



# Beyond the Phone Interview News & Trends from IBU



March 3, 2009



## Upcoming Events

**Life Insurance Conference**  
Mar 30 - Apr 01, 2009

**AHOU Meeting**  
Apr 19-22, 2009

## Quick Links to our Website

[Interviews by Underwriters](#)

[APS Summaries and Translations](#)

[Life Settlement Underwriting](#)

[Contract Underwriting](#)

[Outsource Solutions](#)

[Informal Applications Support](#)

## Misconceptions about investigating MIB codes.

I recently attended a Life Insurance Council meeting that was also attended by MIB and representatives of several life insurers. There seemed to be some confusion about how to investigate MIB codes, as an MIB code alone cannot be used to establish an applicant's insurability. Some of the representative companies at the meeting indicated that they order APS's in an attempt to verify MIB codes. One spoke of how telephone interviews are used as an investigative method because they felt ordering an APS is too costly and time consuming.

There also was a debate about how telephone interview questions should be asked: Does the interviewer have to request information from the applicant using only the questions provided in the application, with the hope of eliciting full disclosure? Or can interviewers ask applicants about possible conditions directly? MIB representative Steve Marshall helped clarify this issue by stating that, "Yes, the telephone interviewer can come right out and ask the applicant, 'There is reason to believe that you may have X.'"

Insurance companies that utilize IBU telephone interviews routinely make requests to investigate MIB codes. An [IBU underwriter](#) is the ideal person to question the applicant. IBU underwriters have years of experience so they are familiar with MIB and they know *how* to question the applicant.

If the applicant says "no" to the initial question, the IBU underwriter will ask about similar impairments or those that seem comparable.

For example, an IBU underwriter questioned an applicant regarding an MIB code for Cirrhosis. The applicant denied any history. When questioned about alcohol abuse and/or rehabilitation they once again denied having any history. When asked if they ever had a condition that sounded like "Cirrhosis" the applicant said, "Well, I have had a little Psoriasis."

IBU interviews are about a third of the cost of an APS and generally take a few days. IBU has created a special MIB Rule D, 4 interview. **We are currently waiving any start up costs**, creating an ideal solution for insurance companies to investigate MIB hits.

### MIB Rule D, 4 states:

"Any coded information received from the MIB may be used only to alert members to the possible need for further investigation of an applicant's insurability. MIB coded information shall not be used in establishing an applicant's eligibility for insurance."

If the MIB report includes information that could lead to an adverse action, and was previously unknown, one must (re)investigate that information. The coded information may not be used to underwrite without verification. Investigative choices include:

- | Re-questioning the applicant
- | Pursuing additional APS or other information (see Guide to Investigation in the Handbook)
- | Requesting Code Details (after certain conditions are met)



[Download](#) our brochure to learn about our complete underwriting services.

### To find out about getting started with IBU interviews

Contact Lincoln Tedeschi toll free at 866-200-5001, [email](#) or visit [www.ibuinc.com](http://www.ibuinc.com). For MIB related questions regarding this issue, [email](#) Steve Marshall or call 781-751-6135.

