

# Don't Let Chronic Pain Treatment be a Chronic Pain in Underwriting

Published via LinkedIn on July 13, 2016



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According to the Centers for Disease Control and Prevention, more people died from drug overdoses in 2014 than any year on record (1). Fueling the trend, Hydrocodone-Acetaminophen was the most prescribed drug in the USA in 2013 (2), and it can become habit-forming when used over an extended period of time. Additionally, more Americans are dealing with chronic pain as the population ages and longevity increases.

Life insurance carriers have largely become more conservative when assessing treatment for chronic pain. Applicants who responsibly take pain medication as prescribed are often caught in the fold. They are asked to pay a higher premium for their coverage, as gauging risk for abuse can be challenging for a life insurance underwriter. Thus, it is vital for advisors to accentuate the positive features of their clients' situations to help them obtain the coverage they seek without unnecessary, added cost.

## CASE STUDY

### The Circumstances

An advisor consulted BUI's underwriting team to assist in securing a favorable life insurance offer for his client. The client worked with a different advisor in the recent past, and had an overall unfavorable experience, capped with a Table 2 non-nicotine rating due to his Tramadol prescription history for chronic pain. The cost he was being asked to pay for coverage was approximately \$15,000 a year.

### Favorable Outcome

BUI's underwriting team constructed a cohesive understanding of the client's circumstances and needs, surveyed dozens of highly rated carriers and identified an insurance company that would look most favorably at his "risk profile." BUI's underwriting team helped to develop a carefully worded cover letter that highlighted a number of details, including a stable occupation history, no history of abuse or illicit drug use, and a pattern of regular visits with his prescribing physician. The framing of these positive factors provided the necessary documentation for the carrier underwriter to disregard the chronic pain treatment as a significant risk, and rate the client as he otherwise qualified. The new offer came with an approximate \$5,000 cost of coverage.

### A Great Tip

Preliminary underwriting helps to avoid muddying the water with a rated or declined application. If you start each case with field underwriting, you can mitigate the chronic pain of the life underwriting process.

1. Centers for Disease Control and Prevention. Increases in Drug and Opioid Overdose Deaths - United States, 2000-2014. MMWR 2015; 64;1-5.

2. HealthGrove. Data gathered from The Centers for Medicare & Medicaid Services, 2013 Medical Prescription Drug Plan (Part D), 2013.

Underwriting results are based on an individual's specific circumstances and cannot be guaranteed.