

Underwriting Cover Letter

Give the Underwriter a "Total Picture" by submitting a detailed cover letter.

There are many components of the underwriting process: insurable interest/financials, medical histories, avocation, aviation, travel, motor vehicle background and more. This information filters in through a variety of sources. Although these sources are credible, they may not always contain the underlying details needed to answer all the underwriter's questions. A cover letter can serve as an enhancement by helping pull together the pieces of the underwriting puzzle and speed up the processing time.

When submitting an application for life insurance, it is very beneficial for the field representative to submit a cover letter that provides the underwriter with a clear picture of the client's objectives. An underwriter considers all the facts provided. Present your client optimally with a good cover letter that includes:

▶ **NEED**

Full details explaining the purpose of coverage.

▶ **HOW THE AMOUNT WAS DETERMINED**

Full details explaining the process used to determine the face amount.

▶ **PREMIUM TOLERANCE**

What the premium tolerance range is for your client.

▶ **OTHER COMPANIES**

Amount of in-force coverage, other coverage applied for/to be placed, replacement, competitive quotes (including face amount, plan type, rating and premium amount).

▶ **FIELD REPRESENTATIVE'S KNOWLEDGE OF CLIENT & ADVISORS**

What the field representative knows personally about the client. This includes work experiences, education, key personal/business facts, comments on the experience and professional qualifications of the financial advisor(s).

▶ **FINANCIALS**

Full details regarding business/personal financial statements and how they relate to the amount applied for. It is important that full financial data be provided to substantiate the amount of insurance being applied for. Large amount cases may involve the submission of financial statements from the client's financial advisor, attorney, accountant, loan officer, business etc.

▶ **POTENTIAL UNDERWRITING RISKS/CONCERNS**

Underlying facts related to any potential underwriting risk/concern known to the field representative. This may include additional details pertaining to a specific area of interest such as a health history, special aviation/avocation interests, travels to a foreign country, financial situations, unusual beneficiary and or ownership arrangements, a DUI etc.

▶ **UNDERWRITING REQUIREMENTS**

What underwriting requirements have been ordered (when and by whom), which ones are attached to the application and what additional items will follow.

A good cover letter increases the underwriter's knowledge of the client by presenting a full and balanced view of the risk at first handling. Painting the "Total Picture" early in the underwriting process can create a more rewarding relationship among all interested parties.

This material is intended for insurance informational purposes only and is not personal medical advice for clients.

This material is designed to provide general information in regard to the subject matter covered. It should be used with the understanding that we are not rendering legal, accounting, or tax advice. Such services should be provided by the client's own advisor. Accordingly, any information in this document cannot be used by any taxpayer for purposes of avoiding penalties under the Internal Revenue Code.

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