



COVER LETTERS

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 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.

A FAIR AND BALANCED PRESENTATION

The content of the letter should provide a full and balanced view of the case that gives the underwriter a better understanding of your client, the sale, and what the goals of the case are. Information you provide up front can speed the process by alleviating many of the why's asked by underwriting along the way. The key to a good cover letter is to answer these questions before they are asked. A detailed cover letter should tell the story by including the following key components:

Who are the 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-yearold 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.

What are the Goals of the Case?

- What is the client looking to achieve with the application for new coverage?
- 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?
- 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?

ADVANCED MARKETS CASES

For more sophisticated cases, the balance of the AIN Member Services 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 ADDITIONAL INFORMATION

Need help with a Cover Letter for your next case? Contact the AIN Member Underwriting Services Team:
800-350-2019
underwriting@advantageinsurance.com