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Delivering A Disability Policy

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This is the fifth article in an eight-part series which discusses the importance of income insurance protection.

Delivering a policy that has been issued as applied for is normally a piece of cake, unless the applicant was not really convinced of the need at the time of the application and when you call to set up an appointment, or arrive at their place of business to deliver the policy, you get a cold shoulder. In that case, what do you do?

Well, one of the remedies might be to resell the need by drawing upon both statistics and other news articles that demonstrate disabilities, and thoroughly review the policy and its benefits. But what happens if the policy was issued other as applied for?

I would hope that either at the time of the application, the pre-existing condition (if revealed) and the possible outcome (exclusion, etc.) was discussed, or at some point during the underwriting cycle it was brought to the attention of the agent for possible remedy.

When/if the condition was brought to the attention of the agent prior to policy issue, some negotiation might alter the final outcome so long as the condition/issue allowed some wiggle room.

Some examples might be the following;

1. Rating: This is usually imposed when there is something that can't be excluded, such as being overweight, etc., and depending on the percentage, it may also imposes a shorter benefit period and or a deletion of certain options.

2. Exclusion: This can be either permanent, or for a period of time and thereafter be considered for removal if the condition was not chronic. Sometimes the condition may allow a longer elimination period and/or a shorter benefit period in lieu of the exclusion resulting in coverage.

It is important to note, that not all exclusions/ratings, etc., are due to medical reasons. Some of these can be due to a driving record or due to a dangerous avocation such as, scuba diving, rock climbing, etc. In any event, it is always wise to discuss the issues with the policyholder early on, in order to determine if there is some additional information available to clear up the underwriter's decision. Of course, the best time would be while taking the application when the issue was detected and then submitting a cover letter which might influence the outcome.

In any event, even with exclusion, under certain conditions, it is still possible, that the disability might be covered if it can be proven that the disability was independent of the injury (such as from a major auto accident or a burn).

Lastly, in a difficult situation, it is always best to focus on what *is* covered than what *isn't*, which far outweighs the exclusion, and let them know that it may not be permanent.

Sometimes going to another carrier may produce different results, but I wouldn't hold my breath on a more favorable outcome!

Larry Schneider is a disability specialist with over 35 years experience and is the owner of Disability Insurance Resource Center. He is also an expert witness consultant for disability insurance claims which have been inappropriately denied and a national resource for hard to place prospects, as well as a brokerage for standard cases. One of the author's divisions has developed a Sales and Marketing Turnkey System, made up of eight manuals and other sales aids, each devoted to one segment of the sales cycle (prospecting, rebuttals, etc.). You can contact him at (800)551-6211, by e-mail at info@di-resource-center.com, or by visiting his Web site at www.di-resource-center.com.

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