

# Life Insurance Underwriting Pocket Guide





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## **Introduction**

This guide has been developed to assist you with the application and underwriting process. The underwriting rules are subject to change; therefore, this guide will be refreshed, as necessary. Please make sure you have the most up-to-date underwriting charts and guidelines.

## **New York Life's Underwriting Mission**

New York Life's underwriting mission is to put good business on the books while providing professional and consistent underwriting service in a timely and efficient manner. This philosophy will contribute to New York Life's long-term growth, while, at the same time, protect its long-term financial integrity.

## **Field Underwriter's Responsibility**

One of the primary responsibilities of an agent is to be an effective field underwriter. The field underwriter is required to gather and record accurate and thorough responses to each question on the application. The field underwriter is also responsible for providing the company's Privacy and Information Practices brochures to the client.

## **Underwriter's Responsibility**

The underwriter's primary responsibility is to provide fair and consistent underwriting decisions that protect the company's financial integrity while accepting prudent risks that serve in the best interests of our policyholders. The underwriter is responsible for evaluating and categorizing each client's risk based on medical and nonmedical information gathered by the agent on the application and from other sources.

## **The Life Insurance Application**

The application is a legal document that represents an agreement between the policy owner and New York Life Insurance Company. As such, there are rules that must be followed in order to maintain the integrity of the contract:

- Ask each question as stated on the application
- Record accurate and thorough information
- Prepare the application with deliberate neatness

Correct mistakes by drawing a SINGLE line through the error, writing the correct response next to it, and having the applicant initial it (Wite-Out or highlighters cannot be used on applications).

- Obtain the correct state HIV Notice and Consent and replacement forms
- Make sure all parties sign the application
- Proofread the application before handing it in to the General Office staff

A complete application results in a faster processing time. Missed questions or incomplete information could result in delays for both you and your client.

## **TeleApp**

In approved jurisdictions, for insureds of all ages with face amounts up to and including \$5,000,000, Part 2 of the application can be completed through the TeleApp process. A New York Life call center representative will ask the client personal and health history questions, record their answers, and submit the completed Part 2 directly to underwriting.

## **Medical Impairment Information**

If a proposed insured has a known medical condition and you would like to make a preliminary assessment, please reference the Agent's Medical Underwriting Pocket Guide or contact your underwriter with the following information:

- Specific diagnosis of the impairment
- Date of diagnosis or onset
- Treatment, including date and specific medication prescribed
- Frequency and duration of episodes
- Date of most recent episode
- Tests completed, including date and results
- Date of the last visit to the treating physician

## **Inspection Reports (IRs)**

Inspection reports (face-to-face interviews) are obtained on total risk amounts of \$15,000,001 and more. Clients should be prepared to complete a "face-to-face" interview with a consumer reporting company for New York Life.

## **Telephone Interview Reports (TIRs)**

The Telephone Interview Report (TIR) program is an in-house service provided for cases not using TeleApp with total risk amounts of \$500,000 to \$15,000,000. Amounts over \$5,000,000 also require an outside financial source. For select agents, a TIR will be obtained on non-TeleApp cases with total risk amounts of \$2,500,001 to \$15,000,000. TIRs may also be conducted on cases below \$500,000 for quality assurance purposes.

These are some very important tips to foster smooth processing of the TIR:

- Provide the correct phone number on the application and the best time to call your client
- Inform your client that he or she will receive a call from a New York Life representative who will ask a range of questions (such as employment, financial, medical history, etc.) that will be similar to questions answered on the application
- Advise your client that responses are confidential and used only for underwriting purposes
- If your client does not speak English, please indicate which language and/or dialect the proposed insured speaks, to ensure that an interpreter is on the line

## **IRS Form 4506-T**

An IRS Form 4506-T is required on all proposed insureds age 65 and older with a total risk of \$250,000 or more, and may be requested on other cases for cause. This form allows a copy of the proposed insured's tax returns from the past two years to be obtained directly from the IRS.

## **Motor Vehicle Reports (MVRs)**

A Motor Vehicle Report (MVR) will be obtained on all cases (except SPUL, SPVUL, and EWL) with a total risk amount of \$100,000 and more, at issue ages 16 and over.

## Prescription Histories

A prescription history will be obtained on all applications for proposed insureds age 18 and older with a total risk of \$100,000 or more, and may be requested on other applications for cause.

## Attending Physician Statements (APSs)

An APS may be obtained for cause at the underwriter's discretion. A routine age and amount APS, however, will be requested under the following circumstances:

Age at Application	Amount
0–29 years*	\$1,000,001 and over
30–40 years old	\$1,000,000 and over
41–45 years old	\$500,000 and over
46–50 years old	\$250,000 and over
51–65 years old	\$200,000 and over
66–69 years old	\$50,000 and over
70 years old and over	All amounts

## Meaningful APS

A meaningful APS contains records that demonstrate a proposed insured has established and ongoing medical care. For proposed insureds age 60 and older, a meaningful APS is required, and the lack of such may result in adverse underwriting action.

## Cover Letters

Cover letters are especially helpful to an underwriter and should be used whenever you feel there is information that may need clarification. This is your opportunity to provide greater detail to help the underwriter better understand the risk presented by your prospective client. Examples of details to include are:

- How well you know the client
- How the sale developed, the purpose of insurance, and the determination of face amount
- Unusual or extensive medical histories or financial situations
- Clarification of an unusual beneficiary or ownership arrangement
- Discussions with the underwriter prior to the application submission
- If there are other insurers involved or if the case is known to be substandard
- Any information that may be unclear on the application

\*An APS is required at all amounts for insureds younger than 24 months who were born prematurely.

# New York Life

Amount	Ages 0–17	Ages 18–29	Ages 30–39
\$0–\$49,999	Part 2 – Section B	Part 2 – Section B	Part 2 – Section B
\$50,000–\$99,999	Part 2 – Section B	Part 2 – Section B, Oral Fluid #	Part 2 – Section B, Oral Fluid #
\$100,000–\$250,000	Part 2 – Section B	Part 2 – Section B, EBD	Part 2 – Section B, EBD
\$250,001–\$500,000	Part 2 – Section B	Part 2 – Section B, EBD	Part 2 – Section B, EBD
\$500,001–\$1,000,000	Part 2 – Section B	Part 2 – Section B, EBD	Paramed, Blood, Urine
\$1,000,001–\$2,500,000	Paramed	Paramed, Blood, Urine	Paramed, Blood, Urine
\$2,500,001–\$5,000,000	Paramed	Paramed, Blood, Urine	Paramed, Blood, Urine
\$5,000,001–\$10,000,000	MD Exam	MD Exam, Blood, Urine	MD Exam, Blood, Urine
\$10,000,001 and over	MD Exam	MD Exam, Blood, Urine	MD Exam, Blood, Urine

## Legend

# Dried blood profile and urinalysis should be done in the state of Vermont

## Part 2 – Section B

Medical history questions, formerly referred to as a Non Med or Section P of the application

**Expanded Blood Draw (EBD):** Blood draw, urine, physical measurements, and minimal medical history questions

**Senior Supplement (Sr. Supp):** Cognitive and physical function test

**For TST and ECG,** smokers are defined as individuals who have smoked cigarettes within the previous 12 months

TSTs are not required for insureds over age 75

For nonsmokers on survivorship policies, an age and amount Treadmill (TST) is not required until \$20,000,001 and over



# Underwriting Chart

Ages 40–49	Ages 50–59	Ages 60–69	70 and over
Part 2 – Section B	Part 2 – Section B	Paramed, Urine	Paramed, Urine
Part 2 – Section B, Oral Fluid #	Paramed, Oral Fluid #	Paramed, Oral Fluid #, Urine	Paramed, Blood, Urine, ECG
Part 2 – Section B, EBD	Paramed, Blood, Urine	Paramed, Blood, Urine, ECG	Paramed, Blood, Urine, ECG, Sr. Supp
Paramed, Blood, Urine	Paramed, Blood, Urine	Paramed, Blood, Urine, ECG	Paramed, Blood, Urine, ECG, Sr. Supp
Paramed, Blood, Urine	Paramed, Blood, Urine, ECG (if smoker)	Paramed, Blood, Urine, ECG	Paramed, Blood, Urine, ECG, Sr. Supp
Paramed, Blood, Urine, ECG (if smoker)	Paramed, Blood, Urine, ECG	Paramed, Blood, Urine, ECG	Paramed, Blood, Urine, ECG, Sr. Supp
Paramed, Blood, Urine, ECG	Paramed, Blood, Urine, ECG	Paramed, Blood, Urine, ECG	Paramed, Blood, Urine, ECG, Sr. Supp
MD Exam, Blood, Urine, ECG	MD Exam, Blood, Urine, ECG, TST (if smoker)	MD Exam, Blood, Urine, ECG, TST (if smoker)	MD Exam, Blood, Urine, ECG, Sr. Supp, TST (if smoker)
MD Exam, Blood, Urine, ECG	MD Exam, Blood, Urine, TST	MD Exam, Blood, Urine, TST	MD Exam, Blood, Urine, ECG, Sr. Supp, TST

## Note

Regardless of the required Part 2 or exam type, Part 2 – Section A (Personal History) must be completed for all applications

For TeleApp age and amount requirements, see the chart on pages 7–8

For Asset Preserver age and amount requirements, see the chart on pages 9–10

# New York Life TeleApp

The current maximum face amount for TeleApp is \$5,000,000.

Amount	Ages 0–17	Ages 18–29	Ages 30–39
\$0–\$49,999	TeleApp	TeleApp	TeleApp
\$50,000–\$99,999	TeleApp	TeleApp, Oral Fluid #	TeleApp, Oral Fluid #
\$100,000–\$250,000	TeleApp	TeleApp, EBD	TeleApp, EBD
\$250,001–\$500,000	TeleApp	TeleApp, EBD	TeleApp, EBD
\$500,001–\$1,000,000	TeleApp	TeleApp, EBD	TeleApp, EBD
\$1,000,001–\$2,500,000	TeleApp	TeleApp, EBD	TeleApp, EBD
\$2,500,001–\$5,000,000	TeleApp	TeleApp, EBD	TeleApp, EBD

## Legend

# Dried blood profile and urinalysis should be done in the state of Vermont

**Expanded Blood Draw (EBD):** Blood draw, urine, physical measurements, and minimal medical history questions

**Senior Supplement (Sr. Supp):** Cognitive and physical function test

**For TST and ECG,** smokers are defined as individuals who have smoked cigarettes within the previous 12 months

TSTs are not required for insureds over age 75

For nonsmokers on survivorship policies, an age and amount Treadmill (TST) is not required until \$20,000,001 and over

# Underwriting Chart

Ages 40–49	Ages 50–59	Ages 60–69	70 and over
TeleApp	TeleApp	TeleApp	TeleApp
TeleApp, Oral Fluid #	TeleApp, Oral Fluid #	TeleApp, Oral Fluid #	TeleApp, EBD, ECG
TeleApp, EBD	TeleApp, EBD	TeleApp, EBD, ECG	TeleApp, EBD, ECG, Sr. Supp
TeleApp, EBD	TeleApp, EBD	TeleApp, EBD, ECG	TeleApp, EBD, ECG, Sr. Supp
TeleApp, EBD	TeleApp, EBD, ECG (if smoker)	TeleApp, EBD, ECG	TeleApp, EBD, ECG, Sr. Supp
TeleApp, EBD, ECG (if smoker)	TeleApp, EBD, ECG	TeleApp, EBD, ECG	TeleApp, EBD, ECG, Sr. Supp
TeleApp, EBD, ECG	TeleApp, EBD, ECG	TeleApp, EBD, ECG	TeleApp, EBD, ECG, Sr. Supp

**Note**

For non-TeleApp age and amount requirements, see the chart on pages 5–6

For Asset Preserver age and amount requirements, see the chart on pages 9–10

# Asset Preserver AD114

The maximum face amount for Asset Preserver is \$1,000,000.

Amount	Ages 30–55	Ages 56–65
\$0–\$99,999	Part 2 - Section B	Part 2 - Section B
\$100,000–\$150,000	Part 2 - Section B	Part 2 - Section B
\$150,001–\$300,000	Part 2 - Section B	Paramed
\$300,001–\$500,000	Paramed, Blood, Urine, ECG (if smoker)	Paramed, Blood, Urine, ECG (if smoker)
\$500,001–\$1,000,000	Paramed, Blood, Urine, ECG (if smoker)	Paramed, Blood, Urine, ECG (if smoker)

**Legend**

# Dried Blood Profile and Urinalysis should be done in the state of Vermont

**Part 2 – Section B**

Medical history questions, formerly referred to as a Non-Med or Section P of the application

**Expanded Blood Draw (EBD):** Blood draw, urine, physical measurements, and minimal medical history questions

**Senior Supplement (Sr. Supp):** Cognitive and physical function test. All Senior Supplements must be completed by an examiner

For ages 60–69, a Senior Supplement is required when requesting the Extension of Benefits (EOB) Rider

**For ECG,** smokers are defined as individuals who have smoked cigarettes within the previous 12 months

# Underwriting Chart

For states with Asset Preserver AD113, please refer to The Asset Preserver Agent’s Underwriting Guide for that product’s underwriting chart.

Ages 66–69	Ages 70–79	Age 80
Part 2 - Section B	Part 2 - Section B, Sr. Supplement	MD Exam, ECG, Sr. Supplement
Part 2 - Section B	Part 2 - Section B, Sr. Supplement	MD Exam, ECG, Blood, Urine, Sr. Supplement
Paramed, ECG	Paramed, ECG, Sr. Supplement	MD Exam, ECG, Blood, Urine, Sr. Supplement
Paramed, ECG	Paramed, ECG, Sr. Supplement	MD Exam, ECG, Blood, Urine, Sr. Supplement
Paramed, Blood, Urine, ECG	Paramed, Blood, Urine, ECG, Sr. Supplement	MD Exam, ECG, Blood, Urine, Sr. Supplement

**Note**

Regardless of the required Part 2 or exam type, Part 2 – Section A (Personal History) must be completed for all applications

APS is required from all physicians consulted within the last five years, regardless of reason. If there has been no consultation within five years, an MD exam will be necessary

For products other than Asset Preserver, see the New York Life Underwriting chart on pages 5–6 and the TeleApp Underwriting chart on pages 7–8

# Risk Classification

Minimum Age: 18

Minimum Face Amount: \$100,000

Requirements	Age	Select Preferred
Nicotine		No nicotine use of any kind within the last 5 years
Body Mass Index	18–69	19.5–27.4
	70 & up	19.5–27.4
Cholesterol	18–69	Maximum of 275
	70 & up	140–275
TC/HDL Ratio		≤4.5
Family History <sup>1</sup>	18–69	No cardiovascular or except some skin
	70 & up	
Blood Pressure Maximum	18–59	130/80
	60–69	140/85
	70 & up	145/85
Attending Physician's Statement (APS)	60 & up	Meaningful doctor's
Alcohol/Drug History		No history of alcohol treatment within the
Motor Vehicle Record		<ul style="list-style-type: none"> <li>• No more than two the last 3 years</li> <li>• No alcohol-related the last 5 years</li> </ul>
Commercial Pilots		Not available

<sup>1</sup> For ages 18–69, negative cardiac testing within the last 2 years may offset a family history of cardiovascular disease. For ages 18–69, current negative cancer screening for the specified cancer may offset a family history of that cancer.

# Criteria Chart

Preferred/ Select Standard	Preferred II (Applies only to AD116 WL, CWL, YCT, LCT)	Nonsmoker
<ul style="list-style-type: none"><li>• Preferred: Nicotine use within the last 5 years is not permitted (with the exception of occasional cigar use with negative nicotine screening)</li><li>• Select Standard: Nicotine use is permitted</li></ul>	<ul style="list-style-type: none"><li>• No nicotine use of any kind within <b>the last 24 months</b></li><li>• Will allow occasional cigar use with negative nicotine screening</li></ul>	<ul style="list-style-type: none"><li>• No nicotine use of any kind within <b>the last 12 months</b></li><li>• Will allow occasional cigar or other non-cigarette use with negative nicotine screening</li></ul>
27.5–30.9	31.0–33.5	33.6–34.9
27.5–32.9	33.0–35.5	35.6–36.9
Maximum of 300		Only TC/HDL Ratio applies
140–300		
4.6–6.0	6.1–6.5	6.6–7.0
cancer death in parent/sibling under age 60, cancers and some gender-specific cancers		N/A
135/85	145/90	No ratable blood pressure
150/90	155/90	
155/90	160/90	
statement to document good health		Follow Age and Amount APS guidelines
or drug abuse or last 10 years	No history of alcohol or drug abuse or treatment within the last 7 years	Insurability and rating depend on history
moving violations in  driving violations in	<ul style="list-style-type: none"><li>• Insurability and rating depend on history</li><li>• No alcohol-related driving violations in the last 5 years</li></ul>	Insurability and rating depend on history
	Yes	

## Prescription Drugs

For Select Preferred, New York Life Underwriting allows any combination of the following:

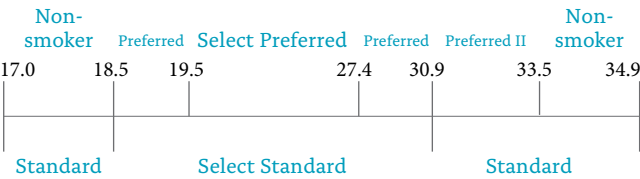
- One statin cholesterol-lowering medication
- Hormone replacement (females)
- Thyroid replacement
- Osteoporosis/osteopenia medications
- Sleep aids
- Allergy medications
- GERD medications
- Nasal steroid spray (allowed only if used periodically for seasonal allergies)

For Preferred, Preferred II, or Select Standard, a single blood pressure medication is allowed, in addition to the criteria listed above.

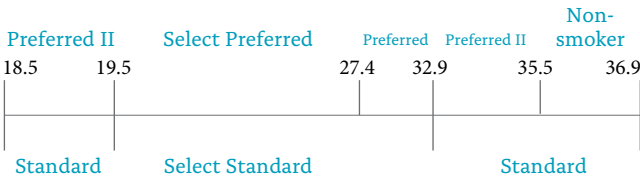
## Body Mass Index (BMI)

BMI is a measurement of body fat based on height and weight that applies to both adult men and women. It is another way to state the height-weight relationship. The following BMI ranges will be used to determine eligibility for the best rating classes offered.

### Ages 18 through 69



### Ages 70 and Over



To calculate the BMI, use the following formula and round to the nearest tenth (weight in pounds, height in inches):

$$\text{BMI} = [\text{Weight}/(\text{Height} \times \text{Height})] \times 703$$



## Income Replacement Guidelines

Income replacement is simply intended to replace the earnings of the insured, should he or she die prematurely. Generally, only earned income should be used in determining the amount of insurance needed. If unearned income stops upon the death of the insured, then it too should be used in determining the replacement income. If the unearned income, such as that from investments, continues upon the death of the insured, then it should not be taken into consideration in determining the amount of insurance.

When evaluating a prospective client's financial situation, the underwriter considers many factors, such as earned income, unearned income, net worth, occupation, age, and future income potential. The chart below is a guide:

Age	Amount
0-40	35x
41-50	25x
51-60	20x
61-65	10x
66+	5x

## Reinsurance

Reinsurance provides a way for New York Life to protect itself from financial disaster by sharing the risk. Reinsurance redistributes or diversifies the risk or threat associated with the business of issuing policies. There are two primary types of reinsurance:

- Automatic reinsurance is an agreement between New York Life and the reinsurer whereby the act of risk transfer will be done without the reinsurer "reunderwriting" the case based on the agreements of the treaty.
- Facultative reinsurance is an agreement by which a reinsurer independently evaluates the case and either accepts New York Life's assessment, offers a counter proposal, or declines to cover the risk. Minimum face amount for facultative consideration is \$100,000.

New York Life sends all eligible Class 5 or higher risks to Facultative Reinsurance (except FPT, SPVUL, Asset Preserver, and EWL). Unlike many of our competitors, New York Life will honor its original assessment when the reinsurance offer is inferior. This will ensure that your client receives the best possible offer.

## New York Life Retention Limits

Retention limit is defined as the maximum amount of life insurance, in force and applied for, that New York Life is able to retain without the need for reinsurance. Retention limits are set by the Board of Directors.

### Single Life Maximum Limits

Issue Age	WL (\$M)	UL/Term/VUL (\$M)
0–60	\$40	\$25
61–65	\$30	\$25
66–75	\$20	\$15
76–79	\$10	\$7.5
80–85	\$5	\$5
86+	\$5	\$5

### Joint Life Second-to-Die Maximum Limits

Issue Age	SWL (\$M)	SUL/SVUL (\$M)
0–60	\$50	\$40
61–65	\$40	\$30
66–75	\$30	\$25
76–79	\$15	\$10
80–85	\$7.5	\$7.5
86+	\$7.5	\$7.5

The Joint Life Second-to-Die Maximum Retention Limits will be reduced by the total amount of insurance coverage on the two insureds already issued by all New York Life companies.

## Informal Inquiries

Informal inquiries remain an important part of your business. An informal inquiry is used to determine whether or not a policy might be issued on a client, and at which possible classification, before an application is formally taken.

There are two types of informal inquiries: pre-trust or insurability. For a pre-trust case, a formal application is not used because the trust has not yet been finalized. Insurability cases are those where the intention is to determine the likelihood of a client's insurability based upon the information submitted.

The agent should fully complete the informal inquiry form (#22078.100) and identify whether the inquiry is for insurability or pre-trust. This two-page form includes a special authorization to allow the company to check the Medical Information Bureau (MIB) and to obtain medical records, as needed.

**Important note: Deposit premiums and temporary coverage should never be accepted or provided on these cases.**

For an insurability case, the underwriter will review the history and advise the General Office to order specific medical requirements or Attending Physician Statements, as needed, from the medical providers indicated on the form, to assess the risk. For a pre-trust case, the agent may order the appropriate age and amount medical requirements. The underwriting department will order any TIRs or MVRs, as needed.

When a decision on the informal inquiry has been made, the General Office will be notified through NB21. The Administrative Manager will be instructed to print and deliver the offer or declination letter to the agent. No letters will be sent to the client and/or applicant.

## Notes

[illegible]

[illegible]

# Life Insurance Underwriting Pocket Guide

Last updated September 2016.  
For Internal Use Only.  
Not to be used with the general public.

## **New York Life Insurance Company**

### **New York Life Insurance and Annuity Corporation (NYLIAC) (A Delaware Corporation)**

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