



## 6 Ways to Spot Impaired Life Insurance Cases Early On

by Eric Schuhmacher, as seen in

**ThinkAdvisor**

Field underwriting can be a challenge for advisors who sell life insurance or other products that involve questions about the clients' health.

Clients may present themselves as healthy and vigorous, even though there may be underlying medical issues that can impact the outcome of a case.

By being observant and asking pertinent questions, advisors can provide clues to the possibility of impaired risk cases. Here are six ways to go about it:

### 1. Physical Appearance

When meeting with a client, advisors have an opportunity to notice obvious signs of impairment, such as overall physical appearance, gait, and ease of getting in and out of a chair.

Doctors input these details in office visit notes as a way to monitor and evaluate their patients over a period of time to identify any troubling trends. If someone stumbles, for example, it could mean they may have a neuromuscular impairment that could be progressive, such as muscular sclerosis.

If it's a morning meeting and you notice that the individual is unkempt and has balance issues, it could mean an alcohol problem. Or, it could simply be that the client did not have his morning coffee and he is just tired. That's a caffeine addiction and, fortunately, not ratable as an impairment. It's important to notice physical appearance details of older clients, as they could point to signs of cognitive impairment. These personal observations are helpful and insurance exam or medical records can either confirm or rule out suspected impairments.

### 2. Height and Weight

Build and height or weight alone can be an impaired risk factor that can be rated substandard. If someone is slightly overweight, they may qualify for preferred classification; however, if they are morbidly obese, it is ratable. The build tables for carriers vary, with some are more favorable than others. There may be no other impairments if a person is obese, but if there are other issues such as diabetes, it is not favorable as it is a co-morbidity factor.

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### 3. Cancer History

Cancer history is a key indicator of a possible impaired risk. Type and location of cancer, date of diagnosis, and date of last treatment is critical information for assessing risk.

While such questions are normally asked on an application or at an insurance exam, if an advisor finds out when a client was diagnosed with breast or prostate cancer for example, it can be the difference between a rated case or one that's not.

Skin cancers diagnosed within two years and higher than stage 1 may end up with a flat extra. Generally, the longer a client has had the cancer and remains cancer free, the better the chances of no substandard ratings or flat extras on the policy. As a general guideline, chances for standard consideration or better are available after seven years of the date of last treatment with no remission.

### 4. Cardiac History

Cardiac history of any type is a sign of a possible rated case. The younger the onset of cardiac disease, the higher the rating. There is no cure for cardiac disease, even if stents have been implanted into the person's coronary arteries or Coronary Artery Bypass Graft (CABG) surgery has been performed.

Both surgeries can aid in the relief of angina by improving blood flow, but do not prevent future heart attacks. A client with this type of complicated heart history can be a challenge for underwriters. Assume that the case will likely be standard at best, but frequently rated, especially with early onset.

### 5. Driving History

If the client has a record of motor vehicle violations, reckless driving or driving under the influence incidents during the last 10 years, this may be an impaired risk case. Such a history may be a clue to other impairments, such as alcohol abuse. It's essential for the client to admit and disclose full details of their motor vehicle history, since it's easily verifiable by the carrier when the record is ordered.

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### 6. Psychological Issues

Psychological or mood impairments are another impaired risk red flag advisors need to find out about. If it's depression, it could be situational, which results from a life stress event, such as divorce or loss of a loved one. If it is, it could likely be a mild case.

If there are two or more medications prescribed for treatment of anxiety, depression, or other psychological impairments, the client would likely be rated. A psychological impairment is likely more severe if it affects a person's work life, resulting in extended absences or job loss.

Depressive symptoms are more commonly seen in the elderly and it is important to notice them with these clients. A person suffering from depression may use alcohol, otherwise known as "self-medication." This isn't favorable and can usually be confirmed by blood tests and alcohol criticisms in the medical records. Overall, mood impairments tend to be subjective and a full review of medications, treatment, and history is needed for an accurate assessment.

Using good observational techniques, asking probing questions, and paying careful attention when meeting with a client are ways to identify possible impaired risk cases. Knowing a client's general impairment challenges helps preparing a realistic assessment and setting realistic expectations.

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