

Disability Insurance Underwriting Tips

There are three essential categories of questions to ask when qualifying clients for disability insurance (DI):



1 Will the client qualify based on the carrier's health requirements?

- Was the client ever declined for a life, health, or DI policy? If so, when and why?
- Is the client currently under treatment by a physician or chiropractor? Is the client taking medications — including over-the-counter medications? Is the client scheduled for hospitalization, surgery or diagnostic tests? Provide dates and describe diagnosis, treatment, medications, and prognosis. An application will require the physicians' full names, addresses, and phone numbers.
- Is the client taking any medications related to mental or nervous conditions, such as depression, anxiety, bipolar disorder, attention deficit disorder, or other conditions?
- Has the client needed medical attention during the last five years? If so, provide details.
- What is the client's height and weight? Specify pounds gained or lost in the preceding 12 months.
- Has the client had a request for a follow-up exam or procedure that has not been completed?

2 Will the client qualify financially?

- The client must be able to verify earned income for the past two years as follows:
 - **Employee:** W-2 and IRS 1040 or the last two paycheck stubs
 - **Sole proprietor:** IRS Schedule C and IRS 1040
 - **Partnership:** IRS 1065 and IRS 1040
 - **C-Corp:** IRS 1120 and W-2
 - **S-Corp:** IRS 1120 S, IRS 1040 and W-2
- Did the client document unearned income from investments, rental properties, royalties, etc. (required)?
- What is the monthly benefit payable?
- Does the client have current in-force DI coverage?
 - If yes, is it individual or group?
 - What is the monthly benefit?
 - Is there a cap?
 - Is it taxable?

- If employed and paid monthly, weekly, or hourly, earned income is W-2 wages after pre-tax deductions.
- If paid on commission (through a W-2), earned income is W-2 wages after pre-tax deductions less renewal commissions.
- If paid on commission (through a 1099), earned income is pre-tax net earnings less renewal commissions.
- If business owner or professional in private practice, earned income is the amount remaining after expenses such as rents, depreciation, utilities, transportation, inventories, etc., provide the amount on Line 31 of IRS Schedule C.

3 Will the client qualify based on his or her occupation?

- Does the client work full-time and 30 or more hours weekly (minimum required to qualify for coverage)?*
- What is the client's job title? Describe daily tasks performed on the job. Does he or she work in an office? Is it a managerial, administrative, technical, sales, or other position? Does his or her job involve physical or manual labor? Is travel involved? If the client is self-employed, where is his or her office? Is it in the client's home? If so, what percentage of time is spent outside of the home conducting business?

Contact **GPAgency at 800.283.8376** for more about why we're the place to put your DI business.



*Limited options are available for part-time employees.

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