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Agent Tutor™



RiskTutor, Inc/ 818-591-3882

Audit Proof Underwriting™



PIN Cells

Major Prostate Cancer Risk

Clients with prostate biopsy findings that are negative for cancer but have “high grade PIN” have a significant risk for future prostate cancer. In some studies, high grade PIN cells are associated with prostate cancer 85% of the time. **Underwriters are well aware of this risk and may elect to rate, postpone, or require additional testing before issuing a policy. They may request a PSA study that shows total PSA as well as “free” PSA. The percent of “free” PSA should ideally be 25% of the total or higher.**

The last two years have radically changed the home office underwriting landscape in a way that will impact the offers agents’ receive on their cases for years to come. The source of this upheaval has been the reinsurance audit.

The reinsurance audit, not unlike an IRS audit, allows reinsurers to take a close look at all of the business “ceded” to them by direct writing carriers. **Remember, agreements between reinsurers and direct writing carriers are contracts in which the underwriting details of what each party pledges to do and not do are spelled out.** Reinsurance audits in the last two years have provided ample evidence for concern over the integrity of these agreements. The primary point of contention is underwriting guidelines. Reinsurance costs are based on risk assumptions that are reflected in their underwriting guidelines. Direct writing carriers agree to follow these guidelines. It may seem a simple matter to agents for a direct writing carrier to change the pricing of applicant with hypertension and elevated cholesterol from standard to preferred. After all, they need the offer “to win the case.” But from a reinsurance perspective, it is not that simple. **Magnify this tendency to “go outside of the underwriting guidelines” for larger cases, more complicated medical issues, and older age clients, and the pricing assumptions of the agreement quickly falls apart with reinsurers assuming a block of business not supported by their rates.** Not surprisingly, reinsurers are unwilling to accept this financial hardship, and their response to audit findings has shaken up the life insurance industry.

First and foremost, reinsurers have increased the frequency and depth of their audits. **Second, they have refused to pay death claims in cases where their guidelines were grossly violated.** These two factors alone have dramatically changed the underwriting mood and style of direct writing carriers, forcing home office underwriters to protect themselves by adopting **audit proof underwriting.** Here is what this means to agents:

1. **The end of unlimited business decisions.** The ability to make concessions outside of the established underwriting guidelines has been severely curtailed including the waiving of requirements.
2. **The end of ignoring non-essential medical records.** The ability to ignore medical records, no matter how superfluous appearing, has been severely curtailed including dermatology, orthopedic, and alternative medical care APSs.
3. **The end of accepting undocumented explanations.** The ability to accept the client’s explanation for underwriting concerns has been severely curtailed including excuses for lack of follow up, poor compliance with medications, and lifestyle concerns.



The Secret Mission of Aging Parents Series: Legacy and Control

offers a landmark perspective on the real world of aging parents. For most adult children, it is a revelation that changes everything. Using stories, research, and personal experiences, geriatric communication expert David Solie delivers a moving and heartfelt overview of the final mission of life. As important, he offers practical advice that adult children can immediately use to improve their communication skills with their aging parents. Teaching the art of sending the "right signals,"

The Secret Mission of Aging Parents Series: Legacy and Control has lead to dramatic communication breakthroughs for countless listeners and their families.

[Click here to learn more and order this landmark audio CD](#)

Bottom Line:

Agents are going to have work harder to get the best offers for their clients. This will involve more effective field underwriting, presenting more realistic pricing assumptions to clients with known underwriting issues, and working with the client and his or her physicians to obtain clarification on medical issues.

Testing for Drinking Habits: What agents need to know about the CDT test

Drinking habits are major underwriting concern for life insurance. The CDT test measures the amount of carbohydrate deficient transferrin in the blood, which is responsive to alcohol. The more you drink, the higher the CDT. **While the CDT is not a test for alcoholism it can detect if an applicant has consumed four to five alcoholic drinks a day within the last two weeks.** So if an applicant is found to have an abnormal CDT level in the blood study they submitted for life insurance, the

underwriter can choose to ask for additional information (i.e. alcohol questionnaire), rate the case, or decline.

Bottom Line: An abnormal CDT cannot be dismissed as social drinking. It reflects chronic consumption over a two week period. The applicant's alcohol questionnaire, liver enzymes (ALT, AST, and GGT), clinical notes, and MVR (driving record) will all play into the final decision.

Medication Tutor™

Revatio (sildenafil citrate) has recently been approved for the treatment of **PAH (pulmonary arterial hypertension)**. **PAH is a serious, progressive pulmonary disease that leads to heart failure and premature death.** It is categorized into 5 groups.

RiskTutor classification is **Red** (underwriting problems).



Bottom Line: If an applicant is taking Revatio, you can assume he or she is

uninsurable for individual coverage. As an aside, the active ingredient in **Revatio**, sildenafil citrate, is the active ingredient in **Viagra**. Its ability to cause increased blood flow is what makes it useful in both applications.

Case Tutor™

**Female 74, Non-smoker, \$6,000,000 Individual Coverage
Height 5' 5", Weight 142 lbs
Current Medications: Elavil**

The applicant was declined for life insurance based on suspicion of dementia. Her medical records indicated a decline in cognitive functioning in the last eight months. She had not underwent a neurological workup.

Discussion: Further investigation of the case revealed that the applicant has been put on Elavil following the onset of depression following the death of her husband eight months prior. She had no previous history of depression. The applicant consulted her physician about the declination for life insurance. Her physician replaced Elavil with a different class of anti-depressive medication. Once she discontinued the use of Elavil, the applicant's cognition returned to normal and she was issued a policy at standard rates. [Anticholinergic drugs like Elavil, Pamelor, Bentyl, and Pro-banthine can cause confusion, memory loss, and mimic early dementia.](#)



The RiskTutor Advantage...

RiskTutor offers a wide variety of underwriting and coaching resources for agents. Custom branded websites, exceptional speakers for agent's meetings, unique client seminar programs, and the most effective underwriting screening program in the industry are just a few of our resources.