

What Can Be Done When A Client is Declined?

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Recently, in fact, twice over the last year, we have been challenged to find insurance for clients who have been declined by a major Canadian insurer as well as the reinsurers.

The number of insurers and reinsurers in the Canadian market has shrunk considerably over the last 15 – 20 years. Through consolidations and mergers, the available options are down to about a dozen serious “retail” insurers and 4 to 5 active reinsurers.

In both of the above cases, through a relationship with a U.S. managing general agent, we have been successful through our ability to access the much larger and considerably more aggressive U.S. marketplace. We have been pleasantly surprised to find an underwriting approach that is both creative and liberal, with insurers willing to examine carefully the medical histories of our clients and come up with an offer of coverage. In both cases we have placed the business with a highly rated major U.S. company with excellent products which are competitively priced - even without the medical rating.

There are important differences in how the insurance is obtained and there are ongoing administrative details that will take slightly more attention. For example, the currency for premiums and benefits will be in U.S dollars. But the result has been more than worth the effort for our clients. No one appreciates the value of insurance more than someone who has just been declined for it.

One of the most interesting - and perhaps inviting – aspects is the ability to get a preliminary offer confidentially (“no names”) simply by providing an outline of the medical history. We can get an immediate indication that unless there is a surprise in the medical or attending physician’s report, we will have coverage at an acceptable rate.