

# Financial underwriting requirements<sup>9</sup>

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See footnote below and page 9 for definitions and additional information

Face amounts	Age 69 and below	Ages 70 and above
\$2,000,000	N/A	<ul style="list-style-type: none"> <li>Financial questionnaire</li> <li>For trusts: complete trust document</li> </ul>
\$2,000,001 to \$5,000,000	N/A	<ul style="list-style-type: none"> <li>Financial questionnaire</li> <li>For trusts: complete trust document</li> </ul>
\$5,000,001 to \$10,000,000	<ul style="list-style-type: none"> <li>Financial questionnaire</li> <li>E-Inspection and national credit file</li> </ul>	<ul style="list-style-type: none"> <li>Financial questionnaire</li> <li>Inspection report</li> <li>Documentation of net worth by disinterested third party</li> <li>For trusts: complete trust document</li> </ul>
\$10,000,001 +	<ul style="list-style-type: none"> <li>Financial questionnaire</li> <li>E-Inspection and national credit file</li> <li>Documentation of net worth by disinterested third party</li> <li>Prior year's federal income tax statement; for business coverage, corporate business financial statements acceptable in lieu of personal income or business tax returns. Business financial statements must include proposed insured's/owner's income or compensation; otherwise, copies of the client's personal or business tax returns will be required.</li> </ul>	<ul style="list-style-type: none"> <li>Financial questionnaire</li> <li>Inspection report</li> <li>Documentation of net worth by disinterested third party</li> <li>For trusts: complete trust document</li> <li>Prior year's federal income tax statement; for business coverage, corporate business financial statements acceptable in lieu of personal income or business tax returns. Business financial statements must include proposed insured's/owner's income or compensation; otherwise, copies of the client's personal or business tax returns will be required.</li> </ul>

## Approved vendors

### Approved paramedical vendors

<b>APPS</b> (American Para Professional Services) (800) 727-2101 <a href="http://appslive.com">appslive.com</a>	<b>ExamOne</b> (a Quest Diagnostics Company) <a href="http://portal.examone.com">portal.examone.com</a> please note: online orders only
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### Approved APS retrieval services

<b>Parameds.com</b> (888) 766-3999 or (718) 575-2000 <a href="http://parameds.com">parameds.com</a>	<b>Express Imaging Services (EIS)</b> (888) 846-8804 <a href="http://eiscallcenter.com">eiscallcenter.com</a>
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### Approved laboratory testing services

CRL (Clinical Reference Lab)

### Approved inspection report services

CRL Plus

<sup>9</sup> For IUP-eligible cases, inspection report is required over \$2,000,000.

## Financial underwriting

Purpose	Description/Criteria	Amounts	
<b>Personal</b>			
		<b>Growth potential</b>	
		<b>Maximum</b>	<b>Ages</b>
<b>Income replacement<sup>10</sup></b>	<p><b>Working individual</b> – All sources of earned income, including salary, bonus or other deferred compensation or gross annual earned income</p> <p><b>Non-working spouse, co-breadwinner, and other dependent adults</b> – To determine if any amount is available, require income information and amount of insurance on breadwinner</p> <p><b>Unemployed</b> – To determine if any amount is available, require information regarding past earnings, current assets, past and future occupation contemplated</p>	30x income	18–40
		25x income	41–45
		20x income	46–55
		15x income	56–60
		10x income	61–70
		5x income	71–79
		Individual Consideration	80 and up
		<b>50%–75% life expectancy x appropriate estate growth factor x applicable tax rate</b>	
		<b>Age</b>	<b>Estate growth</b>
<b>Estate planning</b>	Need clear figure of net worth	< 70	7%
		70–79	6%
		≥ 80	2%
<b>Juvenile</b>	<ul style="list-style-type: none"> <li>• Equal amounts on all children</li> <li>• Provide coverage information on application – Total life insurance inforce or pending in all companies on the juvenile and on the applicant or child’s parent AND reason if there are any other children in the family insured for a lesser amount</li> </ul>	¼ to ½ amount on parent or payor Special rules apply in NY, WA and MD	
		<b>Charitable</b>	Cover letter explaining interest in the charity and how the amount was determined
<b>Future inheritance</b>	<ul style="list-style-type: none"> <li>• Donor must be age 70 or older; If donor &lt; 70, a detailed explanation from independent source must be submitted confirming Life expectancy &lt; 5 years</li> <li>• Cover letter containing estate planning details</li> <li>• Applicable trust documents, will, or other third-party verification of expected inheritance</li> <li>• Verification of net worth of parent(s) or bequeather(s)</li> </ul>	Growth rate factor up to 3%–5% for a maximum of 10 years	
<b>Long-Term Care Services<sup>SM</sup> Rider (LTCSR)</b>	LTCSR questionnaire plus other new business requirements	Maximum monthly benefit available, including pending plus inforce LTCSR, all companies, is lesser of \$50,000 or 3x annual income/12 at ages > 50 or 6x annual income/12 at ages ≤ 50	
<b>Debt repayment</b>	Amount of loan, loan duration, date loan committed, name of lender and collateral pledged to secure loan	Loan duration at least 5 years – 100% of loan amount x% ownership of business	

<sup>10</sup> Financial guidelines may be different for Term-in-10<sup>SM</sup>

## Financial underwriting cont'd

Purpose	Description/Criteria	Amounts
<b>Business</b>		
<b>Buy-Sell</b>	<ul style="list-style-type: none"> <li>• Insured percentage of ownership in business</li> <li>• Cover letter regarding buy-sell arrangement</li> <li>• Confirmation that buy-sell agreement has been executed, information regarding business partners applied in like manner</li> </ul>	Percent ownership x market value of business; in some cases, coverage is available based on projected value of business, not to exceed 2x market value
<b>Key person</b>	Cover letter describing how amount was determined	10x compensation (salary plus bonus)
<b>Employee benefit</b>	Cover letter describing how amount was determined, who is covered, formula for determining coverage amount, and size of company	Individual consideration
<b>Debt repayment</b>	Amount of loan, loan duration, date loan committed, name of lender and collateral pledged to secure loan	Loan duration at least 5 years — 100% of loan amount x% ownership of business