

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?

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- What is the client's insurance activity, past and present (inforce 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 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 CBS Brokerage at 763.450.1870.

To: XYZ Insu	tance Company
To whom it r	nay concern:
	of this cover letter is to previde additional information about John and Jane Swith. They are looking for \$10,000,00 ip coverage for estate planning purposes.
Fer the each	d to John and Jane by their Attorney several peans ago and have been closely involved in their estate planning need Financials, the Smiths have a net worth of \$30,000,000 comprised of \$15,000,000 of real estate and th cash and securities. Their annual income from investments is approximately \$300,000.
participates i	nd Jane lead a very active lifetyle. Jane is a delightful 70 year old who is an anid mader and gardener an ndelyyoppasession. She is also active as a member of the Board of Directors of her local college. John is a vigonc who plays golf and tennis on a regular basis and does rokenteer work with several charitable organizations.
remote higo	intery of mild dubetes diagnosed three years ago that is well controlled using onl medications. She also has ay of cantan cancer that was traued with ungery one (2) years ago, take take her health way serioudy, see, he is regular basis, and is compliant with all recommendations and medications.
follow-up vis	istory of early stage prostate cancer that was diagnosed eight years ago and treated with surgery. He has regula Its with his physican and period labs since the prostate removal have shown no evidence of reconnects. He is ab a of cholesterol and biolog pressure medications. His cholesterol and hypertension are very well controlled.
Company A.	of this coverage is to provide estate protection. John and Jane Jane a \$10,000,000 3/8, policy in force with and two individual policies for \$5,000,000, each with Coverang 8, all of which they interd to keep inforce. Aftu is forscall information and convert spessings, free attorny and i determine that an U.T. Oneocoble Life bouranc ing a \$10,000,000 3/9, policy-waid Life in next the logislip mode of their estate.
	n this application are the medical examp and doctor's records for both clients as well as third-party verification o th and a copy of the UT for your review.
I hope that I coverage.	his gover letter has helped provide a cleaser picture of my clerit's health and establish their need for insurance
	r your time and attention to this very important application. Heave do not heatest to call me with any question clients: Lean be reached at \$555-555-122.
Regards,	
Producer No	Click Here to see a
_	Sample Cover Letter

