

## Agent Guide & Handbook Understanding Underwriting, The Work Sheets, and Carries

### Work Sheets

The underwriting and supplemental underwriting worksheets are designed for two reasons

1. To give your manager an accurate picture of your prospects health so that they can **quickly** advise you on which carrier you should place them with
2. Help you to understand and make a decision on your own and understand the underwriting process quickly so that **you don't need** the help of your manager and so that you can start training your own agents.

Your manager will always be willing to help you, but using them as a crutch will hinder your ability to be both a leader and or top sales professional. By the time you have sold \$20,000 -\$30,000 in premium or 30-50 apps, you should be able to place 70-90% + of your clients without help. The more questions you ask to understand the process and the more you study the underwriting guides and applications the quicker you will get there. **The only dumb question is the question you have already asked 5 times!**

The quicker you learn the underwriting process/decision tree, the names of medications, the pros and cons of each carrier and their purposes the more confident, knowledgeable and trustworthy you will be in the eyes of the client. In this business we don't use names to build trust and establish rapport, we use our knowledge of the industry as professionals to build trust. As your knowledge, expertise, and confidence increases, the amount of procrastination objections you get will decrease AND your ability to overcome those objections will increase leading to a hire closing rate and more jingle in your pocket.

It's also worth noting that if you don't learn these things you will have very little ability to assist your team member and recruits. As your manager continues to recruit, he/she will be reluctant to put people under you to train until they feel confident in your ability to assist a new recruit in guiding them through the underwriting process.

This guide is designed to help you place prospects with a carrier that will accept them as quickly as possible. There are several variables an agent needs to understand and take into account

- 1<sup>st</sup> Day coverage vs two year wait coverage (modified, graded, ROP)
- Premium prices and Coverage Amounts
- Commission rates
- Point of Sale decision vs 2-10 days or 30 in the case of TransAmerica. You want to avoid having to re connect with a client to get them accepted with a carrier if possible. 10-20% of prospects will be incredibly hard to meet back up with or will tell you to "forget about it" for various reasons
- Replacement vs Non replacement
- Ease of doing business
- How quickly they pay
- MIB vs Prescription Check
- Payment method and type (draft, card, direct express) (ss billings vs random day)

It's a lot of variables and it **WILL** seem overwhelming at first but if you put 30+ hours per week in the field, ask questions, and look over the guide, it will become second nature quickly.

In general we try to place everyone we can with Columbian because their rates are usually within a couple of dollars of the other carries that fall within tier 1, 2, or 3 status (see commission chart for details), they give the quickest decision, they pay the best commissions when accounting for residuals and incentive trips, they pay quickly, they are the easiest to do business with and are also very flexible.

You should be able to place 50 – 70% of your business with Columbian. In effect, every other carrier should be considered a niche carrier that we use for a unique set of circumstances. There are only four reasons to not use Columbian

1. A prospects health prevents them from 1<sup>st</sup> day coverage
2. A prospects health makes their rate significantly less competitive
3. A prospect doesn't have a bank account and needs to use a card or direct express
4. A replacement is needed and Columbian won't help improve the prospects current situation

**The Underwriting guide will help you determine which carrier will be the best fit for the prospect.**

In the final expense world, your skill set is your ability to understand a prospect's health issues and medications and then place them in the best situation. Individual health issues have two main characteristics.

- Severity – how serious is it to carriers
- Frequency – what percent of people have the condition

**This means all illness' fall into one of three categories. "Common", "Rare" and "Major"**

1. **"Common" Illness**– low severity, high frequency (i.e. blood pressure, cholesterol, reflux, thyroid, anxiety, depression, pain, etc)
2. **"Rare" Illness** – high severity, low frequency (i.e. oxygen, AIDS, lupus, Parkinson's, wheelchair bound, organ transplant, etc)
3. **"Major" Illness** – Moderate to high severity and medium to high frequency (i.e. diabetes, lung, heart, cancer, liver, kidney)

Carriers are **almost** in complete agreeance about what illness' are "Common", "Rare" and "Major". There are exceptions, which is why there are many carriers we use. Columbian is our lead carrier which is why they are the standard by which we label an Illness.

When it comes to **"common", "rare", and "major"** illness' and their medications the following concepts are important to understand and is what the underwriting worksheets are designed for

1. **"Common"** illness' and their corresponding medications will very rarely have an impact on carrier acceptance
2. Figure out if a prospect has a **"Rare"** illness that will necessitate the use of a niche carrier
3. Ask lots of follow up questions about the **"Major" illness'** to find out if they will be accepted by Columbian or if you should proceed to get them accepted by a niche carrier

## “MAJOR” illness’

### DIABETES

The most common and least severe of these is Diabetes. Over half your clients will have diabetes and 90% of the time it won't be an issue for Columbian. There are two situations in which diabetes is an issue for Columbian

- Insulin started before age 50
- Prescription for Gabapentin/Lyrica (because of neuropathy)

\*if a client has gabapentin but does not have diabetes, they will accept them. If they have diabetes and Gabapentin but the gabapentin is not for neuropathy... **it doesn't matter they still won't accept them.**

Trinity will solve 99% of these issues because they don't care about gabapentin in regards to diabetes or pain and they will accept insulin for anyone who started it after age 40.

Oxfords acceptable age for starting insulin is age 30 or later however they will decline anyone who uses gabapentin.

All three of these carriers are similarly priced however Columbian and Oxford pay 10% more than Trinity and their POS is significantly easier.

If they are a card or direct express payer you have to use Trinity because neither Oxford or Columbian will accept cards.

There are other complications in regards to diabetes but are very rare... amputation, diabetic coma, or insulin shock.

Trinity only has a two year look back on those situations

Columbian has a 3 year look back on those situations

In those situations, Oxford will decline anyone who has **ever** had those... however they won't know whether they have because Oxford doesn't do an MIB check.. but if they pass away within two years, they will get declined and you will feel like a scumbag for not taking the time to put them with Trinity.

\*\*Keep in mind is that diabetes/metformin/insulin is not an issue with most of our carriers but insulin puts someone on a standard rate with TransAmerica.

## LUNG

Lung issues are the next most frequent issue because of inhalers which include albuterol, Advair, ProAir, and Symbicort.

The first thing you need to find out is if a client has ever been diagnosed with COPD, Emphysema, Chronic Asthma, Chronic Bronchitis.

\*It is important to ask them if they have ever been prescribed an inhaler or nebulizer. Clients often don't associate these with lung issues and they rarely tell you about them when you ask for a list of prescriptions or tell them to grab their medicine. If you don't ask about inhalers it will throw you for a loop later when are trying to get them approved.

\*\*It's important to realize that a client's inhaler use will tell the story of their lung issues better than they can articulate. Based on experience it appears many doctors will tell their patients they COPD when they don't in order to get them to quit smoking. If they don't have a prescription for an inhaler, a nebulizer or oxygen they likely don't actually have COPD and will likely go through with most carriers.

If a client says they don't have COPD but has multiple inhalers and gets them refilled every 1-2 months it is likely to get declined with Columbian, Oxford, and Trinity. If a client swears they don't have COPD and that they just have allergies you can try Columbian and Trinity it's probably a 50/50 chance they will get accepted.

Columbian has a box you can write in to explain the inhaler use and Trinity will give them a chance to explain it to the underwriter. Trinity will ask them how often they get refilled and the frequency in which they use them.... Be sure to prep them.

If declined your next best quick option will be Trans Standard as they will accept COPD but this will likely be a pain in the ass later because their application sucks and they nitpick everything

Assurant will take COPD if they have had COPD for 3 + years, don't use a nebulizer or oxygen, and haven't had bronchitis, pneumonia or a respiratory infection in the last 3 years. Can get POS decision, better rates and less headache than TransAmerica.

The next best option would be Great Western if they qualify but you have to rely on the client answering the phone call and being able to accurately answer questions about their medications.

AIG is last resort or if they are card payer. I prefer AIG for really ignorant/annoying/unreliable/hard to catch people because you don't have to spend any more time or emotional energy thinking about them while sitting on their filthy cat piss soaked couch .... but that's just one man's opinion.

## HEART

Heart issues are the third most frequent “major” issue. Heart issues can be more complex because of combinations of prescriptions.

The heart issues you need to ask about are heart attacks, strokes, stents, pacemakers, congestive heart failure (CHF), aneurysm, enlarged heart, angina, or bypass surgery.

\*TransAmerica cares about AFIB (the other don't) within past two years

All the other heart issues have a two year look back period

\*Americo has a 1 year look back with heart issues, except CHF.

Assuming no issues with medication and a heart event that took place over two years Columbian, Trinity, and Oxford should be fine.

\*CHF ever is an auto decline, though very few clients know whether or not they've been diagnosed with it

Warning sign for CHF would be a heart medication like metoprolol, carvedilol, in addition to a water pill like furosemide or lasik. Columbian will likely decline if they are taking a combination of those but you can't try to get it through by explaining metoprolol and/or carvedilol are for blood pressure and water pill is for fluid in the legs.

Easier to get that combination through with Trinity than Columbian plus you can have your POS decision instantly whereas Columbian will likely show up as red or yellow for elite. If doing Trinity be sure to prep client for questions about any questionable medications as they will be asked about them.

Nitros or nitroglycerin tends to be an auto decline with Columbian, Trinity & Oxford even if they've have had them for a long and have never used them.

If someone has been prescribed Nitros for 2+ years Transamerica and no insulin or other issues they might be your best bet.

Americo & Great Western are possible alternatives to TransAmerica. Americo is the only potential first day coverage for heart issues within the 12-24 month category. G.W. doing a phone interview the next day.

Last resort before AIG is the modified benefit with Assurant because it will pay much higher commissions (tier 1) plus you get the advance. If they are a non-tobacco user the rate will be comparable and often better. If they are a tobacco user and price is a major issue than you may still have to go with AIG.

Like lung issues AIG is a guaranteed success with lower commissions and no first day coverage but it allows you to move on quickly and not waste time.

AFIB can sometimes be classified as Cardiomyopathy

## **CANCER**

The fourth most frequent major issue, is pretty simple and straight forward.

90% of skin cancer is basal, the rest is squamous and it can be a little more serious.

Trinity, Oxford, and Assurant don't care about any skin cancer (basal or squamish)

Not sure if Columbian and TransAmerica will take squamous...

Oxford won't accept someone who has had internal or melanoma cancer more than once

Internal cancer or any melanoma cancer have various look back period since the last date of a treatment (surgery, radiation or chemo).

Columbian has a 5 year look back

TransAmerica has a 4 year look back

Trinity & Oxford have a 2 year look back

\*Tamsulosin is the most common drug for prostate cancer. Some men take Tamsulosin even if they don't have prostate cancer.. be sure to clarify.

\*\* Tamoxifen is for breast cancer it is often prescribed even after someone is cancer free. Columbian will not accept someone on Tamoxifen at elite even if they are 5 years cancer free, they will accept them "Select"

Trinity will accept Tamoxifen as long as they are 2 years cancer free

AIG is your only real option for someone with current internal or melanoma cancer. Unless you run into some curmudgeonly old bastard who has had cancer for a long time but who hasn't received treatment within two years they could theoretically be accepted. Someone who thinks they have cancer but hasn't been formally diagnosed would qualify too.

## **LIVER**

The fifth most common major issues are liver issues which include hepatitis and cirrhosis or liver failure. Hepatitis being more common and easier to qualify with a carrier.

Columbian – 3 year look back on liver disease and hepatitis.

Trinity & Oxford – has a two year look back on hepatitis

Oxford is auto decline if ever diagnosed with liver failure

Trinity is graded on cirrhosis, liver failure, and liver disease.

## **KIDNEY**

The sixth most common are kidneys. Kidney issues are somewhat odd because most people that say they have kidney issues don't take any kind of medication or treatment. It doesn't appear to show up in most MIB searches either. The only treatment you will run across with Kidneys is dialysis in which case they are declined by everyone except AIG.

Dialysis over 1 year ago and no other issues – standard coverage with TransAmerica

## “COMMON” illness’

Next on the list of things to master which will happen naturally as you sign more people up and get exposed to more is to understand the common ailments people suffer from like blood pressure, cholesterol, acid reflux, thyroid issues, various psych issues, allergies, and arthritis/pain.

From an underwriting standpoint these medications very rarely impact your ability to get them approved but they are very important to learn because it is often one of the chief areas that help us to come across as a trustworthy and knowledgeable professional.

When someone says they take a medication for “xyz” condition but don’t remember the name or how to pronounce it, and then you can rattle off the 2-4 of the most common medications associated with it you have a 95% of saying one of the medications they are taking. Doing this will have a positive impact for your credibility that can be the difference between closing a sale and not.

It also important for saving time or feeling overwhelmed because often times people will bring you a bag 15 different prescriptions or a long list of medications. The quicker you can eliminate which ones will have an impact on who you place them with the better. Even if it doesn’t impact the client’s impression of you, sales people often get anxious, rushed, and less confident if there is 5-10 minutes of silence as you google the various purposes of each med. Below is a list of the most common medications that you can memorize.

### **Blood Pressure**

“sartan” or “pril” medications

Losartan  
Amlodipine  
Lisinopril  
Hydrochlorothiazide (HCTZ)

### **Cholesterol**

“Statin”  
Atorvastatin  
Simvastatin  
Lipitor

### **Acid Reflux/ GERD**

“Prazole”  
Omeprazole  
Pantoprazole  
Nexium  
Prilosec

### **Allergies**

Ceterizine

### **Thyroid**

Levothyroxine  
Synthroid

### **Anxiety**

Clonazepam  
Escitalopram  
Xanax  
Fluoxetine (Prozac)  
Sertraline (Zoloft)  
Paroxetine (Paxil)

### **Depression/Schizophrenia**

Aripiprazole (Abilify)  
Bupropion  
Celexa (citalopram)  
Cymbalta (duloxetine)  
Pristiq  
Clozapine

### **Arthritis/Pain**

Tramadol  
Hydrocodone

### **Water Pill**

Hydrochlorothiazide  
Lasik  
Furosemide

### **Beta Blockers**

Metoprolol  
Atenolol  
Carvedilol

### **Blood Thinner**

Warfarin  
Coumadin  
Xarelto  
Eliquis  
Plavix  
Clopidogrel

### **Diabetes**

Metformin  
Januvia  
Glipizide  
Insulin (many forms)  
Lantis

### **Seizures**

Kepra  
Paxil

\*Water Pills, Beta Blockers and Blood thinners can all be used for blood pressure, but are often associated with more serious heart conditions that can cause a prospect to get declined by a carrier.

\*Water pills associated with a beta blocker can often indicate Congestive Heart Failure

\*Blood thinners often indicate a recent stroke or high risk of stroke

\*Seizures are not an in issue with Columbian however seizures can be an issue with some other carriers

## Rare Illness'

This section includes all the serious illness and medications that will often cause a client to be declined with Columbian and force you to put someone with AIG, or a niche company like TransAmerica, Great Western, Americo, or American Memorial.

Assistance with ADLS (Activities of Daily Living) – Trinity (other than home health and bed confinement)

Age Old – plug it in on the app

Age Young – Columbian, TransAmerica

AIDS – AIG or Great Western

ALS Lou Gehrig's – AIG or Great Western

Alcohol/Drug Abuse - AIG

Alzheimer's/Dementia – AIG or Great Western

Amputation for disease – Americo? AIG

Bedridden

Cystic Fibrosis

Overweight – see each companies Height/weight chart. TransAmerica (45-85) does not have a height/weight chart

Mental Disorder

Downs Syndrome

Multiple Sclerosis

Oxygen

Pacemaker implant

Seizures

Tobacco

Nitros

Isosorbide

Donepezil



## Summary of Carrier Underwriting Niches

**Columbian** – Lead carrier

**Trinity** – Diabetes w/ Gabapentin, Serious Depression, Schizophrenia, Card Users, Day of decision for prospects if you're skeptical that will get approved with Columbian. Has a good phone interview that will help unmask prescriptions that are causing them to get declined with Columbian? Gives agent/client a chance to explain medical issues like inhalers, beta blockers, blood thinners, and water pills.

**Oxford** – Good for quick approvals, clients that have a mislabeled MIB issue. Clients that have been prescribed a wheelchair but aren't "confined" to a wheelchair.

**Christian Fidelity** – price buster for replacements or last ditch effort if they think Columbian or Trinity are too expensive

**TransAmerica** – great for hard core heart meds like nitros, isosorbide, and other maintenance meds that have been prescribed for over two years. Good with all Psych issues (Bi-polar, Schiz, and depression). Will take COPD and Parkinson's first day (standard rate) assuming no other issues like insulin use. Will take Direct Express.

**Americo** – good for heart issues that happened 12-24 month ago. Parkinsons, Amputation from disease, aneurism, angioplasty over 1 year, assisted living preferred, brain tumor, cerebral palsy, cystic fibrosis, cardiac defibrillator, Huntingtons disease, Non Chronic Disease (no dialysis), Lupus, Multiple Sclerosis, Nebulizer (non COPD), neuromuscular, pancreatitis, seizures, no ADL question (No neuropathy/ diabetes w/ gabapentin)

**Assurant** – 1st day coverage for COPD if been diagnosed for 3 + years (as long as no diabetic complications/gabapentin can't have oxygen or nebulizer)

Modified policy rates for non-tobacco users is better than AIG and they pay advance Tier 1

Modified uses COPD within 3 years and won't qualify with Trans, plus heart issues within 2 years (cannot have diabetic complications/gabapentin, insulin >45, CHF, cardiomyopathy, cancer more than once)

**LifeShield** – great rates for smokers but won't accept a lot of stuff. i.e. any history of cancer, liver, insulin, disability before 65, or any wheel chair use

## Company Summary/Carrier Attributes

Company	POS/Average Time	Commission Tier	Advance	RX or MIB	Payment
<b>Oxford/Christian</b> <i>Agent # Here</i>	Yes Phone 8 minutes	2 CF 60%	Yes 75% At Issue	RX only	Banks Only Wed Billing
<b>Trinity</b> <i>Agent # Here</i>	Yes Phone 15-20 minutes	3	Yes Quick \$ ½ at submit ½ at Issue	Both	Banks & Cards S.S. Billing
<b>TransAmerica</b> <i>Agent # Here</i>	No	2	Yes 75% at Draft	Both	Banks Direct Exp S.S. Billing
<b>Americo</b> <i>Agent # Here</i>	Yes Internet 15 minutes	1	Yes Quick \$ 75% at Issue	Both	Banks Wed Billing
<b>Columbian</b> <i>Agent # Here</i>	Yes Internet 5 minutes	2	Yes Quick \$ 75% at Issue	Both	Banks Wed Billing
<b>LifeShield</b> <i>Agent # Here</i>	No	3 Minus 5%	Yes Quick \$ 75% at Issue	Both	Banks Only
<b>Great Western</b> <i>Agent # Here</i>	No	3	Yes 50% at Draft	Both	Banks Only Cards
<b>AIG</b> <i>Agent # Here</i>	Yes	80%	Yes 50% at Draft	N.A.	Banks & Cards
<b>Assurant</b> <i>Agent # Here</i>	Yes 15 -20 min	1	Yes Quick \$ 75% at Issue	Both	Banks Only
<b>Security National</b> <i>Agent # Here</i>	No	3	Yes 75% at Draft	RX	Banks & Cards S.S. Billing