

The application you are about to take will become part of a legally binding contract between the insurance company and your client. Providing inaccurate or incomplete information could nullify the contract and cause future death claims to be denied!

Once you have helped your client decide on what type of life insurance is right for him or her, it is time to take the next step as an insurance professional and ensure that they understand the application process.

You client must understand:

- 1- That the application you are about to take will be the insurance company's primary source of information in making the decision to offer life insurance coverage. Therefore, it must be true, complete and accurate
- 2- That he or she is required to inform you of any changes to the answers they give you on any part of the application before they can accept delivery of the policy.
- 3- That the insurance carrier will seek information from other sources to help evaluate the information given on their application. This may include their records from their personal physician, specialist, hospital or treatment centers, pharmacy checks, credit checks and DMV checks.
- 4- That the Medical Information Bureau (MIB) is a not-for-profit membership organization of insurance companies which operates an information exchange on behalf of its members. If he or she has applied to another MIB member insurance carrier for life or health policy or if he or she has made a claim for benefits to a member company, upon request, the MIB will supply each member company with all such information contained in their file. Also contained in their file is information about the action taken by other member companies after each application or claim was filed. (MIB Contact Info Link)
- 5- That because of the facts contained in #'s 3 & 4, the client MUST disclose full & complete information at the time of application or the carrier could have grounds for declination. They will find out the missing pieces if not disclosed on the application, so if a questionable piece of information needs to be admitted when the app is taken, a **letter of explanation** (link to instructions) from the agent to the underwriter is needed.

The Application Process Can Affect Claim Contestability

You don't want to answer to the beneficiary or owner of a policy that you sold as to why a death claim is being denied!! A claim may be denied, the policy may be void or your coverage may be lost if the application is incomplete or if it contains false statements, material misrepresentations or conceals material facts. Not only would the claim be contested, if it is found that you submitted an application with the intent to defraud or facilitate fraudulent statements or misrepresentations, you could be found guilty of insurance fraud. **If you become aware of a change to any answers given on the application before the time you deliver the policy, you must inform the carrier immediately.**