

Three Elements of an Effective Cover Letter

A cover letter is a critical part of the underwriting process, allowing you to present a more comprehensive and accurate portrait of your client than the application allows. A well-written letter that includes background on a client's risk factors can help move the application through underwriting. A poorly written cover letter or none at all, could result in numerous conversations with your underwriter or a quick decline.

To help ensure your cover letter does its intended job, start by:

- Reiterating the type of policy your client would like and the face amount.
- Explaining the purpose of the coverage – personal or business – and providing any additional pertinent details, such as:
 - ✓ Whether the personal policy will be tied into loans or used for income replacement or estate coverage
 - ✓ For business policies, the applicant's position, and role within the company. Explain your client's importance to the company and any unique talent that would be difficult to replace. If a buy-sell agreement exists, detail how it will be tied into the company's value. For loan coverage, provide details on the loan.
- Noting, with full details, any additional companies where your client has submitted applications for insurance.

Need help? Not sure which details are important to include in your cover letter? Contact us!

Follow with these three key elements:

1. Financial Details

- Explain how you and your client arrived at the desired face amount.
- Provide details around any bankruptcies, poor credit, or other financial issues.
- Explain any unusual situations that may merit special consideration.

2. Medical History

- Provide a summary of your client's relevant medical history.
- For any significant conditions, your client has or had, include details on current and past treatments, medications, and outcomes.
- Note which rating class was quoted.

3. Lifestyle

- Share any relevant information regarding lifestyle risks, such as hobbies, exercise routines or travel preferences.
- If relevant, note any history of driving violations.

End the letter with your contact information so the underwriter can easily reach you for more information.