

Understanding the Life Insurance Application & Useful Terminology

Reference Sheet

This document provides a high level overview of the life insurance application in EZ-app. Use this resource to familiarize yourself with the application sections and terminology found in EZ-app.

Answering Insurance Application Questions

Field Underwriting

When completing an application the goal is to always capture answers that provide as much detail and information as possible. This helps both the MassMutual underwriting team and your client and can help mitigate any delays. It can also help prevent back and forth communications with the client. For more information on field underwriting, view the [Field Underwriting](#) FieldNet page.

For complex situations, include a cover letter citing additional details. Including a cover letter for unique circumstances outside of the questions asked in the application is helpful in presenting a complete picture of the proposed insured. A few examples include:

Situation	Example
Business sale	Key man insurance
Large case that needs reinsurance	Wealth business owner
Complex medical history	Cancer
MassMutual in competition and certain offer is needed to place the case	Another insurance company has made an offer

Completing the Application via EZ-app

EZ-app uses reflexive questioning, therefore how you answer each question will determine if any additional pages are added to the application. Providing incorrect or inadequate answers could result in needed forms being omitted or unnecessary forms added.

The sections below provide a high level overview of EZ-app. Note, that depending on how application questions are answered, you may not see all of these sections in your application

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package. Remember to speak with your sales manager and/or agency New Business Coordinator to learn about agency specific procedures.

Life Case Setup

Enter preliminary information to begin building the application including:

- Proposed insured's name, date of birth, contract state, and product type.

For SWL Cases:

- The proposed insured name entered on the case information screen shall equal the 1st proposed insured.
- The Save Age question will refer to both insureds.
- The Restricted file question will not be asked of both insureds. Enter the response to the question if EITHER insured qualifies for any selection in the dropdown.

The application package and corresponding supplements are built based on the information entered here. Some of the information on this screen is pre-filled from the previous information that you entered.

- **Note:** Any changes made to the information on this screen will require re-validation of the rest of the information in EZ-app.
- Do **not** use special characters such as the ampersand (&) in information fields.

Section Terminology

Term	Definition
Hold Issue	A case where there is a request to hold issuing the policy until it can be issued with an accompanying policy. For example, if a husband and wife are purchasing life policies, there could be a request that they be issued at the same time, thereby holding issue on one until the other policy is ready for issuing.
Save Age	This field should be completed only when the intention is to save the younger insurance age of either insured when applicable (specify which insured). In these cases, the latest policy date available to retain the selected insured's younger insurance age will be used as the policy effective date.
Submitting Agency	The agency responsible for submitting the case. An agent may have dealings with more than one agency, or the case may be split amongst two agencies, but the submitting agency is the agency that will be actually submitting the case.
Contract State	The contract state is determined by the residential state of the Owner. The following rules apply based on Owner type: <ul style="list-style-type: none">• Entity – The contract state is the state in which the entity has a legal address.• Trust – The contract state is the Situs state of the Trust.• U.S. citizen residing outside of the U.S. – The contract state is where the owner signs the application

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Term	Definition
Contract State Con.	<ul style="list-style-type: none"> Qualified Plan – The Contract state is the state in which the Employer has a legal address. Multiple Owners – The Contract state is where the first Owner listed on the application resides. <p>For contract guidelines, visit the Contract State Guidelines FieldNet page.</p>
QuickClose	<p>MassMutual's QuickCloseSM Program, is an expedited Life underwriting program, which was designed to benefit lenders and their borrowers when life insurance is required as collateral for a business loan. For more information, refer to the Quick CloseSM FieldNet page.</p>
Restricted File	<p>A restricted file is considered a “sensitive” file indicating the insured/owner is a high profile individual such as a MassMutual employee, member of the Board of Directors, agent, celebrity, or other high profile individual. Information in restricted files should not be shared widely and only certain CM/UWs may work on them. When a restricted file is selected, use the cover letter to give details of why the case is restricted.</p>

Proposed Insured

Proposed Insured has two screens where you enter the insured's place of birth, contact information including email address, and SSN or TIN.

Personal History Information

Information in this section drives the underwriting process and is therefore essential to obtain as much detail as possible.

Questions include information about a client's tobacco, criminal, and driving history; employment; income; travel; and avocations. For more information, visit the [Underwriting FieldNet](#) page.

Section Terminology

Term	Definition	Considerations
Conversion	<p>A contractual right that allows a term policy (or rider) to be converted without underwriting to a permanent life product. Premiums for the new permanent policy will be based on the insured's attained age at the time of conversion. For more information on conversions, visit the Term Conversions FieldNet page.</p>	<p>If yes, the appropriate form will be added to the application</p>
Time Frame Last Seen	<p>Located in the Proposed Insured Primary Physician Information section, this field is where you enter the approximate date(s) the prospect was seen by his or her physician. Use it when exact dates are unknown.</p>	<p>Include details or reasons for last visit to help underwriting. Eg: Spring 2014; annual checkup.</p>

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Life Product Information

This section contains questions regarding the proposed coverage including plan name and coverage amount, loan rate, dividend option type, optional riders, and alternate or additional policies.

Section Terminology

Term	Definition	Considerations
Alternate Policy	A second policy requested with a Part 1 application for a new life insurance policy produces for the purpose of comparison only. The alternate policy often shows a different product, face-amount or premium. Only one of these policies will be delivered and placed with the client. The other is returned to the Home Office. For alternate policy guidelines, visit the Alternate Policies FieldNet page. (Can be different product types.).	The policy will not be reported until a decision is made as to what policy the prospect will accept and the other is returned to the home office.
Additional Policy	The client has applied for two policies with the intension of accepting both policies. (Can be different product types.)	Prospect will be underwritten for the total amount for which they applied.

Life Purpose of Insurance

This section contains questions about the reason the coverage is being purchased. Identify if the purpose is personal or for business and the exact reason for purchase. If there are several reasons, check all that apply.

Section Terminology

Term	Definition	Considerations
Collaterally Assigned	A contract between the Assignor (debtor) and the Assignee (creditor). The assignor/policy owner gives up an interest in the insurance policy. The policy owner agrees to restrict some of their rights in the policy in favor of the assignee during the period of repayment. If the policy owner fails to repay the loan or complete the obligation, the assignee can retrieve the amount due it from the value of the policy. A signed copy of the collateral assignment is forwarded to the Insurance Company to notify it that someone, in addition to the owner, has an interest in the policy. This makes the insurer a third party to, not a participant in, the assignment.	If you select yes, a collateral assignment form becomes part of the application package.
Captive Insurance Company	A captive insurance company is a closely held property and casualty company designed principally to write insurance to cover a specific company or group of companies (not a retail market).	If you select yes, more information may be required by underwriting.

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Life Owner & Beneficiary Information

In this section identify the policy owner, the name(s) of beneficiary(ies), how funds will be allocated (percentage, dollar amount or equal shares), and any custodians.

Section Terminology

Term	Definition	Considerations
Beneficiary	The person(s) or entity designated to receive the policy proceeds in the event of the death of the insured.	A beneficiary is not just a person or persons, an entity can also be a beneficiary. (e.g. Business or estate).
Custodian	A person over the age of 18 who manages life insurance proceeds for a minor child or children. The custodian has full power to act on the account and may conduct all transactions, including withdrawals, as long as withdrawal takes place for the benefit of the minor.	The name of the custodian and state in which they will operate as a custodian will be required.
UTMA/UGMA	The Uniform Transfers to Minors Act (UTMA) and Uniform Gift to Minors Act (UGMA)* refers to a state's law that governs the transfer of title to life insurance proceeds to a Custodian to manage for a minor, until the minor reaches an age permitted by law. * This only applies to South Carolina.	For more information see MMLIS Brokerage UTMA / UGMA Accounts .
Issues Per Stripes Issues Per Stripes con.	A phrase meaning that if a beneficiary dies before the insured, any amount that would have been paid to that beneficiary will be paid in one sum and in equal shares to the surviving children of that beneficiary, if any, before any other contingent beneficiaries. When the estate is distributed "per stirpes" each child (adopted or natural) of the beneficiary receives an equal share of the estate.	If you select yes, a Beneficiary Form will become part of the application package.

Life Other Coverage/Replacement Information

In this section record existing or perspective coverage the new policy will replace, whether with MassMutual or a competitor. The purpose is to gain an understanding of the total amount of coverage being placed with MassMutual or a competitor. Underwriting is interested in whether the client has applied for any other coverage, if there is any other coverage in place, if the prospect product will replace existing coverage, and if this is an internal term-to-term replacement.

Section Terminology

Term	Definition	Considerations
1035 Exchange	Section 1035 of the Internal Revenue Code (IRC) allows taxpayers to exchange one annuity for another without recognizing a taxable gain or loss. This section of the IRS code makes it possible for policy owners to avoid income tax liability when certain policies that may no longer meet their needs are exchanged for new policies.	A 1035 fund can be used to pay initial premium, to purchase a rider, or a combination.

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Term	Definition	Considerations
Replacements	Replacements occur whenever insurance or annuity coverage is issued that will replace or change coverage issued by this or another company, even if the insured is "just thinking" about replacing the existing contract. All 1035 Exchanges are replacements.	If a client has had any life policies that have lapsed, surrendered, terminated, forfeited or expired within 13 months prior to the date of the new application, the new application will be considered a replacement.
Internal Term to Term	The client is replacing an existing term policy with MassMutual with a new term policy with MassMutual.	MassMutual will terminate the existing policy upon issue with the new policy.

For more information on the terms above, visit the [Replacements Guidelines](#) FieldNet page.

Life Juvenile Information

The juvenile information page of the application is added to the package when the proposed insured is identified as a juvenile or a minor. Be sure to identify whether or not any one in the family (parent or siblings) is considering coverage of their own, has applied for coverage, or has existing coverage. Regardless of the policy-owner, these questions must be completed for the mother, father, and siblings. All siblings MUST have like coverage either in premium or face amount.

For more information, visit the [Juvenile Insurance](#) FieldNet page.

Life Payment Information

This section provides underwriting with details on how the plan premium will be paid. Be sure to record the premium payer, the billing type, the billing frequency, and the premium payment source.

Section Terminology

Term	Definition	Considerations
TLIR	TLIR stands for Temporary Life Insurance Receipt. This Temporary Life Insurance Receipt (TLIR) provides a limited amount of temporary life insurance in accordance with the policy identified in the application. The TLIR is for a limited period of time on the individual(s) proposed for insurance, subject to the terms and conditions of the TLIR. It does not guarantee that a life insurance policy will be issued and does not provide disability, long term care or waiver of premium benefits.	If "yes" is answered to any of the health related questions, then money should not be collected from the client.
		The PAC is an automatic

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Term	Definition	Considerations
PAC	PAC stands for pre-authorized check. Selecting this option informs underwriting premiums will be paid at the stated frequency with an authorized check that is set up at the beginning of the policy. When this option is answered in the affirmative, a new page is added to the package that you will use to enter check information.	recurring withdrawal from a checking (or savings) account and is only available as a monthly draft.

This [Pre-Authorized Checking \(PAC\) Best Practices](#) reference sheet provides further detail. For more information, visit the [Billing Options](#) FieldNet page.

Certifications/Requirements

This section asks you to indicate whether a sales illustration was created/conforms (with life policies) and applicable tax payer information.

It also includes a link to the [U98 \(Life Underwriting Requirements Guide\)](#) and contains questions about the para-medical exam and life non-medical information (Part 2).

Lock and Unlock

Lock the application when it is IGO and ready for submission. The case must be locked in order to submit the application.

Advisors should NOT lock the case when wet signatures have been collected. The Wet Signature option can only be used by New Business Coordinators.

Submit the Life Insurance Application

All completed applications require the prospect's signature. EZ-app allows prospects to employ the eSignature process, which facilitates In-Good-Order new business submissions and immediate receipt of applications to the home office.

Section Terminology

Term	Description	Benefits
EZ-app Face to Face eSignature	Allows you to collect eSignatures from your client during face-to-face meetings. Collecting one digital eSignature from your client on your tablet or laptop will complete the signing process for all forms in the application package.	<ul style="list-style-type: none"> No waiting for the client to sign Affixes digital signatures
EZ-app Email Signature	This option will send an email to your prospect inviting them to sign the application. You will be notified once they have logged in to a secure site, reviewed the application and eSigned.	<ul style="list-style-type: none"> Simplified client authentication process Facilitates remote sales Can be combined with other eSignature processes