

Life Insurance Insurability in the COVID-19 World

The only truly negotiable aspect of a life insurance policy premium is the underwriting (insurability) category assigned by the insurance company. An insured's insurability category is the largest determinant of the policy premium, and there can be a very significant variation between life insurance companies.

At the same time, many clients are thinking:

- ▶ "I'm not sure I'm insurable."
- ▶ "I'm probably insurable but the policy is likely to be too expensive."
- ▶ "I'm reluctant to find out my insurability and have the insurance company label me with a bad outcome."

For clients and prospective clients who want to consider new or replacement life insurance, we have the answer to these concerns: Our Confidential Comprehensive Insurability Program (CCIP). This unique insurability determination process is off-the-record. There is no formal application to any insurance company, so no adverse medical information or other perceived insurance risk is recorded with the central life insurance industry database, the Medical Information Bureau (MIB).

There is no cost or obligation to the client. This off-the-record process creates a very effective bidding and negotiating environment to identify and achieve the most cost effective outcome. This ability to negotiate is more important today than ever before because of our COVID-19 world.

COVID-19 Changes

- ▶ Insurance physical exams are being done very carefully, and as safely as possible. Occasionally, if health records are very complete, life insurance physical exams may be avoided altogether.
- ▶ Life insurance applications have increased sharply in the past few months at the same time that insurance company staff have had to adjust to working remotely.
- ▶ Additional COVID-related travel and health questions are asked, which adds to the underwriting complexity. This, coupled with the volume of applications and remote processing, has significantly lengthened insurance company turnaround time.

The Zimdars Company, Inc.

406 Science Drive
Suite 206
Madison, WI 53711-1071

608-231-2700
800-448-2927
Fax: 608-231-6837
info@zimdars.com
zimdars.com



- ▶ Insurance companies have a much greater likelihood of declining or postponing life insurance for anyone who is not insurable at or near the standard premium category out of concern for potentially fatal complications of COVID-19 in higher risk individuals.
- ▶ The very low interest rates resulting from our COVID-19 economic environment have caused insurance company underwriters to be much more “by the book” based on their insurability guidelines, and much less willing to negotiate in borderline insurability situations.

This combination of COVID-related changes makes it more important than ever for your client to work with a life insurance professional who can protect your client’s confidentiality, work with multiple quality life insurance companies, and has the relationships required to achieve cost effective, timely results.

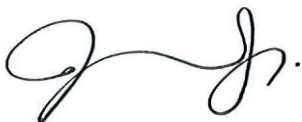
A CCIP Example

*We have one or more cases each year where the client is declined by some insurance companies, and insurable at standard or better premium rates with other companies based upon the exact same insurability information. **Insurability varies between insurance companies, and the resulting premium difference is significant!** Testimonials are available on our website at www.zimdars.com, including clients and advisors who have seen the benefit of our CCIP process.*

Our Confidential Comprehensive Insurability Program (complete description attached)

1. The first step is to identify the client’s life insurance needs and objectives. We work with the client and their advisors to complete this process, and then document the findings in writing for everyone.
2. We identify the appropriate policy design(s) to meet these objectives, including term or permanent life insurance, a guaranteed or flexible premium, and the goal of building cash value or minimizing the premiums.
3. We undertake the insurability determination process to ascertain which quality life insurance companies will offer the most favorable insurability outcomes, leading to the most cost effective premium with the appropriate policy design to meet the client’s needs and objectives.

If you have clients who have questions about existing life insurance policies or need new life insurance, please contact us. We will work with you and your client to determine their **current life insurance needs and objectives**. From there, we can work together to determine case-specific next steps. If new life insurance is a consideration, we will pursue the process outlined above without cost or obligation. We look forward to hearing from you.



John C. Zimdars, Jr., CLU, ChFC, President

SECURITIES OFFERED THROUGH VALMARK SECURITIES, INC. MEMBER FINRA/SIPC.
CORPORATE OFFICES: 130 SPRINGSIDE DR, AKRON, OH 44333-2431, (800)765-5201
JOHN C. ZIMDARS, JR. IS A REGISTERED REPRESENTATIVE OF VALMARK SECURITIES, INC.
THE ZIMDARS COMPANY, INC. & VALMARK SECURITIES, INC. ARE INDEPENDENTLY OWNED AND OPERATED.