

Think about this: “Why would I ask my client about his drinking habits when giving him a quote for life insurance? That is a private matter, isn’t it?”

I met a couple of agents last week and the discussion steered towards the amount of information I ask before giving a quote. Agent Gary who started working with me just a month ago was talking to the other agents: “This is the first time that someone asked this question when I asked for a quote!! I understood the significance of this question after my discussion with Poornima but the amount of information needed these days by insurance companies just amaze me”.

Consumption of alcohol by itself will not necessarily affect the client’s life insurance application but being an excessive/heavy drinker might increase the cost of procuring insurance or in some cases, the client might be declined coverage.

Though there is no clear definition by most insurance companies on what is considered “excessive/heavy drinking”, underwriters will evaluate the client based on disclosures made in the application, labs and exams, motor vehicle reports for DUI/DWI incidents, etc. **The key question is “Is the consumption excessive enough to affect the client’s health and/or mortality?”**

Some companies might consider coverage but exclude client from preferred classes. If client has gone through rehabilitation, most carriers will consider coverage after 1st year post rehab. The best offer might be a standard after 3+ years post rehab. Some carriers might consider client as preferred 10 years post rehab.

Questions the agent can ask during the information gathering stage:

1. Details on current consumption of alcohol.
2. Any incident of DWI/DUI in the past 5 years.
3. Was client treated in the past 10 years for alcohol addiction, method of treatment used, including AA meets and any relapses?
4. Any other lab abnormalities/ medical complications due to alcohol consumption?
5. Date client stopped drinking last, if applicable.

Detailed information gathering before giving a quote to the client will reduce the chances of a surprise later to both agent and client.

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