

# Underwriter's Corner

## COMPETITIVE OFFERS (PART 1)

Underwriting is not an exact science and on occasion, we may need to take a step back and ask ourselves if we are making the very best offers possible. Sometimes, our underwriting decisions may need to be adjusted due to new medical treatments. Other times, we may need to take a look at what the industry is doing and analyze if we are making similar offers. To make the most competitive offers, think about credits.

- ◆ **Think about credits.** Are you using all the credits available to make the best offer? There are credits listed under the lipids, build, blood pressure, CAD, diabetes, and alcoholism sections. The most common credits to overlook seem to be the build and blood pressure credits. On many files, the build credits can reduce the final rating by up to two tables. The favorable ECG under the diabetes section can reduce the diabetes rating by one table. The alcoholism section also has some credits available for AA attendance and negative CDT, which can reduce the final rating by up to two tables. Applying all the applicable credits will allow us to make more competitive offers.

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## As Is OFFERS

### CASE STUDY #1 MALE AGE 32 FOR 500,000

Admits to sleep apnea diagnosed in 2012 and "sleeps with CPAP" according to the application. Paramedical shows non-ratable build and diagnosed with sleep apnea in 2012 by a sleep study and now "uses CPAP." The extensive APS didn't include the sleep study. The offer was possible rated offer subject to the sleep study.

The favorable factors on this file include the admission of his sleep apnea with CPAP use. However, the frequency of this CPAP usage is not known or his AHI. While having the sleep study is most ideal, an as is offer with a small rating may be preferable to the client, with possible reconsideration if the sleep study is provided.

### CASE STUDY # 2 FEMALE AGE 49 FOR 300,000

No admitted history on the application. Paramedical labs showed normal kidney function tests along with a urine showing leukocyte esterase positive with WBC 40-60, elevated squamous epithelial cells, no RBC's, and normal protein. The offer was possible standard subject to two additional repeat urines.

The elevated squamous epithelial cells indicate that that there was contamination on the urine collection, which means that the urine results are less reliable. The manual suggests to get a repeat for greater than 50 WBC/HPF. Since the WBC's are in a younger female with no other concerns, we could possibly have been accepted as is without additional repeats. In the younger ages, consider asking the doctor to allow without repeat urines, even if the WBC are > 50.

### CASE STUDY #3 FEMALE AGE 49 FOR 200,000

APS shows a normal pap in 2008 and a pap with ASCUS in 2011. There were no further pap smears in the file but she has been seen on a regular basis by her physician. She is married and has no history of HPV in the APS. The offer was possible standard subject to a current pap smear.

The favorable factors on this file include the previous normal pap in 2008 and no history of HPV. For younger women, ASCUS results are more often related to HPV infection. In older women, ASCUS results are more often related to vaginal infection or cervical inflammation. Our manual suggests to offer with no rating for ASCUS. While having a more current pap smear may be ideal, it is not critical. An as is offer of standard would be possible on this file.

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## MORE COMPETITIVE OFFERS

### **CASE # 1 MALE AGE 60 FOR 100,000**

PARAMEDICAL SHOWS BUILD OF 5.11 203 WITH BP READING 140/85. FASTING BLOOD PROFILE SHOWS CHOLESTEROL/HDL OF 2.9, HDL 65, TRIGLYCERIDES 77, AND GLUCOSE 107 (NORMAL UP TO 99) BUT HBA1C AND FRUCTOSAMINE WERE NOT AVAILABLE. URINE WAS NORMAL, AND NO FAMILY HISTORY OF DIABETES. LAST VISIT WAS OVER A YEAR AGO WITH NO ADMITTED HISTORY OF DIABETES. **OUR OFFER WAS LOW SUBSTD FOR INCREASED GLUCOSE.**

OVERALL, THIS IS A VERY FAVORABLE FILE WITH THE EXCEPTION OF THE INCREASED GLUCOSE AND BORDERLINE BP READING. DUE TO THE FAVORABLE FACTORS (BUILD, FAMILY HISTORY, URINE FINDINGS, ETC), A MORE COMPETITIVE OFFER COULD HAVE BEEN MADE.

### **CASE STUDY # 2 MALE AGE 53 FOR 3 MILLION**

PARAMEDICAL SHOWS BUILD 6.0 275 WITH BP 123/79 ON MEDICATION. PAST TREADMILL IN 2010 AND ECHO IN 2012 WAS NORMAL. CURRENT ECG IS NON-RATABLE AND CURRENT BLOOD PROFILE IS NORMAL. **OUR OFFER WAS LOW SUBSTD FOR BUILD ALONG WITH THE HISTORY OF HTN.**

ON THIS FILE, THE BUILD CALCULATOR WAS USED TO DETERMINE THE RATING FOR THE BUILD. WHEN USING THE CALCULATOR, IT DETERMINES THE CLOSEST RATING. IT IS BEST TO LOOK AT HOW CLOSE THE BUILD IS TO THE SUGGESTED RATING, IF YOU USE THE CALCULATOR IN THIS SITUATION, THE BUILD WAS ACTUALLY AROUND +30 AND CREDITS WERE AVAILABLE FOR NONSMOKING TO ALLOW FOR A STANDARD OFFER.