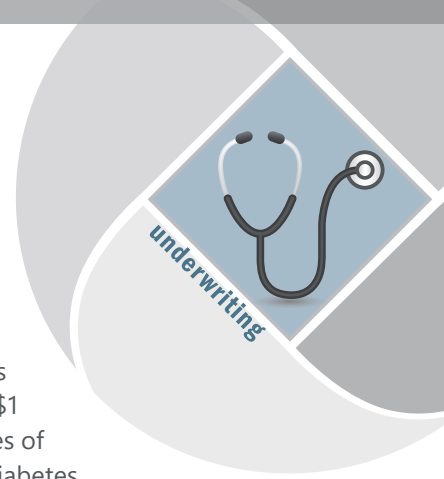


# What You Need to Know About... Accelerated Underwriting Programs



Over the past several years, life insurance carriers have discovered the predictive value of information collected on applicants through sources such as the [Medical Information Bureau](#) (MIB), Motor Vehicle Reports (MVR), prescription databases, and phone interviews, especially on young and healthy clients.

These resources have allowed many carriers to deviate from the more traditional and time-consuming model of collecting information through [paramedical exams](#), [Attending Physician Statement](#) (APS) records and lab testing, and adopt a “fluid-less” approach which is less invasive to the client and can shave several weeks or more off of the often tedious underwriting process. These accelerated underwriting programs are becoming more popular and may be a viable option for your clients. Let’s take a closer look at some of the most important factors to keep in mind when considering accelerated underwriting programs for your clients.

## **Are there age restrictions?**

The general age range for the majority of accelerated underwriting programs is between the ages of 18 and 60, however, select carriers may be able to offer programs for clients above age 60, dependent on the face amount and product applied for.

## **Are there face amount restrictions?**

Traditionally the available face amounts for these programs capped at \$3 million dependent on the carrier. However, due to issues that have arisen in regard to obtaining exam requirements during the COVID-19 pandemic, some carriers have temporarily increased available face amounts up to \$5 million of coverage.

## **Are there plan restrictions?**

While some carriers restrict the available products, a while range of plans are still accessible depending on the carrier and include both term and permanent products.

## **What are the medical and non-medical restrictions?**

While accelerated underwriting programs generally allow coverage for clients with common conditions such as controlled high cholesterol and hypertension, they are restricted to clients who are in a Standard rate class or better health. Some programs are further restricted to only those clients in Preferred or better health and others may only offer on non-smokers. We do have a very limited number of carriers who may consider clients at a Substandard

rating – the maximum face amount for these programs varies from \$249,999 to \$1 million. Applicants with histories of impairments such as cancer, diabetes, heart disease, and other serious conditions will not qualify for accelerated underwriting and will have to go through the traditional underwriting process that includes exam requirements and medical records. Clients who have previously been rated or declined for life insurance coverage will not qualify for accelerated underwriting in most instances. Many carriers will also exclude clients with non-medical issues such as bankruptcy, participation in certain avocations, and criminal histories. The client must be a U.S. permanent resident.

## **Are there state restrictions?**

A majority of accelerated underwriting programs are not available in the state of New York.

## **What information will the carrier use to underwrite my client in addition to the phone interview?**

Depending on the carrier the following information may be utilized to determine your client’s risk classification:

- MIB database
- MVR
- Prescription Database searches

Some carriers require APS records verifying that clients have seen physicians within the past 12 to 18 months. Carriers may also use products such as Instant ID and Risk Classifier available through LexisNexis, a database company that provides access to information derived from public records, driving history, credit reports, real estate and personal property records, as well as civil, criminal, court, bankruptcy filings, liens, judgments and more.

## **What if my clients apply for accelerated underwriting and do not qualify?**

The majority of carriers will move clients who do not qualify for accelerated underwriting over to their traditional underwriting platform that involves full exam requirements and/or medical records. Typically, carriers do not require a new application and can use the application initially submitted for accelerated underwriting.

(continued)



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## Are riders available for accelerated underwriting cases?

Yes, dependent on the carrier, optional riders including long term care/critical illness, waiver of premium, child term, accelerated benefits, and others are available for accelerated underwriting.

## Is the pricing the same for accelerated underwriting products?

Yes, the pricing is the same for products offered through accelerated underwriting as it would be if the client were to go through the traditional underwriting process.

### EDUCATION

Educate your clients that they may still need to go through the full underwriting process. Just because clients submit applications for accelerated underwriting programs does not mean they will qualify. Make sure your clients are prepared to complete exam requirements in the event they do not qualify for accelerated underwriting.

### REAPPLY

Many carriers will not allow clients who have applied with them, either through a trial or formal application within the past 12 months, to participate in their accelerated underwriting programs.

### HOLDOUTS

On some rare occasions, carriers will conduct "random hold outs" of clients who may otherwise qualify for accelerated underwriting. To monitor and manage the effectiveness of their accelerated underwriting programs, some carriers will randomly put a small percentage of clients through traditional underwriting even though they technically qualify for accelerated underwriting.

### STACKING

"Stacking" is prohibited by most carriers. Stacking is when a client obtains a policy through an accelerated underwriting program with one carrier and then submits an application for accelerated underwriting for additional coverage through a different carrier.

### PRE-SCREEN

It is important to ask your clients about any medical or non-medical issues that may disqualify them from accelerated underwriting programs. We recommend you [pre-screen](#) your clients with your underwriter before submitting formal applications for any accelerated underwriting programs – this allows your underwriter to recommend the best carrier fit for your clients' specific needs.

Contact **GPAgency at 800.283.8376** today to discuss how GPAgency's accelerated underwriting programs can help you grow your practice and your bottom line revenue.

## ADDITIONAL INFORMATION

[A Faster Process with Accelerated Underwriting](#) (flyer)

[Carrier Accelerated Underwriting Programs](#) (flyer)

