![J&Scoverage logo 聯合保險業務公司]

Field Underwriting and Pre-screening

The Company You Keep Long-Term Care Insurance

Utilizing the pre-screening process to determine insurability will save you a lot of time, frustration and paperwork.

You have probably had a time in your life when you spent hours trying to find an answer that you perceived to be difficult to locate, only to find that the solution was right in front of you all along. Good field underwriting for longterm care insurance can save you a lot of time and help you with answers in much this same way.

While an Underwriter handles the process in New York Life's main office, you the Agent are responsible for the "front-end" underwriting that occurs in the field. New York Life relies on you to be observant and to ask the right questions. This initial underwriting can often be the most important link in the risk evaluation chain.

There are a number of risk evaluation criteria that Underwriters use to assess each long-term care insurance applicant. This information is compiled from the applicants medical records as well as your field underwriting data. All information is analyzed to determine acceptability. The criteria include the applicant's:

- functional status - Is the applicant able to perform all of their activities of daily living (ADLs)?
- medical status - Has the applicant been recommended for surgery or diagnostic testing?
- mental and cognitive status - Does the applicant have any mental or brain impairments or disorders?
- use of health services - Does the applicant currently need help from a caregiver with any ADLs?
- Does the applicant use a wheelchair, walker or cane?

Spending a great deal of time with a long-term care insurance prospect, only to have the application declined during the underwriting process can be quite annoying for you, and even more frustrating for your prospect. The Insurability and Rating Predictor and the Agent's Underwriting Guide are two LTC field underwriting tools that will help you evaluate your prospects correctly to determine their insurability and rating class.

The Insurability and Rating Predictor [form number 13632(0100)] is a single page document that Agents can utilize to help determine a prospect's insurability and subsequent rate classification. For your convenience, we have attached a copy at the end of this document. The Insurability and Rating Predictor asks six short questions of the prospect in order to determine the individual's insurability. Answering "No" to all six means that it is probable a policy can be offered. Once insurability is determined, three additional questions are included to determine the prospect's rate classification. You can save an enormous amount of time by completing this form with your prospects over the phone before you meet with them. Calling ahead to pre-screen will prevent uninsurable prospects from making trips to your office or eliminate unnecessary travel to their homes.

When you meet with a suitable prospect and begin filling out the LTC application, you may find that the (conanued next pq 236194HO FOR AGENT USE ONLY. NOT INTENDED FOR PUBLIC DISTRIBUTION. individual has several medical conditions unfamiliar to you. You will find the Agent's Underwriting Guide helpful with this pre-screening process. The Agent's Underwriting Guide provides you with an overview of how an applicant's insurability for long-term care insurance is determined. Designed for use in conjunction with the Rating Predictor and the application, the Agent's Underwriting Guide contains more detailed pre-screening information.

You should familiarize yourself with the guide so that when you interview a person with a declinable condition or an obvious disability you will know not to complete the application. If after taking a signed application from a prospect, you look at the Underwriting Guide and find that the applicant is not insurable, you are obligated to forward the application to the underwriting department for them to decline it.
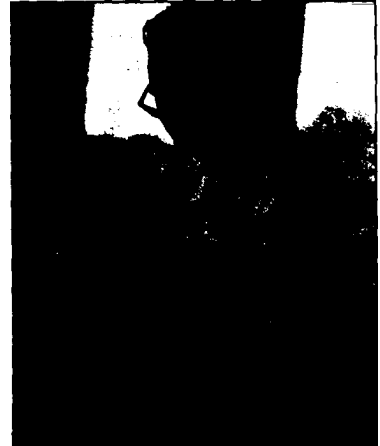
Remember that LTC underwriting is substantially different from Life underwriting. Life underwriters try to determine the relative likelihood of death of the applicant. LTC underwriters attempt to determine morbidity, which is the probability that the applicant will either become cognitively impaired or unable to perform activities of daily living. Existing medical conditions can help determine this probability. The more medical information an applicant provides, the more accurately the underwriters will be able to classify the risk. Once all medical records have been received, the final determination will be made.

An important point with which to familiarize yourself is that a client's lone medical condition may not be of concern to an LTC underwriter. But when conditions exist in certain combinations or with an already existing primary condition, they may signal a considerable risk for long-term care services. These are known as co-morbid factors - two or more medical conditions that can make an already existing disease state worse. For example, cigarette smoking, excessive weight and high blood pressure could exacerbate heart disease or diabetes mellitus. An individual with this combination of maladies could suffer chronic debilitation resulting from a stroke or heart attack term care services. The Guide assigns values or to specific medical conditions in order to determine an applicant's probable rating classification. You simply look up the medical conditions applicable to your client from the chart located in the back of the guide and add up the debit points. The total number of points will determine whether the applicant will be rated or declined. The Rating Classification Factor chart located in the front of the Underwriting Guide lists the maximum number of points allowable for each rate class.

Occasionally, you may interview a prospect with a condition that is not and thus require long-Underwriting "debit points" found in the guide. Feel free to call the Underwriting Department for guidance, even if you are at your prospect's home. They can be reached at 1-800-723-5555 x5050 from 8 a.m. to 5 p.m. Central Standard Time. While the underwriters do handle pre-screen calls on a variety of unusual conditions, the answers to the majority of the medical condition questions they receive can be found in the Agent's Underwriting Guide. There is a lot of good information in this booklet. You need only study the guide to be comfortable in handling these situations in the future.

Time management is an important aspect of an insurance agent's daily life. Utilizing the Rating Predictor and the Agent's Underwriting Guide will help you correctly identify those clients who are likely uninsurable. They will also allow you to determine an insurable client's probable rating classification so that you can provide an accurate quote. Both the Rating Predictor and Agent's Underwriting Guide are available as PDF files on our web site www.newyorklifeltc.com. Underwriters are also available for prescreens if you have specific questions that are not addressed in the Agent's Underwriting Guide. Good field underwriting can generate helpful information that will assist you in determining applicant insurability. In the following example we will walk you through the entire process and give you several situations you may one day encounter. However, an important point to note as you review this example is that the majority of applicants will not purposely attempt to mislead you.