

Brokerage News

Bringing income protection to light.

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Keys to Successful Underwriting

We want to make the underwriting process as easy as possible for you and your clients. With that in mind, we've put together a few tips on how you can help ensure a smooth procedure.

Complete Application:

- Nothing helps the underwriting process move more steadily than a thoroughly completed application. Taking time to completely and accurately fill out an application will save you and your client a lot of time and heartache.
- Details - Provide details on any medical conditions, including diagnoses, dates of treatment, types of treatment and medication as well as the names and addresses of all physicians and medical facilities the insured has visited.
- Advise whether an exam has been scheduled and which provider and date (if known). Genworth LTC will now allow Truluma to order the LTC exam through EMSI, ExamOne or Superior Mobile Medics. If your client is applying for Life, DI and LTC at the same time, and you can use one of those companies, let us know and we will try to coordinate.

Cover Letter:

- Cover letters can be an excellent way to provide an underwriter with additional information and help them understand the specific details related to your case.

Financials:

- Whether your client is applying for Individual DI, BOE, Buy-Sell coverage or some other form of disability insurance, financial documentation will typically be required. Get in the habit of obtaining the complete copies of the last two years of tax returns which should include all schedules and W-2s.
- Most applications cannot be submitted for underwriting review without financial documentation. Submitting these documents along with the application can shave weeks from the underwriting timeline.

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Keys to Successful Underwriting, Continued

Manage Client Expectations:

- Explain the underwriting process to your clients. When they know what to expect, the underwriting experience will be more stable, less confusing and less time-consuming for all parties involved.
- Prepare your client for possible exclusions that may be placed on the policy based on information gathered during underwriting. If the policy is ultimately issued with any exclusion, you'll likely still be able to place the policy because you have already discussed this potential outcome with your client.
- The majority of DI and LTC cases follow a 7-9 week underwriting cycle. Make your client aware of the timeline up front.

These keys to successful underwriting will not only make the underwriting process smoother, they will help you build credibility with the carrier underwriting the case and, most importantly, lead to better offers, which is beneficial for everyone involved.

Planning Tips for Q2

Now that spring has arrived, it is a great time to evaluate your approach with your clients and introduce new ideas or products to them. Here are some tips to help you bring additional value and expertise to your clients.

- **Simplified Underwriting:** Most carriers have simplified underwriting programs that will allow your clients to obtain up to \$6,000 of monthly Disability Insurance without the need for medical exams or financial documentation. It is a hassle-free way to check off an important item on your client's list of financial priorities.
- **Guaranteed Issue on 3 lives:** You now have the ability to offer high-limit, excess income protection coverage to corporate C-suites, physician groups, law firms and other clients on a guaranteed issue basis with as few as three lives!

Using the guaranteed issue approach eliminates all medical and financial underwriting requirements which allow plans to be implemented in an effortless and time-effective manner.

Additionally, the guaranteed issue platform can be extended to Buy-Sell DI, BOE coverage, Key-Person DI and Loan Protection coverage.

- **Keep it Simple:** When talking to clients about income protection coverage, keep in mind the overwhelming majority of your clients are not concerned about the details of the policy. They are relying on you as their trusted professional to provide them with the best coverage for their situation. What they are actually concerned about is:
 - How much will they get each month?
 - When do the benefits begin?
 - How long will they receive benefits?
 - How much does it cost?

Common Medical Conditions That Are Insurable

When your client has a medical condition, keep in mind they may still qualify for disability income protection. Here are three common conditions that when well-controlled with treatment may allow clients to be considered for coverage:

1

Hypertension:

A health issue you'll encounter frequently, this condition will always require a review of medical records. The underwriter will initially consider hypertension in two ways:

- No rate up or exclusion will be required if the condition is well-controlled with treatment and your client is compliant with medical follow-ups.
- If the condition is not stable or other health conditions exist, the underwriting outcome will be based on all risk factors combined.

2

Diabetes:

This condition will always require a review of medical records. Your client can be considered for coverage under the following circumstances:

- Well-controlled with an A1c of 7.0 or less
 - One oral medication
 - No high blood pressure or renal concerns
 - Weight is within normal limits
- Coverage would require a 50% increase in premium and exclusion for Diabetes Mellitus and/or complications.

3

Back Conditions:

These are generally the number one reason for claims across the insurance industry. An offer of coverage can be considered depending on the type and severity of your client's back condition.

- **History of back surgery:** Coverage will always have a permanent exclusion for injury, disease, disorder or complications of the spine, its muscles, ligaments, discs or nerve roots except for burn, laceration or fracture.
- **Chiropractic treatment:** Most likely an exclusion will apply depending on your client's job, elimination period requested and the reason for their chiropractic adjustments.
- **Back pain:** Subject to a medical records review, your client can be considered as long as they do not have chronic narcotic use. The exclusion can be considered for removal once your client is symptom-free, treatment-free, no other medical attention is needed and a specific period of time has passed. The period of time required must be discussed with the underwriter.



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News You Can Use

- Standard unveiled a new IDI product, Platinum Advantage, which is designed to provide the flexibility needed to meet your clients' unique income protection needs. **Please be aware that the new Standard Platinum Advantage applications are required.** Please discard any Protector Platinum, Protector+ or Protector Essential applications unless Platinum Advantage is not approved in your state. Visit our website to download applications or contact our office to learn more about this product at 877.455.9580 or info@truluma.com.
- Principal made changes to their IDI product which included a monthly benefit increase to \$6,000 for Simplified Single-Life, a monthly benefit increase for DI Retirement Security, reclassification for several occupations, issue and participation limit changes and more.
- We welcomed Amber Colgrove to the Truluma team. She is a New Business Coordinator and can help you with illustrations and case management. You can reach her directly at 206.538.2487 or amber@truluma.com.
- Principal reported higher insurance earnings in the fourth quarter of 2016 compared to the fourth quarter of 2015. They attribute the increased earnings to strong sales, strong client retention and careful expense management.

For the latest industry news, visit our website at www.truluma.com.