

Life Insurance Field Underwriting Guide



April 2025

Keys for a Successful Underwriting Experience:

- Submit a completed application
- Prepare your client for the underwriting process for specific age and amount underwriting requirements
- Ensure your client doesn't have any of the uninsurable conditions
- Provide a detailed cover letter
- Ensure you are licensed in the appropriate state where your client resides

Informing Your Client (Refer to Age & Amount Underwriting Requirements)

Exam

1. The client will be provided a copy of the HIV consent form (by state)
2. Exam time may last from 15–45 minutes
3. Height, weight, blood pressure and pulse data will be recorded
4. The examiner may also collect blood, urine samples and electrocardiogram (when applicable)

Lookback Period

- Amounts applied for and inforce that are below \$2 million will have a 2-year lookback period. Total amounts will be assessed, and underwriting requirements will be according to Age & Amount
- Amounts applied for and inforce that exceed \$2 million will have a 1-year lookback period for large case situations. Total amounts will be assessed, and underwriting requirements will be according to Age & Amount

Expiration of Underwriting Requirements (List)

Document/Test	Valid Duration
Application	6 months
Lab results	6 months
EKG	6 months
MVR	6 months
Exam	4 months
Tele-interview	4 months
Inspection report/financial documents	12 months

- Applications beyond 90 days before issue will require a Good Health Statement

Uninsurable Impairments (Not All Inclusive)

- Abdominal aortic aneurysm corrected surgically – within past 6 months
- Alcoholism treatment – within 2 years
- ALS
- Active military personnel with orders to deploy
- Alzheimer's disease/dementia – anytime
- Automatic defibrillator implanted with history of cardiac arrest
- Bankruptcy – no discharged
- Blood pressure exceeding 170/100
- Cancer treated with chemotherapy or radiation therapy – current
- Cirrhosis of the liver
- COPD/emphysema, severe (on oxygen or disabling)
- Diabetes with complications (i.e. amputation, ketoacidosis)
- Drug use (other than marijuana)
- DUI – 1 within the past 2 years
- DUI – more than 1
- Felony conviction on probation or parole
- Gastric/intestinal bypass – within 6 months
- Grand mal – within 1 year of diagnosis
- HIV positive
- Heart attack – within 6 months
- Juvenile diabetes – younger than age 20
- Kidney failure/disease, on dialysis
- Liver failure
- Mental disorder requiring hospitalization – within 1 year
- Medical test or surgery recommended – not yet completed
- Organ transplant pending or received – within 1 year
- Oxygen dependent
- Parole/probation – current
- Pending treatment, test results, surgery within 2 years
- Pregnant with complications or previous pregnancy complications – current
- Pulmonary fibrosis
- Suicide attempt – within 2 years
- Terminal illness
- Valve replacement – under age 50 – within 1 year

APS Required for the Following Impairments (Not All Inclusive)

APS can be requested as an underwriting requirement, or it is ordered for impairments or disorders that are ratable. Conditions that would require an APS are:

- Alcohol or drug treatment
- Aneurysm
- Arrhythmia
- Barrett's esophagus
- Cancer or tumor (not basal or squamous cell)
- Cardiac disorders
- Cardiomyopathy
- Cerebrovascular disease
- Connective tissue disorder
- Crohn's disease
- Diabetes (sometimes)
- Hypertension with 3 or more medications
- Kidney disorder
- Liver disorder
- Multiple sclerosis
- Pancreatic disorder
- Parkinson's disorder
- PSA elevated for age
- Psychiatric illness (significant)
- Respiratory disorders – COPD
- Rheumatoid disorders
- Seizure disorders
- Sleep apnea
- Stroke or TIA
- Suicide attempts
- Syncope

Financial Underwriting Personal Insurance

The following information is a general guideline to help calculate the maximum amount that should meet the financial need of a client.

INCOME REPLACEMENT

To determine the maximum amount of coverage the applicant may qualify, multiply the applicant’s income by the appropriate factor:

Age	Multiplier to Income (Income replacement)	Add	Multiplier to Net Worth (Estate protection)		Add	Debt protection
			For Non-UL	For UL		100% of the balance of the mortgage or other long-term loans
20–24	30		3.3	10.5		
25–29	30		2.7	9.0		
30–34	30		2.1	7.5		
35–39	30		1.8	6.0		
40–44	25		1.5	4.5		
45–49	20		1.2	4.5		
50–54	15		0.9	3.0		
55–59	12		0.9	3.0		
60–69	10		0.6	1.5		
70 & over	5		0.5	0.9		

PREMIUM AFFORDABILITY

The premium to annual income ratio is based on the insured/owner/payor income or net worth thresholds, whichever is greater. the following affordability check applies:

Income/Net Worth	Percentage
Income less than \$50,000	10%
\$50,001 – \$100,000	15%
Income over \$100,000	20%
Net worth less than \$200,000	10%
\$200,001 – \$500,000	15%
Regardless of the client’s net worth	20%

NON-WORKING SPOUSE

1. If amount applied for is \$250,000 will be considered without additional financial consideration
2. Amount should be in accordance with household income and/or net worth
3. Maximum amount should be no more than the working spouse's inforce coverage

JUVENILE COVERAGE – AGE 15 DAYS OLD TO AGE 17

1. Amount should be related to and not exceed the parent's coverage
2. Amount should be in accordance with household income
3. All children should have equal amount of coverage

ADULT DEPENDENT CHILDREN – AGES 18-30

1. Amount \$250,000 will be considered without additional financial consideration
2. If amount is greater than above, additional financial consideration will be required. If in school, clarify what field the applicant is studying and the anticipated graduation date
3. For students close to graduation, reasonable assumptions about earnings potential can be used to assess the face amount



Basic Classifications for Impairments

IMPAIRMENT	PREFERRED	STANDARD	RATING
Alcohol/substance abuse		Sometimes	Usually
Arthritis (osteo)	Available	Usually	
Arthritis (rheumatoid)			Usually
Asthma	Available	Sometimes	
Asthma (steroid meds)		Usually	
Bronchitis	Available	Usually	
Cancer (basal cell)	Available		
Cancer		Sometimes	Usually
Crohn's disease		Usually	Sometimes
Cardiovascular/ heart disease			Usually
COPD			Usually
Depression (ongoing)		Available	Sometimes
Depression (situational)	Available		
Diabetes			Usually
Emphysema			Usually
Seizure/epilepsy		Sometimes	Usually
Hepatitis A	Available	Sometimes	
Hepatitis B or C			Usually
Kidney/liver disease			Usually
Melanoma of the skin		Available	Sometimes
Mitral valve prolapse		Sometimes	Usually
Multiple sclerosis			Usually
Sleep apnea		Usually	Sometimes
Stroke			Usually
Ulcerative colitis		Usually	
Vascular disease			Usually

Non-Medical Risk

MOTOR VEHICLE

Primary cause of death between ages 15–30. Overall, it is the 6th leading cause of death. Driver's license must be valid or reinstated before coverage is considered.

- DUI or Reckless Driving – 2 or more is automatic decline
- More than 3 moving violations in the last 3 years, no DUI history there may be a flat extra of \$3–\$5 per \$1,000
- Single DUI or Reckless Driving > 2 years, no other violations, possible standard

AVIATION

Aviation questionnaire should be completed.

- Aviation Exclusion Rider will be applied to Pleasure and Business Aviation within the previous 3 years if: excessive alcohol use, any drug use, ratable liver enzyme elevations, adverse aviation history, two or more moving violations, ratable medical impairments and/or lifestyle criticisms
- Commercial Aviation
 - » With at least one terminal in the US or Canada, scheduled or non-scheduled may qualify for preferred class
 - » A flat extra of at least \$2.50 per \$1,000 is applied for:
 - Advertising, agriculture, non-scheduled taxi, charter, construction, firefighting, mapping, medical airlifting, photography, police, reporting, sightseeing, weather patrol
 - Military aviation may also qualify for \$2.50 per \$1,000
 - » Automatic declines are: Army, Coast Guard, Air Force, Navy, Marine Corps—all flying in combat
 - Private civilian aviation:
 - » Student pilot, private pilot, crew member

CRIMINAL ACTIVITY

- Risk is not acceptable for these conditions:
 - » awaiting conviction
 - » on parole
 - » on probation
 - » convictions associated with organized crime
 - » major felony (murder, kidnapping, etc.)
 - » more than 1 conviction within 10 years
- Single conviction – Possible \$5.00 per \$1,000 for 3 years post parole or probation

SCUBA

- Applicants who are recreational SCUBA divers are eligible for preferred classes if the following are met:
 - » More than 2 years of experience with open water certificate diving 0–100 feet may qualify for preferred classes
 - » At least a flat extra of \$2.00 per \$1,000 for:
 - Less than 2 years or no experience, but future plans
 - More than 2 years' experience for up to 130 feet

MILITARY

We accept applications for active military personnel who are members of the Reserves, Army, Navy, Marine Corps, Air Force and Coast Guard. These members must be serving stateside and not alerted for and not on orders to serve outside the US or Canada.

FOREIGN TRAVEL

Please refer to an underwriter.

- Travel activity is evaluated on an individual basis and is dependent on the location, purpose and duration of travel