

What You Need to Know About... Field Underwriting with a Focus on Diabetes

Diabetes is one of the most commonly encountered impairments in life insurance underwriting. According to the Center for Disease Control, 34.2 million people have diabetes (10.5% of the U.S. population) with 26.9 million diagnosed cases and 7.3 million cases undiagnosed. Additionally, 88 million people 18 or older have prediabetes (34.5% of the adult U.S. population).¹ Given the prevalence of this condition, our underwriting team has put together this piece to help you better understand diabetes so that you know what questions to ask when you come across a client with this history. When it comes to underwriting clients with diabetes, asking these questions and gathering additional information can help your underwriter better assist in finding the carrier(s) that will offer the most competitive underwriting.

What Type of Diabetes Does Your Client Have?

There are generally two types of diabetes: Type 1 and Type 2. Type 1 diabetes is often referred to as "insulin-dependent diabetes" and occurs when a person's pancreas produces little to no insulin. Clients with this type of diabetes often require treatment with insulin. Type 2 diabetes is the most common form of diabetes and affects the way the body processes blood sugar (glucose). With Type 2 diabetes, the body either does not produce enough insulin or is insulin resistant. Type 2 diabetes is most often treated with oral medication; however, insulin may rarely be required in more severe cases. Type 1 diabetes is the more serious type and is often diagnosed in childhood (e.g. Juvenile diabetes). Lastly, gestational diabetes is a form of diabetes affecting pregnant women. While diabetes may disappear once a woman gives birth, insurance carriers still underwrite these cases with caution as those who develop gestational diabetes during pregnancy are at a higher risk of developing Type 2 diabetes later in life.

You may also run across a client with mildly elevated glucose or A1c reading (see more regarding A1c below) but without a diagnosis of diabetes. This phenomenon is often referred to as "Impaired Fasting Glucose," "Impaired Glucose Tolerance," or "Pre-Diabetes" and many times, the client is advised by his or her doctor to undergo lifestyle modifications, such as weight loss



or diet changes instead of prescribing medication. Depending on the control of the disorder many carriers can make an offer without a rating. Also, elevated glucose and/or A1c may be found for the first time on a client's insurance labs. In these situations, it will depend on how highly the A1c is elevated as to whether the carrier can make an offer or if they postpone the client until the lab results are reviewed by the client's doctor for further assessment/treatment.

When Was Your Client Diagnosed with Diabetes?

The age of onset and years since diagnosis are important factors – diabetes has several long-term effects on the body and organs. Complications from diabetes can include cardiovascular disease, nerve damage (neuropathy), kidney damage (nephropathy), and eye damage (retinopathy). The longer a person has diabetes, the more likely additional organ damage will arise. For example, most carriers will not insure clients diagnosed with diabetes before the age of seven and several will not consider clients diagnosed before the ages of 18-20. The later in life the diagnosis occurs, the better the underwriting outcome may be.

How Is Your Client's Diabetes Treated?

As advised above, most cases of Type 2 diabetes are controlled with oral medications. Very mild cases of diabetes may even come under control with diet and exercise alone. Clients with more severe cases of Type 2 diabetes and the majority of those diagnosed with Type 1 diabetes will need insulin to adequately control their disease. Underwriting offers can be more favorable for people who control their diabetes with diet, exercise, and/or oral medication, while insulin-dependent diabetics can experience more unfavorable underwriting.

How Well Controlled Is Your Client's Diabetes?

The most commonly used measure of diabetic control is the A1c test. This test measures what percentage of hemoglobin (a

¹"National Diabetes Statistics Report." Centers for Disease Control and Prevention, 14 Feb. 2020, www.cdc.gov/diabetes/data/statistics/statistics-report.html.

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protein found in red blood cells that carries oxygen) is covered in sugar (glycated). The A1c test result reflects the average blood sugar level over the past two to three months and is used by the insurance carriers to determine the level of diabetic control. An A1c of less than seven percent is considered "optimal control" and may earn your clients underwriting credits. The higher the A1c reading, the higher the rating to possible decline. Carriers will also consider glucose readings – a reading of 100 mg/dL or a non-fasting reading of 140 mg/dL is considered normal and anything higher than these values is abnormal. Also, since diabetes can negatively impact the kidneys, life insurers will examine a client's urine results for abnormalities such as high levels of glucose (glycosuria), protein (proteinuria), albumin (microalbuminuria), and/or creatinine, which may signify renal damage.

Does Your Client Have Any Additional Risk Factors?

People with retinopathy, neuropathy, or nephropathy, as previously discussed, will carry higher ratings than people who do not exhibit signs of these diabetic complications. Other adverse medical histories combined with diabetes are referred to as "co-morbid" conditions and can include coronary artery disease (cardiac disorders), cerebrovascular disease (brain disorders), and peripheral vascular disease (circulatory disorders). Tobacco users may also be assessed a higher rating than non-tobacco users.

What Are Favorable Factors for Diabetes?

The following health factors can improve your client's chances of a favorable underwriting offer.

- Older age at onset of diabetes
- A short time since diabetes onset
- Optimal A1c control
- No health complications
- No co-morbid impairments
- Non-tobacco users
- Regular physician visits and blood glucose monitoring
- A healthy diet and regular exercise
- Controlled with oral medications or diet/exercise only
- Type 2 or Adult Onset Diabetes
- Normal build
- Normal blood pressure readings

Questions

There are many factors to consider when underwriting clients with diabetes. Contact your underwriter today to discuss the most favorable carrier option(s) for your clients with diabetes.

Diabetes Underwriting Questionnaire



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