



Underwriting Cover Letter – “The Total Picture”

There are many components of the underwriting process; insurable interest/financials, medical histories, avocation, aviation, travel, motor vehicle experiences and more. This information filters in through a variety of sources. Although these sources are credible, they may not always contain the underlying details needed to answer all the underwriter’s questions. A cover letter can serve as an enhancement by helping pull together the pieces of the underwriting puzzle and speed up the processing time.

When submitting an application for life insurance, it is very beneficial for the field representative to submit a cover letter that provides the underwriter with a clear picture of the client’s objectives.

- **REASON FOR THE COVERAGE - i.e. NEED:**
Broker should provide full details explaining the purpose of coverage being applied for on the insured.
- **HOW THE AMOUNT OF COVERAGE BEING APPLIED FOR WAS DETERMINED:**
Full details explaining the process used to determine the face amount.
- **PREMIUM TOLERANCE:**
What the premium tolerance range is for your client.
- **AMOUNT IN FORCE, OFFERS/DECLIANTIONS OR SUBMITTALS TO OTHER COMPANIES:**
Amount of in-force coverage, other coverage applied for/to be placed, replacement, competitive quotes (including face amount, plan type, rating and premium amount).
- **FIELD REPRESENTATIVE’S KNOWLEDGE OF CLIENT & ADVISERS:**
What the field representative knows personally about the client. This includes work experiences, education, key personal/business facts, comments on the experience and professional qualifications of the financial adviser(s).
- **FINANCIALS:**
Full details regarding business/personal financial statements and how they relate to the amount applied for. It is important that full financial data be provided to substantiate the amount of insurance being applied for. Large amount cases may involve the submission of financial statements from the client’s financial advisor, attorney, accountant, loan officer, business, etc.
- **POTENTIAL UNDERWRITING RISKS/CONCERNS:**
Underlying facts related to any potential underwriting risk/concern known to the field representative. This may include additional details pertaining to a specific area of interest such as a healthy history, special aviation/avocation interests, travels to a foreign country, financial situations, unusual beneficiary and or ownership arrangements, a DUI, etc.

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