Setting Client Expectations about the Disability Income (DI) Insurance Application Process

Reference Sheet

Use this document as a guide to help you set client expectations about the disability income (DI) insurance application process.

Why Set Expectations?

The DI insurance application can be a lengthy and confusing process to a new client, and often involves a number of personal questions. It is therefore essential to set appropriate expectations about the application process with your client.

Setting expectations can alleviate confusion, questions, and potential frustration. Adequately preparing your client can help reduce unnecessary delays due to requests for additional medical information, tests, and supplement forms.

Help your clients understand why they are being asked specific questions and the importance of answering thoroughly so risk factors can be fairly evaluated by underwriters.

Before you begin the process with your client explain the steps, the type of information they should expect to provide, and how and why the information is used.

For DI insurance ensure your clients understand that:

- MassMutual may or may not have a product to meet their needs.
- Insurable occupations and the amount of earned income are critical factors in determining eligibility.

Complete the Application

Educate your client about how the application is completed and the type of information they will be asked to supply.

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The EZ-app Tool

Brief clients on the EZ-app tool, which is used to submit applications.

Types of Questions

Inform the client that application questions can be detailed and personal; however, it is important to answer truthfully and completely. Thoroughly answering all questions and providing clarifying information will facilitate the underwriting process that occurs once the application is submitted. Question types include:

- Personal – name, address, date of birth, driving and criminal history, etc.
- Financial – the individual's overall income plays an important factor on eligibility and amount of coverage.
- Medical – age, height, weight, medications, tobacco use, health conditions, etc.
- Lifestyle – foreign travel, military service, high-risk hobbies, etc.

Depending upon their ages, the amount of coverage for which they are applying, and answers to certain application questions, clients may be required to provide or complete a more extensive medical history or exam as well as financial documentation or tax returns.

Eligibility

Some clients might not be eligible for DI insurance coverage depending upon their occupation or main job duties. The occupation classification impacts whether or not the client is insurable and the premium they will pay. Clients who perform manual labor may be either not insurable or required to pay a higher premium based on their occupational class. Some occupations are not insurable. See the DI Reference Manual for information on occupations and classifications.

Consult the Field Underwriting Guide to familiarize yourself with medical underwriting requirements regarding the insurability of medical impairments.

Temporary Individual Disability Insurance Agreement (TIDIA)

If the client wants to complete a Temporary Individual Disability Insurance Agreement (TIDIA) and meets eligibility requirements, they must pay the initial premium before the application can be submitted. When a TIDIA is not taken, the initial premium is paid at the policy delivery meeting.

Submit the Application

Educate the client about how the application will be signed and submitted for review.

Signature Requirements

The client and advisor must sign the application before it can be submitted.

Signature Methods

Signature methods include wet signature or eSignature (laptop/tablet or email). To use eSignature, the client can:

- eSign via laptop or tablet during the face-to-face application meeting.

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- eSign via email. Clients must have an active email account to receive eSign instructions and must sign the application within 7 days or the application will expire. Once the client's signature is obtained the application is submitted to the home office for review and underwriting.
- Wet-signature is where the applications/forms are printed from EZ-app and both the client and advisor manually sign all required documents.

Note: The EZ-app application will not be submitted or processed until both client and advisor signatures are obtained. Any signing delay will impact processing and underwriting.

Underwriting

Educate the client on how their information will be used by underwriting and the possibility of being contacted for additional information and tests. You can also provide them with the DI Insurance Consumer Underwriting Guide for further details.

Underwriting Guidelines

In order for underwriters to accurately assess and balance the risks that any client presents, they follow a set of guidelines tailored to each product. It is important to answer questions on the application with details regarding any medical and non-medical information – positive as well as adverse.

Contact from Underwriting for Additional Information

While the application is under review, a home office Telephone Inspection team member may contact the client directly to complete a questionnaire or phone interview. This may happen for the following reasons:

- Supplemental Questionnaire – The underwriter may order a supplemental questionnaire regarding a particular medical condition to properly evaluate the risk.
- Phone Interview – The client can expect questions regarding their occupation, income and duties to accurately determine the appropriate occupational class.

Medical Exams/APS

Potential medical exams or an Attending Physician's Statement (APS) may be ordered. These may include:

- Non-medical Part 2 collects basic information about medical history. This is generally completed by the advisor with the client.
- Paramedical Exam – a paramedical professional is hired by MassMutual to collect medical history, height, weight, blood pressure, and pulse.
- Blood Profile & Urinalysis Testing – used to screen for cholesterol, other blood lipids, blood sugar, liver and kidney function, nicotine, HIV, and illegal drugs.
- Oral Fluids Testing – the collection of fluids via mouth swab to test for HIV, cocaine, and nicotine.
- Attending Physician's Statement (APS) - for certain medical conditions, the underwriter may order an APS to assist in evaluating a medical condition. Consult the Disability Underwriting Requirements Guide for more information.

Additional Requirements

Additional information may be requested by underwriting. This may include:

- A public records search, such as a Motor Vehicle Report to check for adverse driving history

Deliver the Policy

Educate the client on how the policy will be delivered.

Signature Requirements

Once the policy is issued, the client signs any delivery requirements needed.

Premium

If a TIDIA was not issued, the initial premium is due at the policy delivery meeting.

Free Look Period

Explain to the client that once the policy is paid for, they have a free look period in which they can decide to reject the policy. Refer to your policy for details. The initial premium will be returned.