Underwriting

What you need to know about...avocations

When many of us hear "underwriting," we immediately associate it with a client's medical or financial history. However, several other factors can affect the pricing of a risk, including avocations.

An avocation is an activity that people engage in outside of their regular occupation—specifically, a hobby. Avocations include aviation, scuba diving, race car driving, skydiving, and mountain climbing. Below, we will further explore two of the most common avocations encountered during the underwriting process.

Aviation

Aviation is one of the most common avocations seen during the underwriting process. There are several questions life insurance carriers will request when determining how to price aviation risk, including:

- Is the client a student pilot? A student pilot is at the beginning stages of their training and cannot fly without being accompanied by a flight instructor.
- Does the client have an Instrument Flight Rating (IFR)? A pilot with an IFR is trained to fly by referencing the instruments located within the aircraft and is specially trained to safely operate a plane when the weather is deemed too severe to fly by visual reference only. Pilots with an IFR are more experienced than those with only a Visual Flight Rating (VFR) and are generally offered lower premiums by the carriers.
- How many hours has the client flown in the past, and how many hours do they intend to fly in the future? Carriers generally like to see at least 100 hours of solo flight experience and 26-150 hours per year to avoid adding a flat extra or table rating to the premium.

Several other factors—type of aircraft flown, business flying, and flights to foreign countries—can also affect how a carrier assesses an aviation risk.

Scuba diving

Scuba diving is another common avocation encountered during underwriting. Like aviation, there are several questions carriers will request when determining how to price scuba risk. These include:

- How many dives per year?
- Maximum scuba diving depth?
- Average scuba diving depth?
- Type of scuba diving? (recreational scuba diving only/no cave or wreck scuba diving)

How to find a suitable carrier

Several carriers specialize in underwriting clients participating in aviation, scuba diving, and other avocations. A great way to determine which carrier better suits your client's needs is to contact your Crump underwriter or have your client complete an avocation questionnaire. Questionnaires for specific avocations are available at your Crump website by clicking Underwriting > Underwriting Questionnaires.

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