

Ask Your Mutual of Omaha Underwriter

By: Jodie Hofmaier, Manager of Life Underwriting

Q. Several underwriting announcements were made over the past few months. For those who may have missed them, what are some of the highlights?

A. We implemented a host of new underwriting changes that have strengthened our competitive position and also demonstrate our long-term commitment to the life insurance market:

- We now have more liberal preferred risk criteria regarding family history and for those being treated for cholesterol and blood pressure
- A new crediting program targeting 10 common impairments allows us greater flexibility to underwrite on a case-by-case basis
- Our retention limits have increased to \$5 million through age 80

We've also made some service improvements allowing for faster turnaround on Quick Quotes, and informal and formal applications. And, of course, we continue to offer direct access to your underwriters and case managers.

Q. Explain the preferred risk classification changes.

A. Family history now applies to deaths only, rather than disease, and does not apply for those aged 65 or older. For example, an applicant whose parent has severe coronary artery disease (Note: see more on coronary artery disease on page 4) and diabetes is not disqualified from any of our three preferred classifications. Preferred and Standard Plus are allowed even with a family history of death due to cancer.

Another change is that all Preferred classifications are available for applicants being treated for cholesterol or hypertension. And we have significantly increased our maximum total cholesterol limits in all of our Preferred classifications. In fact, United of Omaha's Preferred criteria for treated and untreated cholesterol is ranked at the top of 15 carriers surveyed. We're among the best in the industry. Our build charts are unisex rather than sex distinct and very competitive in the Preferred and Standard Plus classifications.

Q. The recent increase in retention limits to \$5 million puts United of Omaha in a much more favorable competitive position, doesn't it?

A. Yes. This increase from \$1.5 million retention to \$5 million is a very significant step and really points to the confidence we have in our ability to underwrite very competitively. We are re-establishing ourselves in the marketplace, we want to earn your business and this increase will help us to be successful. And, Mutual of Omaha's sound financial position also contributes to our ability to retain more risk.

Q. What are the 10 common impairments in the new credit program, and how does this program change the way you underwrite a case?

A. The crediting program allows us to look for ways to make a better offer than that suggested by our underwriting manual. We can accept the case at a better rating if we can find health and lifestyle “credits” for an applicant with one of these impairments:

- Coronary artery disease (CAD)
- Diabetes
- Multiple sclerosis
- Sleep apnea
- Obesity
- Atrial fibrillation
- Mood disorders/depression
- Asthma
- Barrett’s esophagus
- Drug and alcohol

For these cases, it’s really important that we receive complete information on the application, including a good, detailed cover letter from the agent, so we’ll have what we need to put the crediting program to work for the applicant.

Q. **What other underwriting advantages are worth noting?**

A. Our “age last birthday” rates are making a difference for clients, and we offer a “tobacco” class for both our Standard and Standard Plus classifications. Also, we’re looking at specific groups. For example, commercial pilots for regularly scheduled passenger airlines can qualify for all preferred classes. Private pilots can qualify for Preferred Plus, Preferred or Standard Plus classes with an aviation exclusion rider (AER). We’ll identify other targeted groups in the future.

The best advantage is our strong commitment to do whatever it takes to increase our competitive position in the life insurance market. We’re going to continue to respond and make the changes needed to be at the top.