

Now – Not Later

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There it sits, on your desk – your client's policy and unsigned delivery documents. You made it through underwriting and the generally more difficult parts of the process are behind you. You feel relieved to know that you're in the home stretch. A couple of signatures and a check will complete the process.

So what's the hurry? Each day provides an opportunity for something to happen that precludes your client's important coverage from being put in force.

Death – While it seems nearly impossible that your client, who just qualified for a preferred rate, might pass away before you put the policy in force, it happens – more often than you think. If the client passes away without paying for the policy, no claim will be paid.

Change of Health – Nobody wakes up thinking, “today is the day I'm going to the emergency room, having a heart attack or finding a lump.” This also happens more frequently than you would think. Should the client's health change, the policy can't be delivered.

Reissue – Some clients become concerned when they notice the policy date is already weeks old and request that the policy be reissued. This added complication further delays delivery and the possibility of an unfortunate circumstance.

The policy is the “offer” and the premium plus delivery requirements are the “acceptance.” Before offer and acceptance, there is no coverage in force. In short, not much good comes from waiting to deliver a policy. Worse yet, if the client or the beneficiaries opt to take legal action, rest assured, the advisor will be named in the suit. This is not a good way to learn about your errors and omissions coverage.

A Final Thought

Be sure to carefully document your file. If you make several attempts to schedule a time to deliver the policy but the owner appears to be in no hurry, a well-documented file will always serve you well. Follow up all phone calls with written correspondence. Also, select carriers offer e-delivery which automates the delivery process.