

## Which path is the right one:

# Old school or accelerated?

When given the choice of having life insurance approved in fifteen seconds, fifteen minutes, fifteen days or fifteen months, you'll likely want to take the accelerated underwriting route every time. Unfortunately, it's not that simple.



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### Hitting the accelerator

You're at your desk perusing the term quote software and trying to determine which company to recommend to a 32-year-old neighbor seeking term insurance. You look at all those rates; the premium difference is less than one dollar. How do you choose?

You call your MGA or wholesale broker and ask your internal which company to choose. You talk about the client and his need for \$750,000 of term coverage, run through some field underwriting, and then your internal resource does something surprising. She informally estimates the "passthrough" rates for the various companies the agency represents to determine which term life company is more likely to allow the client to proceed without "fluids" at the same rates as those requiring blood and urine samples. You go with the recommendation and boom, the client is approved as "top class" in hours, and the case is placed on the same day. You're a hero to your client. Why change what works?

### Not so fast

The following week, you hear from another client whose 10-year term policy is nearing the end of its fixed period. You tell yourself, "Geez, that was a fast nine years." But since this stuff is getting easier to process, you are happy to assist.

You go to the same company you did for your neighbor, but this time, it's anything but speedy. Making things worse, you told your client about your neighbor's experience and set the expectation that they, too, could possibly be approved in 24 hours, if not sooner.

The thing is, this client isn't 32. He is 51 and applied for \$1million of term coverage. He's also a road warrior and is usually flying somewhere during the week. It turns out he gained some weight since you wrote his coverage nine years ago, yet he told you that he was in the same great health.

Then you learn that he was traveling when you dropped the ticket, and when you checked in with him to see if he did the interview, he said he didn't get the email. You go back to your MGA, and they confirm that an email regarding Parts I and II was sent out. You go back to your client, who finds the application email and promises he'll get it done. In the meantime, you're thinking that you should have grabbed paper versions of Parts I and II,

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performed the exam, and not wasted all this time waiting for the client to act. Still, it's only been a few weeks, and he told you he would take care of it.

Then, you get a strange email from your MGA asking whether you are licensed in Ohio. That's weird, as you have no clients in Ohio. Unfortunately, your client completed Parts I and II while traveling and signed the documents when he was in Cleveland, dating it in Ohio. He'll need to redo the application in a state where you are licensed, and he has some type of nexus. At this point, you talk to your internal at the MGA, decide to use a paper application, and have him do a phone interview for Part II to retain access to fluidless accelerated underwriting.

**What now?**

As requested, the client did the phone interview at his home, and everything is back on track until you get an update. Due to his weight and occasional marijuana gummy use, he was taken out of the accelerated underwriting program, and a full paramedical exam is now needed.

As the case approaches the two-month mark, you let your client know he needs full underwriting, and he'll get a call from the examiner. You assume this case will be pushed out a few days after the exam.

The exam is completed, but the underwriter needs additional medical reports since the client had a colonoscopy last year. Also, the underwriter saw some claims data from a doctor who

**Underwriting flowchart:**

# Which application should you use?

Avoid unnecessary delays in processing by selecting a submission process that is best aligned for your particular client.

Note: Not all carriers offer all submission types. Please consult your marketer for carrier-specifics.



was not on the paramedical, so more information is needed. As you suffer through this case, you complain to your internal that this is a rough experience and ask how it could be avoided next time.

**Secret to successful accelerated underwriting success**

Accelerated underwriting is not for every client. You need a client engaged in the process and comfortable communicating through emails and websites. If it takes you a dozen times to finally reach a client, then perhaps this isn't a client that will complete a phone interview or a "digital interview" on a timely basis.

Doing a prescreen is essential. That requires more than just asking the client if they are in good health. Go through the preferred best-class criteria with your client to better understand the various underwriting elements. If the client needs a full medical, why even undergo the accelerated underwriting process? For example, if your client is 58, 5'6" and 250 pounds, had stage 1 cancer seven years ago and needs \$4 million of coverage, you'll be hard-pressed to find a company that will proceed with accelerated underwriting. So why go down that road?

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On the other hand, if you have a client who is a 38-year-old professional and needs \$2 million of coverage, you prescreen them, and they check all the boxes for preferred best underwriting, then drop those tickets all day long!

Just make sure you consult with your MGA or wholesale broker as to which company they feel will approve cases without an exam for preferred type risks. Also, make sure you let your client know what to expect when it comes to the next step in the drop ticket. In short, know thy client and map their specifics to the right underwriting experience.