



Rx FOR SUCCESS

LATEST UPDATE:
UNDERWRITING
INFORMATION

Foreign Residence and Travel

When underwriting life insurance policies, the amount of time a proposed insured spends outside the United States must be evaluated.

The life expectancy of individuals who spend a significant amount of time outside the United States may be affected by the conditions of the countries in which they reside or which they frequent. These conditions may include poor economic conditions, widespread disease, lower standards of public health and sanitation, lack of proper medical facilities and different cultural attitudes toward personal health and safety. Therefore, underwriting generally takes into account the increased mortality risks that may be presented by Non-U.S. Residents, Short Term U.S. Residents and anyone who travels to a foreign country.

Short Term US Residents

A short-term resident is a person who has recently immigrated to the United States with the intention to remain in the United States on a permanent basis.

It is important for a Short Term U.S. Resident to demonstrate an intent to stay in the United States. Establishment of permanent residence with spouse and/or children and a history of steady employment are usually good indicators of such intention. This information will generally be secured by the underwriter during the client interview or by means of the paper application. A cover letter is particularly useful in these cases to help underwriting understand all the facts of the case. In some cases, underwriting may request proof of residence status such as a "green card" or other federal document establishing residency status. Applicants whose intention to remain in the U.S. appears genuine, who are eligible in other respects, are acceptable once U.S. residence is established for normal amounts of coverage commensurate with their needs.

A medical examination is required within 6 months of entry into the United States for all applicants where the standard of living and health care in the country of origin is not comparable to that of the United States (countries in the C-F categories).

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Non US Residents

Non-U.S. Residents are individuals who do not have a full time permanent U.S. residence. They include individuals who reside outside the United States on a full or part-time basis. Citizenship is not a determining factor in defining a Non-U.S. Resident. A Non-U.S. Resident is an individual who:

- visits the U.S. for business or pleasure but maintains permanent residence outside of the U.S. An example may be a U.S. citizen who has moved to Germany, but returns to the U.S. periodically to visit family.
- is expected to reside in the U.S. on a temporary basis. An example may be exchange students or individuals here on business or for professional or educational training.
- resides in the U.S. on a part-time basis only.

When deciding whether a Non-U.S. Resident may qualify for life insurance in the United States, many factors are taken into account, including the country of residence.

All aspects of the insurance transaction **must** be completed in the U.S. including solicitation, completion of the application, medical examination, and contract delivery. Make sure to allow adequate time to complete the underwriting process and policy delivery in the U.S. Do not solicit business, write applications or perform any functions in connection with securing insurance while you are visiting a foreign country.

Other specific compliance procedures apply to Life Insurance sales to non-US residents.

The insurance regulations of some countries prevent their residents from purchasing life insurance outside of their native country.

There may also be U.S. government restrictions regarding life insurance sales with residents of some countries.

For other countries, while there may not be legal or government restrictions preventing us from selling life insurance to their residents, the risks presented by those countries (i.e. crime, health and safety standards, political or economic instability, etc.) are considered too significant to price.

There are many other countries whose residents may be written in the United States. The underwriting category for individuals who reside in these countries will vary dependent upon the risks involved.

Before submitting an application/worksheet for a Non U.S. Resident, an inquiry or advance phone call should be made to your underwriting contact or *The New Business Service Team* to determine any particular underwriting considerations you should be aware of, and the type of client information you need to provide. For example, some supplementary benefits (i.e. Living Needs Benefits, Waiver of Premium, etc.) may not be available to residents of all countries.

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To expedite the Underwriting process, be sure to observe the following underwriting guidelines:

- The proposed insured must spend enough time in the U.S. so that we can gather sufficient information to evaluate the risk and have adequate time to complete the underwriting process and policy delivery.
- ALL applicants must be medically examined. Blood tests, Motor Vehicle Reports (when available), EKGs and Chest X-Rays will be required based on normal age/amount rules. Attending Physician Statement (APS) records including foreign APS records will be requested in **ALL** cases. Third party financial documentation will be required for amounts applied for of \$1,000,000 or more. A copy of a government issued photo (passport or national ID card) ID will be required, as well as a copy of the individual's visa. A copy of the individual's Resident Registration card (Hukou) is required for all residents of China.
- Preferred Best is not available to non U.S. or Canadian residents. Preferred Plus and Preferred Plus Smoker are available to residents of A+ countries when applying for \$1,000,000 or more of permanent coverage. Preferred Non smoker is available to residents of A+ and A countries. Non smoker and Smoker categories are available to A+, A, B, C, and D countries. Residence in C or D countries will generally require a rating. Residents of E countries are not acceptable.
- The maximum age at issue for A+ and A countries is 75; for B countries is 70; for C and D countries is 65. The maximum issue age for all regions and cities in China is 65.
- Expect delays in obtaining information. Obtaining information on a Non-U.S. Resident applying for insurance may be difficult, but every effort must be made to secure the required information. The closer the ties to the U.S., the better the chances of obtaining meaningful medical and financial information in a timely fashion.
- A W8 form is required for those individuals who cannot provide a social security number for the purposes of completing the tax certification.
- Individuals currently active in the military, police, government or judicial services within their resident country may not be considered for life insurance coverage. In addition, those with political or union leadership may be excluded as well. Those associated with diplomatic service may be considered on a case by case basis.
- Past and future travel patterns will be carefully reviewed. Additional ratings may be assessed for travel outside the resident country.
- Contracts to be owned by third party foreign persons or entities will seldom be acceptable since all aspects of the insurance transaction must be completed in the U.S.

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Premiums should be paid annually (for ease of administration), in U.S. currency.

Once approval is granted by Underwriting, the application/worksheet should be submitted on a COD basis.

Foreign Travel

Foreign travel is defined as travel outside the United States. Individuals who travel outside the U.S. will be evaluated based on the country(ies) traveled to, the frequency of travel, their occupations, purpose of travel and length of time spent in those countries.

When submitting the application allow ample time before the Proposed Insured is to leave the United States to complete the underwriting requirements and deliver the contract.

Underwriting will look closely at an individual who applies for life insurance immediately before taking a trip abroad. Approval of the application will depend on such factors as the country being visited, the purpose of the trip, the applicant's occupation, the need expressed for coverage, etc. For some cases, the purchase of life insurance may need to be postponed until the proposed insured returns from his or her trip.

Generally, travel for conventional business or pleasure purposes, for a period of 4 weeks or less to all A-E countries is acceptable, and qualifies for all Preferred categories as appropriate. Travel to an E country for over 4 weeks is not acceptable, and travel to "high risk" locations, or F countries, is not acceptable. Contact underwriting for specific details of F countries.

Applications on U.S. Residents with more extensive travel will be evaluated based on the following factors:

- Country/Countries Visited
- Nature of Housing or Accommodations
- Occupation/Employer
- Standard of Living in Countries Visited

Travel to C or D countries for greater than 3 months may be rated.

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