

THE UNDERWRITING COVER LETTER

Overview	<p>The cover letter is the underwriter's window to your client. The cover letter should include all pertinent information that would help the underwriter make an informed decision about your client's case. In some instances, taking the time to prepare a cover letter may make the difference in the case being accepted or not.</p> <p>This highlighter contains helpful tips on writing a cover letter that will be useful to the underwriter. Not all the information discussed will be applicable in all cases. Be sure to tailor your letter to meet the specific needs of your case.</p>
When to Use a Cover Letter	<p>Although a cover letter is not necessary in most routine situations, it is recommended for large amount, complex or unique cases. You may want to include a cover letter for:</p> <ul style="list-style-type: none"> ▶ Complex estate cases ▶ Business insurance cases ▶ Special Needs Solution cases ▶ Larger cases that require an explanation of the need ▶ Smaller cases where the need for the amount of coverage may not be readily apparent ▶ Rated cases for which medical conditions need to be explained ▶ Older age cases which require more detailed information than can be readily provided on the application or worksheet ▶ Unusual avocation, travel interest, beneficiary/ownership arrangements, or anything out of the ordinary
Basic Identifying Information	<p>Always provide basic information which identifies the client and the particular case, including:</p> <ul style="list-style-type: none"> ▶ Identify form by recording "COVER LETTER" at the top of the document when submitting to Underwriting ▶ Client's name and date of birth ▶ Amount and policy applied for ▶ Owner's name (if other than the proposed insured)
Insurable Interest	<p>Is the amount of insurance applied for, and the ownership and beneficiary arrangement reasonable and in line with insurable interest guidelines? Include information to support the case such as:</p> <ul style="list-style-type: none"> ▶ Name of beneficiary and relationship to the proposed insured ▶ Name of the owner and relationship to the proposed insured ▶ Name of the premium payer, relationship to the proposed insured, and amount of life insurance coverage currently in force ▶ Explanation of the need and purpose of the insurance and how the amount of insurance was determined. When appropriate provide outputs such as the Needs Analysis from Financial Solutions. ▶ If a trust is to be owner and beneficiary, furnish the name of the trust, name of the trustee(s), and date of the trust or Trustee Statement and Agreement form (ORD 86044).

<p>Insurance Profile</p>	<p>Include current life insurance coverage and historical insurance activity:</p> <ul style="list-style-type: none"> ▶ List all inforce life insurance policies, including issuing company, amount, purpose and if any is to be replaced by the proposed insurance ▶ Total amount applied for in all companies and whether we will be sharing the total risk with other companies or if we are in competition with other companies for the business ▶ Total amount and types of insurance to be placed and inforce in all companies ▶ Any history of adverse action taken by another company (rating, rejection, etc.)
<p>Financial Disclosure</p>	<p>Provide information which supports the amount of insurance being applied for.</p> <ul style="list-style-type: none"> ▶ Indicate the applicant's net worth and income and include a breakdown of assets, liabilities, and sources of income. ▶ For larger amount cases, include financial documentation to substantiate the applicant's net worth and income (i.e., personal or business financial statements including balance sheets and income statements, tax returns, etc.) ▶ If a third party advisor is involved in the insurance transaction, include their name and address and outline the recommendations made to support the insurance being applied for ▶ Include copies of any materials you used in determining the amount of insurance applied for (i.e. Case Presentation from approved software).
<p>Medical History</p>	<p>The only "bad" information is that which is not provided. Full medical information will be gathered from the applicant either by: (1) you, if you are completing a paper application; (2) a Home Office underwriter, if the case is submitted through the Life New Business Process (LNBP); or (3) by a medical examiner. You may, however, wish to briefly outline the medical profile especially:</p> <ul style="list-style-type: none"> ▶ If there is pertinent information about the applicant's activities that has a bearing on the overall health evaluation such as a regular, strenuous exercise regimen; or ▶ If the applicant has a complicated or significant medical condition that you wish to bring to underwriting's attention.
<p>Suitability</p>	<p>Provide any details supporting the resolution of suitability issues regarding product, fund selection or affordability.</p>
<p>Personal Knowledge</p>	<p>Help the underwriter know your client by providing any unique features about the applicant or application that may affect the underwriting decision.</p> <ul style="list-style-type: none"> ▶ Provide details of your relationship with the applicant, including how long you've known him/her, the nature of your relationship, how you met, how frequently you see him/her, and any other information you feel would have a bearing on the case. <p>This highlighter does not supersede contractual provisions.</p>

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