

**Underwriting Rules:**

**ISSUE AGES**

20 through 64

**COUPLES**

<b>If</b>	<b>Then use policy/certificate form</b>	<b>With the annual policy/certificate fee of</b>
Both husband and wife are issued	CI1/CCI1 (one policy/certificate per person)	\$25 per policy
One spouse is issued	CI/CCI	\$50

**CLIENT INTERVIEW PROCESS**

A Client Interview will be completed on each application for benefit amounts of \$100,000 or greater. For benefit amounts under \$100,000, interviews will be conducted at underwriter discretion.

**UNDERWRITING OUTCOMES**

Band 1 Critical Illness insurance uses simplified underwriting and is issued as:

- Class 1 (C1)
- Class 2 (C2)
- Class 3 (C3)
- Declined

Band 2 Critical Illness insurance is fully underwritten and issued as:

- Standard;
- Substandard with rate-up (25%, 50%, 75% or 100%);
- Some elimination riders (i.e. deafness and blindness); or
- Declined

**ATTENDING PHYSICIAN STATEMENT (APS)**

Generally, APSs will be ordered more often with Critical Illness applications. Some conditions which may require an APS are recent doctor visits, circulatory disorders (high blood pressure) and growth removal (polyps and moles).

**APS requirements:**

If the proposed insured has not seen a doctor within the last 2 years and is age 50 or older, then the proposed insured must have a complete physical exam by an M.D. at the proposed insured's expense.

**BENEFIT AMOUNTS**

Benefits are purchased:

- in increments of \$1,000
- With a \$10,000 minimum benefit

## **FINANCIAL GUIDELINES**

Benefit amounts should generally be within 3 to 5 times annual income plus outstanding mortgage balance.

Underwriters may request these additional requirements for amounts less than \$250,000 if needed to qualify the risk:

- For self-employed individuals: 2 years proof of income including complete tax returns
- For salaried individuals: the most recent W2 or pay stub showing one full month with year-to-date earnings
- For all individuals: cover letter to justify benefit amount
  - include how the requested benefit amount was derived (example - three times annual salary plus mortgage balance)

Critical Illness coverage may be issued in addition to Critical Illness coverage with another company as long as the total benefits do not exceed \$1,000,000 (in Georgia, \$250,000) and follow the Risk Class Guidelines.

For business situations, such as buy-sell, key person or credit protection, please provide a cover letter outlining the basis for determination of the benefit amount.

## **RISK CLASS GUIDELINES**

Band 1 -- Simplified Issue (10,000 - \$99,000)

<b>Risk Class</b>	<b>Maximum Benefit Amount Available</b>
1	\$99,000
2	\$99,000
3	\$50,000

Band 2 -- (100,000 - \$250,000)

<b>Risk Class</b>	<b>Maximum Benefit Amount Available</b>
Standard, +25 and +50	\$250,000
+75	\$100,000
+100	\$50,000

## **APPLICATION**

Use the currently approved Critical Illness application in your state.

## **MODES**

The premium modes for Critical Illness insurance are the following:

- Annual
- Semiannual
- Quarterly
- Bank Service Plan (BSP)

- Payroll Deduction (PRD)

Regular monthly mode is NOT available.

### **ISSUE EXCEPTIONS**

CI/CI1/CCI/CCI1 may not be issued to persons on Medicare or Medicaid.

### **FOREIGN NATIONALS**

CI/CI1/CCI/CCI1 may not be issued to Foreign nationals living in the U.S. for less than 3 years. (To be eligible, these individuals must have 3 years of uninterrupted residency in the U.S. Proof of alien status will be required (i.e., Alien Registration number and inspection of Registration Receipt Card - green card).

### **MILITARY**

CI/CI1/CCI/CCI1 may be issued to active Military officers and non-commissioned officers (Sergeant E-5 and above) only.

### **CONSIDERATION GUIDE**

Use the Consideration Guide in the Field Reference Guide to help you determine the insurability of your clients. Conditions not listed, multiple medical conditions or the use of multiple medications will be evaluated by our Underwriting Department to determine eligibility.

### **UNINSURABLE CONDITIONS**

If a person has or ever has had any of the following medical conditions, he or she is NOT eligible for Critical Illness coverage. This list is NOT all inclusive, but does include many of the unacceptable health problems you may encounter:

1. AIDS, HIV+ (there are state special guidelines for California)
2. Alcohol or drug abuse (treatment within 5 years)
3. Alzheimer's disease
4. Angina
5. Angioplasty
6. Cancer (does not include skin cancer)
7. Cardiomyopathy
8. Chronic kidney disease
9. Congestive heart failure
10. Coronary artery bypass
11. Cystic fibrosis
12. Heart attack
13. Hepatitis C
14. Huntington's Chorea
15. Insulin dependent or uncontrolled diabetes
16. Kidney failure
17. Major organ transplant

- 18. Multiple sclerosis
- 19. Muscular dystrophy
- 20. Permanent paralysis
- 21. Polycystic kidney disease
- 22. Stroke
- 23. Systemic lupus erythematosus

**SUBSTANDARD RATINGS**

The Critical Illness underwriter will determine any final, substandard rating by using the:

- application;
- client interview; and
- other requirements needed

Address any specific questions to the Underwriting Department.

**BUILD CHART**

Use the Build Chart in the Critical Illness Field Reference Guide in the underwriting process to determine standard and substandard rates or decline for Critical Illness coverage.

**OCCUPATIONS**

Most occupations will be considered standard for Critical Illness coverage. The following occupations, however, are examples of "risky" occupations and would normally be ineligible for Critical Illness coverage.

- Asbestos workers
- Underground miners
- Commercial divers

**CLIENT INTERVIEW PROCESS**

Use the Client Interview Process with the individual Critical Illness product. Follow these steps:

1. Complete the application
2. Collect the premium amount (at least 2 months BSP)
3. Determine and execute the necessary testing procedures
4. Call a Client Interview through the PAL line for completion of an interview

**CLIENT INTERVIEW REQUIREMENTS**

The following table provides the procedures required for applicants according to both age and coverage amount:

<b>Age</b>	<b>\$10,000 to \$99,000</b>	<b>\$100,000 to \$250,000</b>
<b>20- 64</b>	**Interview	Interview

		*Physical Data *Blood & Urine **Paramed
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*\*This requirement may be waived if medical records are available within 12 months of an M.D. visit which included a blood and urinalysis and physical data. These cases should include a current oral fluid.*

*\*\*H.O. Underwriter Discretion*

**KEY**

**Interview** – A complete detailed client phone interview

**Blood & Urine** – A blood and urine collection by an approved paramedical vendor

**Physical Data** - Hgt/Wgt, blood pressure and pulse recorded on lab ID slip by paramed

**Paramed** – A long form paramedical exam (Form L2 9-88)