

## Demystifying the Application Process for IEEE Members

*Ever wanted to “apply” for IEEE insurance but weren’t sure what it entailed? Or maybe you already have, but still don’t know what really happened after you sent in your application?* IEEE takes a closer look at the underwriting process for its sponsored insurance coverage, and discovered it can be a relatively simple process with a little information, preparation and help from you ...

# Demystifying the Application Process

*What happens when you “apply” for IEEE-sponsored life, health, disability or accident insurance?*

You’ve taken an important first step in obtaining insurance coverage. You’ve completed the application and mailed it. Then what happens?

At the other end of the mailbox is Marsh, IEEE’s Insurance Plans Administrator.

Once your application arrives at Marsh, an application processor will be assigned to your file and will review your application to make sure all the information requested is completed and readable. Then he or she will load the application onto an electronic imaging system.

### What if the application isn’t exactly complete?

If specific information is missing on your application, the processor will contact you either by phone or mail to obtain the information.

“It is really important that the member fully complete the application from the beginning and make sure it is easy to read,” says Toni Sanger, Administration Manager at Marsh.

“If the IEEE member number is missing, if the member forgets to sign and date it, or if medical information isn’t disclosed or is hard to read, it will cause a delay because we have to go back out to the member to get this information before we can proceed,” she explains.

Once the application is considered complete from an administrative perspective, it is securely transmitted electronically to the insurance carrier for the product.

In situations that the insurance product is “guaranteed acceptance”, the certificate of insurance will be sent to the member within a short period of time without any additional information needed from the member. It’s important to note that coverage isn’t in force until the first premium is paid. However, for products requiring additional information beyond reviewing the application, the insurance company will need to underwrite your application.

### What is underwriting?

Underwriting is the process used by insurance companies to determine your life expectancy (mortality) and/or your likelihood of sickness or disease (morbidity) to assess whether you should be accepted or declined coverage and what premium you should pay. The term “underwriting” is often used interchangeable with “risk selection” which is using actuarial projections (i.e., likelihood of death, sickness or disease) and expected or anticipated claims experience to determine your risk for the coverage and your premium.



**IMPORTANT:** Any information you provide on your application and throughout the underwriting process is kept in the strictest confidence. All providers of IEEE insurance coverage comply with all privacy, HIPAA and other state and federal regulations designed to protect your records and information

“IEEE has a variety of insurance carriers it works with—depending on the product applied for,” says Sanger. “Each insurance carrier has different guidelines for underwriting and they vary by product and amount of coverage a member requests.”

During the underwriting process, most companies review your application for the following factors:

- Your age. (An older member will generally pay a higher rate than a younger member.)
- Your gender. (Generally, rates for women are lower than those for men since women experience longer life expectancies.)
- Your current health and physical condition.
- Your personal health history.
- Your occupation.
- Personal habits (including tobacco use and a history of alcohol or drug abuse).
- Other factors, such as aviation activities, military status, avocations, sports and driving record.

In addition, insurance companies may need to employ additional underwriting “tools” before they can accurately determine your overall risk. Such information and tests, which are paid for completely by the insurance company and scheduled at your convenience, may include:

- ✓ **Paramedical exam:** A medical professional will come to your office or home and ask you a few medical questions, and take your height, weight, blood pressure and pulse. A urine specimen will also be collected. This exam usually takes about 20 to 30 minutes.
- ✓ **Blood tests:** In many instances, the insurance company will want to test your blood for cholesterol, glucose, liver, kidney, HIV and other tests.
- ✓ **Additional medical tests:** An electrocardiogram (measures the electrical impulses of your heart), stress test or chest X-ray may be required by the insurance company, too.
- ✓ **Physician records:** Your medical history, including your medical records and doctor’s notes may help provide a more thorough analysis of your current health, which may help you with more favorable rates.
- ✓ **Telephone interview:** A representative from the insurance company may contact you to learn more details about your medical history, job, finances, hobbies and driving record.
- ✓ **Financial information:** If you’re applying for large amounts of insurance, a financial profile may be needed to more accurately assess your insurability for the amount you requested.

The insurance company may also contact the Medical Information Bureau, Inc. (MIB) to see if you’ve applied for other insurance in the past. MIB ([www.mib.com](http://www.mib.com)) is a membership corporation owned by member life insurance companies in the United States and Canada. Its primary purpose is to protect its member insurance companies and consumers from insurance fraud.

Unfortunately, there are individuals who purposely omit information on an application in the hopes of either receiving a lower rate for coverage or for obtaining coverage they otherwise would not qualify for.



Tips to help you save time and get the best results on your tests:

- Refrain from alcohol eight hours before your testing, and nicotine and caffeine for at least one hour before.
- Limit salt and high cholesterol foods as well as strenuous exercise 24 hours before hours before your testing.
- Have your medical information, including any prescriptions handy.
- Drink a glass of water one hour before.

Note: Fasting for four to 12 hours before blood testing is also recommended.

This not only puts the insurance company at a higher risk of a claim—but also puts you at risk for higher rates. The more claims a company experiences, the more likely the company may need to charge higher rates or increase rates in the future to cover the claims.

### What is your risk profile?

Once all of the required information is obtained by the insurance company, a highly trained underwriter will review it and develop a risk profile on you. This profile is then evaluated against the insurance company's standards for accepting your risk.

Although each insurance company has different standards, here are four examples of risk categories that you may fall within:

- **Preferred:** If you are a better-than-average risk (i.e., in good health, with no dangerous hobbies or history of health problems), you may be charged a preferred or lowest rate.
- **Standard:** If you are considered an average or typical risk, you will be charged the standard rate.
- **Rated:** If you pose an above-average risk (perhaps you have high blood pressure, smoke cigarettes or engage in skydiving every weekend), you may be classified as an increased risk and charged a higher premium.
- **Declined:** If you are rated as uninsurable (perhaps due to a serious illness), you may be denied coverage entirely.



### What's the decision?

Once the insurance carrier makes its decision on your application, it is provided to Marsh. Marsh then communicates the decision to you.

If you're approved for the coverage you applied for, Marsh will send you a packet of information, including a letter congratulating you on acceptance, the official certificate to review, your bill and other paperwork you may need now or in the future (such as claim forms). Remember, as mentioned earlier, your coverage isn't in force until you actually pay the premium.

If you're denied coverage, you will receive a letter stating why your application has been declined. In most cases, applications are denied due to age or medical reasons. If you question the decision, you can appeal the process. There have been instances where additional medical information has been requested from a member's physician and a more favorable decision has been made for the member.

In addition, the decision may not be permanent. If you quit smoking, lose weight, bring your cholesterol level or blood pressure down, your risk for the insurance applied for may decrease.

### So how long does all this take?

Depending on the insurance applied for, the underwriting process can take anywhere from 30 to 90 days to complete. But throughout the process, you won't be kept in the dark.



“At Marsh, we immediately notify the member when we've received the application,” says Sanger. “The letter informs the member that their application is pending and is being sent to the carrier for underwriting.”

Once the application is in the insurance company's hands, “they're all very good at keeping the member up to date on where they're at in the underwriting process and what is required to proceed,” explains

Sanger. “For example, each time a request is made to a doctor’s office, the member is kept up to date via a letter.”

If at any point in the process, the member wants to know where their application is in the process, they may call Marsh for a status update.

“We have access to the carrier’s system that will inform us where the process is at and what the member can expect next—all this is provided without supplying any medical information to comply with privacy standards,” states Sanger.

Sanger believes the process can go smoother if the member:

- ✓ **Completes the application accurately** from the beginning, especially including IEEE member number, dates of birth, phone numbers and medical questions.
- ✓ **Is prompt with returning phone calls** in regards to telephone interviews or scheduling of paramedical exams or other tests.
- ✓ **Contacts your physician immediately** after sending your application. This alerts your physician to have medical records available.

“The biggest delays with any underwriting are trying to schedule exams or tests and receiving information from doctors’ offices,” explains Toni. “Sometimes this takes several weeks to get worked out.”

### Why IEEE insurance?

No matter who you choose for your insurance coverage, the actual underwriting process will only differ by the standards the insurance company sets. But in general, most insurance companies follow the same basic process of needing and obtaining the information in order to determine your risk.

The benefits of choosing IEEE insurance expand beyond the underwriting process:

- **Your risks are pooled with a group of members like you.** In many instances, you benefit from group rates which may be less than what you could obtain on your own. In addition, the process may go quicker because the insurance company already understands your occupation and the risks associated with it.
- **IEEE has done the legwork and selected the best carrier for the product offered** and they’ve selected Marsh as the insurance plans administrator. Marsh only does business with A rated or higher insurance companies when it comes to financial stability. The ratings are decided by the leading independent rating services such as A.M. Best, Fitch ratings, Standard & Poor’s and Moody’s Investors Services.
- **Offer a variety of insurance products tailored to the needs of members**, not the general public. So, you’ll get benefits you need at a price you can afford.

For more information on the insurance products available through the IEEE Member Group Insurance Program, you can call toll-free **1-800-493-IEEE (4333)** or visit [www.ieeeinsurance.com](http://www.ieeeinsurance.com).

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