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A Guide to Field Underwriting Impaired Risk Disability Insurance

Field underwriting is an essential step in helping your client obtain disability insurance. As an insurance professional, your role extends beyond selling policies – you serve as the first line of defense in ensuring applications submitted to Risk Insurance and Reinsurance are complete, accurate, and reflective of the applicant's true risk profile. Effective field underwriting not only increases approval rates but also builds trust with clients and the insurer.

This document provides best practices for field underwriting for Risk's disability insurance products.

Key Components of Field Underwriting for Impaired Risk Disability Insurance



Occupation and Duties

The applicant's occupation impacts the risk of a disability. Some jobs are physically more demanding and have an increased risk of a disability.

Ask Your Client to Provide:

- Job description in addition to the job title/role
- Working conditions, such as manual labor, travel, or other hazardous environments
- Other occupations or side businesses
- Details of foreign travel, piloting activities, avocations, possible hazardous hobbies/sports, and habits of drugs/alcohol use

Health History

Pre-existing medical conditions can affect insurability, exclusions, or premium rates.

Ask Your Client to Provide:

- Health history including the most recent visit to the doctor, past surgeries, chronic conditions, mental health treatment, height/weight, and medications.
 - Include date of diagnosis and current symptoms
- Name(s) of primary physicians and other specialists they have seen

Sales Tip: If a client has previously completed medical exams, lab results and APS records, send them with the application.

Income Verification

Disability Insurance is designed to replace a portion of income. Risk's impaired disability insurance will replace 60% of a client's income if it is the primary coverage and will participate up to 75% with underlying employer paid GLTD coverage, up to \$25K maximum benefit.

Ask Your Client to Provide:

For Self-Employed or 1099 Employee-

- Provide copies of the last two years' personal tax returns including all schedules (C, E or K-1). If the client has W-2 income, please include all W-2s so we can verify which portion of the wages are applicable to the applicant.

W-2 Employee - Provide one of the following:

- A copy of most recent paystub with year-to-date totals from all current employers
- A copy of most recent W-2 from all current employers
- If a current paystub with year-to-date totals are not available, a letter from all current employers on company letterhead indicating annual salary
- An employment contract signed and dated by employer and employee

Specialty Notes

- Insured must work a minimum of 30 hours a week
- Self-employed clients with benefits of \$2,500/mo or less do not require financial documentation
- Non self-employed clients with benefits of \$3,000/mo or less do not require financial documentation
- Business owners starting a new practice require at least 6 months P&L Statement before coverage can be issued

Requesting A Quote

The first step in the sales process is requesting a Risk impaired disability insurance quote. Quote requests can be sent to quotes@usriskinsure.com. In order to obtain the most accurate quote the following information should be provided:

- Client Name
- DOB/Age*
- State*
- Occupation*
- Male / Female*
- Smoker / Non-Smoker
 - Can assume no if not listed
 - Vaping and Marijuana use in all forms is considered "smoker"
- Summary of Pre-existing Health Conditions*
- Build - Height/Weight
- Income*
 - Can be substituted for a specific requested benefit amount
- Underlying Coverage
 - Can assume none if not provided

**Items w/ a * are required*



Additional Tips

Explain the underwriting process: The client will have to provide details about their current health conditions and provide income documentation. It is likely that Risk will order an Attending Physician Statement (APS) which provides past medical information on the insured. Typically, Risk does not order medical exams or conduct phone interviews directly with the client.

Set expectations: Risk's impaired disability insurance products are designed for individuals with pre-existing health conditions that were not able to obtain coverage with traditional DI carriers. Make sure the client is aware the premium might be higher than someone that has no health issues, the benefit will be graded the first two policy years for illness, and there might be additional exclusions. The client should be aware that the carrier might want clarification on existing health issues.

Complete Applications Accurately: Ensure applications are filled out accurately to reduce the underwriting time. If additional space is needed to explain the details of a health condition a separate page of paper can be used. Questions answered incorrectly on the application will require an amendment which slows down the issuing process.

Reinforce the Need for Disability Insurance: If the client submitted an application with a traditional carrier and was declined, they might be hesitant to start a new application. It is important to reinforce the need for disability insurance by educating the client that their ability to earn an income is a significant asset. Their family's lifestyle may be impacted if they weren't able to generate an income due to a disability. Disability insurance pays a monthly benefit when the client is disabled and can't earn an income.

For additional information on Risk's Impaired Disability Insurance contact: quotes@usriskinsure.com.



IMPORTANT DISCLOSURE: Please note that this guide is for educational purposes only and that underwriters can request additional information at time of application.