



Non-Medical Underwriting *Art or Science?*


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Mutual Protective / Medico Life
Insurance Companies



■ *Art*

- Skill acquired by experience, study or observation

■ *Science*

- Knowledge obtained and tested through scientific method
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Product 1

- Preferred Risks are determined by medical qualifications
 - A/E ratios similar for standard & preferred categories
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Product 2

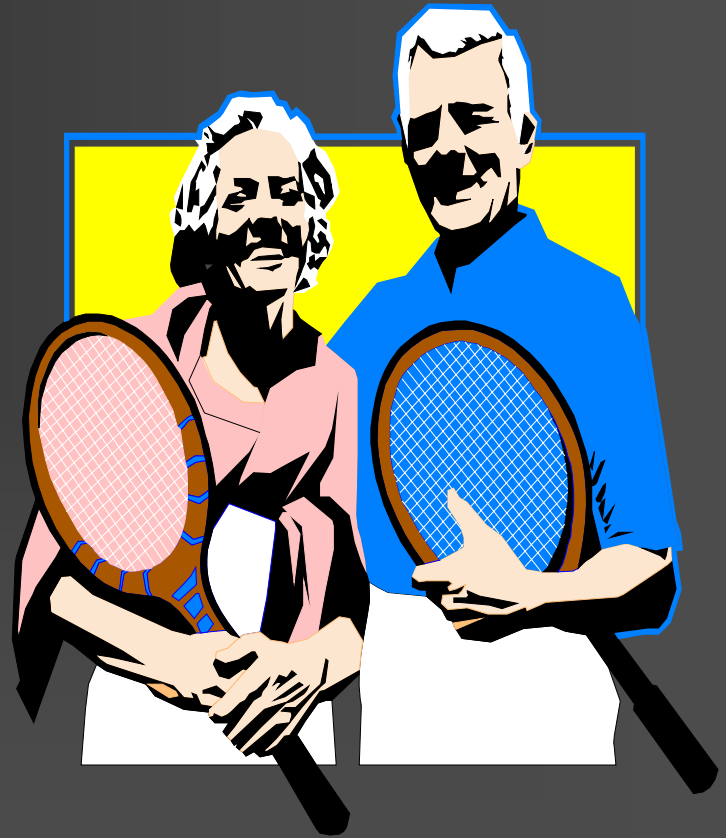
- Preferred Risks determined by non-medical qualifications
 - A/E ratio significantly better for preferred risks
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LTC Underwriter vs Major Med or Life Underwriter

- Major Med underwriters use rate-ups or elimination riders
 - Life underwriters have several rating tables to place people
 - Not much scientific data for LTC underwriter
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Who do you want to Insure?

- Active Couple



Who do you want to insure?

- Not so active couple



The Art of Non-Medical LTC Underwriting

- The tools for accurately assessing the lifestyle risk
 - Key non-medical elements LTC underwriting
 - Factoring in the medical elements
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The tools for accurately assessing the lifestyle risk

- The application questions
 - The agent -- field underwriting
 - Personal health interview
 - Face-to-face examination (para-medical exam)
 - Cognitive screening test
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Key non-medical elements

Living Arrangements

- Own their own home
- Live with a spouse
- Live with children
- Where do they live

Key non-medical elements

Activity Level

- Employed
 - Volunteer Work
 - Exercise
 - Hobbies
 - Safety Precautions
 - Travel
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Factoring in the medical elements

- Smoking
 - Medications
 - Measurements
 - Physicals
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Miscellaneous Factors

- Physical appearance
 - Extended family
 - Reason for purchase
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Good Underwriter needs horse sense

Horse sense is a good
judgement which keeps horses
from betting on people