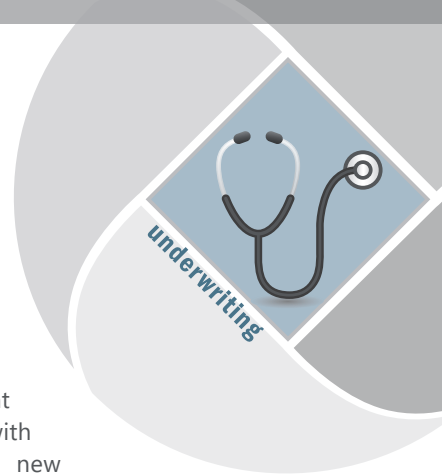


What You Need to Know About... Underwriting Cover Letters



Help Improve Your Underwriting Results

Contrary to popular belief, life insurance carrier underwriters do read cover letters and they are not just for cases with large face amounts! Feedback from several of our leading carriers has indicated that they do not see enough cover letters. Cover letters often prove invaluable when trying to understand the overall dynamics of a case, regardless of the face amount. So, if you're not in the habit of submitting cover letters, here are some reasons why you should. Even if you already do submit cover letters, the following tips may make your job a little easier.

Tell the Story

The content of the letter should provide a full and balanced view of the case thereby helping create a story that gives the underwriter a better understanding of your client, the sales, and what the goals of the case are. Information you provide up front can accelerate the process by alleviating many of the why's asked by underwriting along the way.

A detailed cover letter should tell the story by including the following key components:

Who are your clients?

- What do you know personally about them? Include key personal and business facts.
- What potential underwriting risks might they present medically, such as health history?
- What potential underwriting risks might they present non-medically, such as adverse driving, foreign travel, aviation, hazardous activities?
- Is there a unique situation that warrants an explanation or additional information that would benefit the case? For example, if your client is a 72 year old who enjoys Sudoku, playing bridge, and jogging, share that information! It shows exercise tolerance, community engagement, and mental acuity - all important to underwriters for mature age applicants. If your client is young, in between jobs, but has an MBA and takes care of an ailing parent, add it to the cover letter. It shows an insurance need and creates a perception of likely future employment which reassures underwriters.

What are the goals of the case?

- What is the client looking to achieve with the application for new coverage?
- What are the expectations?
- What is the premium tolerance?
- What is the client's insurance activity, past and present (in-force coverage, recent applications, competing applications, life settlement activity)?
- Is there a possible replacement or exchange? If yes, why?

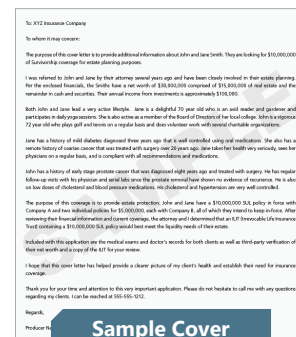
How did the sale develop?

- How was the face amount determined?
- What was the process used to arrive at the requested specified amount?
- Were other professionals involved in making this determination such as attorneys, accountants, financial advisors, business principals, loan officers?
- Have the client's life insurance needs changed? If so, how?
- How do the named owner, payor, and beneficiary support the sale?

Sophisticated Cases

For more sophisticated cases, the Crump Advanced Sales Team can assist with the technical aspects of your cover letter to help accelerate the underwriting process.

Present your clients in the best possible light by pro-actively telling their story in a detailed cover letter. For more information contact your Crump Underwriter.



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