

Tips/Checklists

Underwriting

Inspection Reports

When an applicant applies for a large amount of insurance (refer to our requirement charts) good health is not the only criteria for approval of the amount of insurance that is applied for. The insurance company will also require financial justification and other information relating to the risk we will be assuming. For example, we may want to have detailed information regarding the applicant's income, net worth, investments and job function. We may request an Inspection Report from a Consumer Reporting Agency specializing in insurance reporting.

It is important to inform your applicant that they may be contacted in conjunction with their application for the completion of an Inspection Report. Advising and preparing your applicant in advance can greatly decrease the time frame required to complete the report and subsequently issue the insurance contract. Unprepared applicants may be reluctant or refuse to answer an inspector's questions over the telephone, thereby, delaying the underwriting process. Only references provided by the applicant will be contacted.

Under the Consumer Reporting Act, together with the client's authorization, an insurance company can request that the inspection company obtain information regarding the applicant's employment (current & previous), estimated income & net worth, bankruptcy, lifestyle information, basic health history and other insurance coverage information.

Inspectors have been trained with interviewing techniques designed to elicit the most detailed and accurate information possible and are knowledgeable in a wide range of areas related to risk assessment. Applicants may, on occasion, be reluctant to provide certain information, but will usually do so if the questions are posed in the proper manner.

The applicant can request and review the contents of an inspection report at any time by providing appropriate identification. Information obtained as a result of the inspection interview is sent directly to the insurance company. These confidential reports are reviewed by the underwriter and are not available to representatives or other staff members.