



FINANCIAL UNDERWRITING GUIDELINES

Purpose of Insurance	Formulas and Guidelines		Information Required
Income Replacement	Age	Multiple of Earned Income	<ul style="list-style-type: none"> Gross annual compensation Larger face amounts may require third-party verification of income Non-working spouse's coverage cannot exceed working spouse's coverage A cover letter explaining need for non-working spouse's coverage exceeding \$500,000 may be required
	20 – 30	25 – 30	
	31 – 40	20 – 25	
	41 – 50	15 – 20	
	51 – 60	10 – 15	
	61 – 70	5 – 10	
	71+	Individual Consideration	
Change to Creditor / Debt Obligation	80 - 100% of loan balance if structured with a collateral assignment		<ul style="list-style-type: none"> Alternative purpose of coverage details (income replacement, key-person, etc.) Copy of loan agreement Business fair market value and supporting financial statements
Estate Planning	Net assets multiplied by estate tax rate		<ul style="list-style-type: none"> Third-party verification of net worth Estate tax calculation Copy/Details of Trust
Juvenile Coverage	<ul style="list-style-type: none"> Typically \$100,000 maximum coverage amount No more than coverage amount on other siblings Parents must have an appropriate amount of personal coverage 		<ul style="list-style-type: none"> A cover letter may be required if: <ul style="list-style-type: none"> Amount is over \$100,000 Amount is more than coverage amount on other children
Charitable Giving	<ul style="list-style-type: none"> Historical annual donation multiplied by number of years pledged Personal insurance needs must be met and in place 		<ul style="list-style-type: none"> Contribution record Charity information Connection to charity Personal insurance information
Key Person	Up to 10x total annual compensation		<ul style="list-style-type: none"> Total annual compensation Details about what makes the person a key employee Coverage on other key employees Larger face amounts may require business fair market value and supporting financial statements
Buy/Sell Agreements and Stock Redemption Plans	Percentage of ownership multiplied by fair market value of the business		<ul style="list-style-type: none"> Business fair market value and supporting financial statements Percentage of ownership