the impact and intent of the policy clear.

2. Does the coverage make sense?

The coverage requested should be consistent with what the carrier typically issues, and a good risk for them. If the plan is out of the box be sure to work with our advanced sales and underwriting experts then take care to detail how and why.

3. Can future payments be sustained for the lifetime of the policy?

Document and explain any mitigating circumstances on negative financial reports or other issues that would lead to an adverse action.

If the insurance is related to a business, the letter needs to extend beyond the basics, including tax forms, an overview of ownership/beneficiary structure, detailed financials and more.