

UNDERWRITING COVER LETTER TIPS

Purpose: The cover letter provides the underwriter with additional information regarding the applicant's situation and gives specific case details that can help them reach the most competitive offer for your client. Effective cover letters improve communications with the underwriter and may help expedite the underwriting process.

Ideal cover letter content

- 1 General information**
 - Brief history of client, employment, community involvement
 - Your relationship to the client (e.g., new, longstanding, center of influence for you)
 - The offer you are looking for and the time frame involved
 - Any applications currently pending with competitors, and what offers have been received (include names of carriers)
 - Indicate if policies with multiple carriers will be placed and reason why
 - Explanation as to why any requirement is not available or if a substitute requirement will be accepted
- 2 Purpose of insurance, sales strategy and financial information**
 - How did the sale develop? How was the amount determined?
 - **For buy-sell coverage:** Is there a buy-sell agreement or a formal business appraisal completed? If not, how was value of the business determined? Are other partners applying and if not, why?
- 3 Health and lifestyle summary**
 - **For key person coverage:** What are the proposed insured's job duties? How experienced is this person in the industry? How was the loss to the company determined? How long has this business been in operation? How many employees? Is this the only key person?
 - **For loan coverage:** What is the purpose of the loan? Is it an SBA loan? What is the duration of the loan?
 - **For estate planning coverage:** Was an estate planning attorney or CPA involved? How was the face amount determined? Will the policy be trust owned?
 - **For premium financed cases:** What is the exit strategy to repay the loan?
 - Attach any supporting documentation
- Any factors in the client's history that hinders or improves underwriting
 - Any extensive travel plans, or for foreign national clients: Explain tie to U.S.
 - Any details or explanations not provided in the application regarding avocations, aviation or driving history
 - Reasons for any rating or declinations in the past

Products issued by: The Lincoln National Life Insurance Company
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