

The Advisor's Edge

Sales Strategies You Can Use



Novel Coronavirus Disease & Life Insurance Underwriting

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How has the insurance industry adapted to the Coronavirus? Insurance carriers have placed restrictions on coverage for some clients. Some carriers are postponing older clients, as well as those with impairments that make them more susceptible to COVID-19, such as heart disease and chronic respiratory disease. One carrier recently postponed any proposed insureds age 70 and over. Those aged 60 to 69, who are rated, are also being delayed at this time. Despite these restrictions, some positive changes have developed in the life insurance industry. Carriers have responded by moving towards a “fluidless” underwriting process. This was done to avoid having a paramedical enter a person’s home and potentially open them to exposure to COVID-19. Carriers will use other touchless technologies to underwrite and approve cases. Here are three examples of insurance companies that have changed to allow for a more streamlined underwriting process.

One carrier has a program that uses touchless medical and non-medical resources to underwrite cases without the need for a traditional paramedical exam. In some situations, an Attending Physician Statement will be requested. Qualifying cases are limited to ages up to and including 55. The permanent products could have some limitations.

A second carrier has an underwriting process that expands the use of electronic medical records (Human API). Human API is a health data network that gives consumers a simple way to share their health data. This carrier takes the responsibility for ordering medical records on all cases through their system. This program is open to ages 18-60, \$3 Million face amount max, as well as to term and permanent policies.

Another carrier offers an expanded fluidless UW process available for ages 18-40 with up to \$2.5 Million face amount. Clients aged 41-60 are eligible up to face amounts of \$2 million. This process applies to term and permanent products. The application process for term is through the drop ticket or iGO. There is also a phone interview, motor vehicle report, MIB check, and Rx check done for underwriting. The applicant must have had a complete physical, including labs, with all normal results, within the last 24 months.

The COVID-19 pandemic has changed our individual lives and the way we do business that will have long lasting effects. Life insurance companies are changing their underwriting processes to adapt to it.

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