**Blog Post Content**

Cover Letter Provides Financial Underwriting “Breadcrumbs”

In this case, a 48-year-old female was seeking $15M in IUL coverage. All was well until we were informed that the carrier could not financially justify the request coverage. Upon receiving this news, the news, we worked to re-package the financial underwriting of the case, turning it into a win. Read on for the details!

Case at a Glance

Underwriting Challenge: Financial Justification of Coverage Amount

Product Type: IUL

Face Amount: $15,000,000

Target Premium: $328,200

Situation

* A 48-year-old female was seeking $15MM of IUL coverage.
* Upon initial review of the case, the underwriter was unable to justify the amount of coverage applied for.

Solution

* We created a “to do list” for the insured, which included:
* Preparing a detailed cover letter
* Submitting two years of tax returns
* Updating the carrier’s financial supplement
* After receiving the updated documentation mentioned above, the carrier was able to approve the case based on the following:
* Cover letter verifying the sale of the insured’s business and liquidity event creating the capital required to pay the ongoing premiums.
* The tax returns showing the significant annual income the insured’s business was providing, supporting the indicated sale price of the business.
* The corrected financial supplement
* This updated financial package ultimately allowed the carrier to understand the need for the full $15MM and place $328,200 in target premium.