

# Risk Differentiation Underwriting (RDU)

A unique underwriting solution that delivers extraordinary life insurance results for your affluent clients

## CHALLENGE

UL coverage declined due to presumed neurological impairment

## RESULT

The client is approved for UL coverage on a preferred nonsmoker basis and doubles the face amount to “insure her insurability”



### The challenge

UL coverage declined due to presumed neurological impairment

A 70-year-old woman was declined \$1.25 million in UL coverage due to multiple falls in the past six months that indicated possible neurological impairment. The pre-established presence of an inverted right foot deformity, scoliosis with tilted pelvis and osteoarthritis in both knees was revealed in the initial clinical triage notes.

Could her falls be skeletal based and not neurologically induced?



### The strategy

Differentiate the cause of her falls to reinstate eligibility

A risk differentiation underwriting (RDU) strategy is immediately discussed with the advisor. The RDU team interviews the client, gathering details about each of the falls. The client states her foot deformity and prevailing scoliosis often cause her to “catch a stair, clip a piece of furniture or snag a rug.” Moreover, she says this is what happened with each of her falls.

Based on the RDU recommendation — and with the client’s blessing — the client’s internist and geriatrician agree to meet with her and evaluate the RDU assessment that her stumbles are musculoskeletal and not caused by any neurological condition.

“ Upon review by the physician, the client is found to be neurologically intact, showing no underlying neuro-deficits whatsoever. ... The doctor agrees to summarize his findings and completely remove the client’s past falls as a potential indicator of premature mortality. ”



## The presentation

### New evidence is presented based on the RDU assessment and medical confirmation

Upon review by the physician, the client is found to be neurologically intact, showing no underlying neuro-deficits whatsoever. The client's episodic falls are clearly understood to be mechanical in nature. The doctor agrees to summarize his findings and completely remove the client's past falls as a potential indicator of premature mortality.

With a newly differentiated picture of the client, a presentation is made to the same carrier that declined coverage 10 days earlier. The unique findings of the RDU team's interview with the client, direct discussions with her geriatrician, and a physical examination by the internist accompanied by an amplified physician narrative are presented to the carrier.



## The result

### The client is approved for UL coverage on a preferred nonsmoker basis and doubles the face amount to "insure her insurability"

- Since RDU was able to "insure her insurability," the client and trustee decided to increase the applied-for amount to \$2.5 million with a target premium of \$109,800.
- The relationship between advisor and client deepened, tied to the most personal aspects of the client's life — her health and mortality.
- The insurance carrier received a more amplified and complete mortality risk assessment and received a high-quality business engagement that would otherwise not have been placed.

### Risk Differentiation Underwriting



The goal of risk differentiation underwriting is not to change the way home office underwriters and medical directors assess risk. It is to recognize when a case exhibits qualities that are inherently different from a standardized version of the same risk.

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