



# ASSURITY **BALANCE**<sup>®</sup>

## Critical Illness Insurance

### Agent Information, Underwriting, and Pre-screening Guide

For Agent use only

April 2003

# AGENT GUIDE

## Agent Information, Underwriting, and Pre-screening Guide

As an agent, you are a very important part of the underwriting effort. The job you do helps determine how your client feels about you – and Assurity! We want to issue policies to eligible people at an affordable price. Please use the information contained here as you present this product to your clients and prospects.

Explain to your client that not everyone can qualify for this valuable coverage. If your client turns out to have a condition that makes him ineligible –

- **Shift focus** – ask about friends or family members who should find out about this important protection. Referrals will turn this situation into a positive opportunity for you.
- **Shift gears** – highlight another product that your client may qualify for – AssurityBalance® Disability Income Insurance (DI) or LifeScape® Life Insurance. Because Critical Illness Insurance (CI) and DI have different criteria and benefits, clients who don't qualify for DI (because of occupation) may qualify for CI. And, conversely, clients who don't qualify for CI (because of a previous illness or family history) may qualify for DI.

### AGENT GUIDE TABLE OF CONTENTS

|    |                                      |
|----|--------------------------------------|
| 3  | Who needs this insurance?            |
| 4  | Highlights of the Product            |
| 5  | Illness Definitions                  |
| 8  | Pre-Screening Checklist              |
| 9  | <b>Field Underwriting:</b>           |
| 9  | Height/Weight Chart                  |
| 10 | Family History & Risk                |
| 11 | Non-Med Limits and Exam Requirements |
| 12 | About Assurity Life                  |

## *Who Needs This Insurance?*

**Single adults** – no spousal income if they become seriously ill

**Single parents** – may not have a financial safety net if struck by a serious illness

**People with debt** – financial obligations continue if they're sick

**People who don't have adequate life insurance** – CI benefits can be paid to the estate

**People who want more options than may be available with their HMO** – benefit can be used for the best medical care/experimental treatments available regardless of network limitations

**People with a mortgage** – Half of all home foreclosures are due to a serious illness – only 3% are due to death\*

**People who want to be in charge of their own destiny** – offers the freedom to choose when a health crisis takes that away

**People with middle incomes** – often under-insured and debt vulnerable even a low benefit amount (\$30,000) can make a huge difference in their lives

**Families** – a spouse might have to take unpaid leave to help sick spouse, childcare

**Stay-at-home parent** – benefit can pay for childcare, housekeeping, etc. when stay-at-home parent is ill or needs to take care of ill spouse

\*MDRT presentation [www.mdrtcfp.org](http://www.mdrtcfp.org) tape #9966

### **People whose occupations may keep them out of DI –**

Freelance writers/authors  
Artists/photographers  
Pilots/harbor master  
Lounge or bar employees  
Bridge construction workers  
Bridge maintenance workers  
Power line construction workers  
Power line maintenance

Part-time employees  
Stay at home spouses  
Elected officials  
Military personnel (no war-related)  
Private nurses  
Structural steel workers  
Underground/mine workers (no explosives)  
Students/recent graduates

# AssurityBalance<sup>®</sup> Critical Illness Insurance

## HIGHLIGHTS

|   |  |
|---|--|
| Benefit paid for the first-ever diagnosis or procedure for these illnesses or conditions: | <ul style="list-style-type: none"> <li>• Life-threatening cancer</li> <li>• Heart attack</li> <li>• Stroke</li> <li>• Major organ transplant</li> <li>• End-stage renal disease</li> <li>• Coronary bypass surgery (25% of benefit)</li> <li>• Angioplasty (25% of benefit)</li> <li>• Paralysis</li> <li>• Coma</li> <li>• Major burns</li> <li>• Accidental loss of sight, hearing, or speech</li> </ul> |
| Life-threatening cancer defined   | Cancer must be beyond the borders of the original tumor or site.* Angioplasty and coronary bypass paid at 25% of policy face value.  |
| Benefit Reduction   | Benefit reduces 50% on the policy anniversary date in the year the insured turns 65 or five years from the policy issue date, whichever is later. (For example, if the policy is purchased when the insured is 63 years old, he would be eligible for the full benefit for five years (until age 68) then the benefit would be reduced by 50%)   |
| Waiting Period  | Benefits for first-ever diagnosis or procedure begin 31 days from issue. Cancer benefit is paid at 10% between 31 <sup>st</sup> and 90 <sup>th</sup> day from issue. On the 91 <sup>st</sup> day, cancer receives 100% of benefit amount.*   |
| Benefit use restrictions  | None! Benefit can be used for anything the insured wishes.   |
| Issue Ages  | 18–65  |
| Renewability  | Guaranteed renewable for life.   |
| Benefit Unit  | One unit equals \$1,000  |
| Issue amounts   | \$10,000 minimum. \$250,000 maximum  |
| Rates   | Male/female, tobacco/non-tobacco   |
| Occupation Exclusions   | Very few occupation exclusions – although some hazardous ones may be rated or contain a burn exclusion.  |
| Policy Termination  | Payment of any benefit terminates the policy.  |
| Survival Period   | None. Beneficiaries receive benefit if insured meets waiting period requirements (for both the policy and disease definitions) and dies of the first ever diagnosis of a covered disease or procedure.   |

\* Benefits may vary by state.

# COVERED ILLNESS DEFINITIONS

AssurityBalance® Critical Illness Insurance pays a lump sum benefit (currently tax-free), ***directly to the insured***, upon the first-ever confirmed diagnosis of a covered illness or listed procedure. This benefit is paid only once, and the policy terminates with that payment.

Diagnosis and procedures must be made and/or performed by board certified physicians in the corresponding specialty. The illnesses and procedures covered are:

## LIFE-THREATENING CANCER

***Defined as:***

- Leukemia and Hodgkin's Disease (except Stage 1 Hodgkin's), and
- A malignant tumor that demonstrates uncontrolled growth with the spread of malignant cells beyond the tumor's original site and the invasion of tissue.

***Not covered:***

- Pre-malignant tumors or polyps
  - Cancer in situ (a tumor that has not spread beyond its original position)
  - Carcinoid of the appendix
  - Stage 0 transitional carcinoma of the bladder
  - Prostate cancer histologically diagnosed as TNM stage T1N0M0 or equivalent
  - Skin cancer other than malignant melanomas invading the dermis or deeper
- 

## HEART ATTACK

***Defined as:***

An acute myocardial infarction that causes the death of a portion of the heart muscle due to blockage in a coronary artery. It would include:

- New clinical presentation and/or electrocardiographic (EKG) changes consistent with an evolving heart attack, and
- Elevation of cardiac biomarkers (enzymes) to a level that indicates a heart attack

***Not covered:***

An old (or established) myocardial infarction.

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## CORONARY BYPASS SURGERY (25% of benefit)

***Defined as:***

The actual undergoing of coronary artery bypass surgery (by a U.S. licensed cardiologist) using either a saphenous vein or internal mammary artery graft deemed necessary by the criteria set by the American Heart Association or American College of Cardiology.

***Not covered:***

Other surgical or non-surgical techniques such as laser relief or other intra-arterial procedures.

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## COVERED ILLNESS DEFINITIONS, CONTINUED...

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### ANGIOPLASTY (25% of benefit)

**Defined as:**

The actual undergoing of percutaneous transluminal angioplasty (passing an inflatable catheter inside a blood vessel) performed by a U.S. licensed cardiologist deemed necessary by the criteria set by the American Heart Association or American College of Cardiology.

**Not covered:**

Other surgical or non-surgical techniques such as laser relief or other intra-arterial procedures.

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### STROKE

**Defined as:**

An acute cerebral vascular event producing neurological impairment that results in paralysis or other measurable neurological deficits lasting at least 30 days.

**Not covered:**

TIAs (transient ischemic attacks), head injuries, chronic cerebrovascular insufficiency (restricted blood flow to the cerebrum), and reversible ischemic neurological deficits.

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### MAJOR ORGAN TRANSPLANT

**Defined as:**

The actual undergoing of, as a recipient, one of the following transplanted human organs (due to the failure of recipient's organ). Must be registered with United Network of Organ Sharing.

- Heart
- Lung
- Liver
- Pancreas (except for the transplant of islet cells)
- Kidney

**Not covered:**

Organ *donor* or organ not listed.

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### END-STAGE RENAL FAILURE

**Defined as:**

The chronic and irreversible failure of both kidneys requiring periodic and ongoing dialysis.

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### MAJOR BURNS

**Defined as:**

Third degree burns covering at least 20% of the body surface.

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### PARALYSIS

**Defined as:**

Complete and permanent loss of the use of two or more limbs from a neurological injury for a continuous 180 days.

## COVERED ILLNESS DEFINITIONS, CONTINUED...

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### COMA

*Defined as:*

Loss of consciousness (external stimulation produces only primitive avoidance reflexes) for a continuous 96 hours.

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### ACCIDENTAL LOSS OF SIGHT, HEARING, SPEECH

*Defined as:*

Loss of sight, hearing, or speech due to an *accidental injury*.

- **Sight** – permanent and uncorrectable loss of sight in each eye. Corrected acuity must be either worse than 20/200 in both eyes or field of vision less than 20 degrees in both eyes.
- **Hearing** – Permanent loss of hearing in both ears with auditory threshold of more than 90 decibels in each ear.
- **Speech** – Total, permanent, and irreversible loss of speech.

*Not covered:*

Loss of sight, hearing, or speech due to disease, genetics, or causes other than an accidental injury.

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# PRE-SCREENING

## Pre-screening Checklist

Please review the following checklist with your client. *These illnesses or conditions prevent the issuance of Critical Illness (CI) insurance.* Other illnesses not listed may also make your client ineligible for coverage.

Your client is **not eligible** for CI if there is a prior history of:

- Cancer (some exceptions)
- Diabetes (insulin dependent or uncontrolled)
- Heart Attack
- Coronary Artery Bypass Surgery
- Angioplasty
- Angina
- Congestive Heart Failure
- Heart Valve Impairment
- Cardiomyopathy
- Major Organ Transplant
- AIDS, HIV+
- Alcohol Abuse, treated within past 2 years
- Drug Abuse
- Stroke
- Transient Ischemic Attack (TIA)
- Polycystic or Chronic Kidney Disease
- Kidney Failure
- Cystic Fibrosis
- Hepatitis B or C
- Multiple Sclerosis
- Muscular Dystrophy
- Huntington's Chorea
- Permanent Paralysis
- Systemic Lupus Erythematosus
- Alzheimer's Disease

# FIELD UNDERWRITING

Good Field underwriting creates positive win/win situations. Asking your prospect a few questions before the application process can save time and frustration for everyone involved. If the information indicates your prospect will not qualify for CI, you can immediately shift gears to another product. Of course, underwriting is completed at the Home Office. It is a complex and in-depth process that weighs many health and risk factors.

## Height/Weight

Build can result in an applicant being rated as a substandard risk or can cause the applicant to be declined. ***Any combination of height and weight outside of this table will be declined.***

**Build Table: Males and Females Ages 15 and Over**

| Height        | Weight      |             |         |             |             |             |             |
|---------------|-------------|-------------|---------|-------------|-------------|-------------|-------------|
|               | At or below | At or below |         | At or above | At or above | At or above | At or above |
| 4'8"          | 78          | 83          | 84-147  | 148         | 175         | 182         | 189         |
| 9"            | 81          | 86          | 87-151  | 152         | 180         | 188         | 195         |
| 10"           | 84          | 89          | 90-156  | 157         | 185         | 193         | 201         |
| 11"           | 87          | 92          | 93-161  | 162         | 190         | 199         | 207         |
| 5'0"          | 90          | 95          | 96-166  | 167         | 196         | 205         | 214         |
| 1"            | 93          | 98          | 99-172  | 173         | 202         | 212         | 221         |
| 2"            | 96          | 101         | 102-178 | 179         | 208         | 218         | 228         |
| 3"            | 99          | 104         | 105-184 | 185         | 214         | 225         | 235         |
| 4"            | 102         | 108         | 109-190 | 191         | 220         | 231         | 242         |
| 5"            | 105         | 111         | 112-196 | 197         | 226         | 238         | 249         |
| 6"            | 108         | 115         | 116-202 | 203         | 232         | 244         | 256         |
| 7"            | 111         | 118         | 119-208 | 209         | 238         | 251         | 263         |
| 8"            | 114         | 122         | 123-214 | 215         | 244         | 257         | 270         |
| 9"            | 118         | 126         | 127-220 | 221         | 250         | 264         | 277         |
| 10"           | 122         | 130         | 131-226 | 227         | 256         | 270         | 284         |
| 11"           | 126         | 134         | 135-232 | 233         | 262         | 277         | 291         |
| 6'0"          | 130         | 139         | 140-238 | 239         | 269         | 284         | 299         |
| 1"            | 134         | 143         | 144-245 | 246         | 276         | 292         | 307         |
| 2"            | 138         | 148         | 149-252 | 253         | 283         | 299         | 315         |
| 3"            | 143         | 153         | 154-259 | 260         | 290         | 307         | 323         |
| 4"            | 148         | 158         | 159-266 | 267         | 297         | 314         | 331         |
| 5"            | 153         | 163         | 164-273 | 274         | 304         | 322         | 339         |
| 6"            | 158         | 168         | 169-280 | 281         | 311         | 329         | 347         |
| Table: Male   | (B)         | (A)         | STD     | (A)         | (B)         | (C)         | (D)         |
| Table: Female | (A)         | STD         | STD     | (A)         | (B)         | (C)         | (D)         |

Table rates in pounds and inches. Any final offer will depend on the results of the completed underwriting process.

## Family Health History and Risk

Family history is an important predictive factor for many diseases. Cancer and cardiovascular diseases, the main coverages under critical illness insurance, have strong family history predictors.

### Family history risk varies with:

- the number of affected first-degree relatives (mother, father, brothers, sisters)
- the relative's age at diagnosis (not at death)
- the current age of applicant
- the sex of applicant (in some cases)

The following factors serve as a general guide for determining applicant's rating or declination:

### CANCER

| <b>Breast Cancer</b> (Female applicants)                           | <b>Age &lt; 50</b> | <b>Age 50+</b>   |
|--|--------------------|------------------|
| ▪ <i>One first-degree relative</i> diagnosed under age 49          | Table B– C         | Table A– B       |
| ▪ <i>One first-degree relative</i> diagnosed age 50+               | Usually STD        | Usually STD      |
| ▪ <i>Two or more first-degree relatives</i> diagnosed under age 50 | Decline            | Table B– Decline |
| ▪ <i>Two or more first-degree relatives</i> diagnosed age 50-64    | Table B            | Table A– B       |
| ▪ <i>Two or more first-degree relatives</i> diagnosed over age 64  | Usually STD        | Usually STD      |

  

|  |                  |  |
|--|------------------|--|
| <b>Colorectal Cancer</b> (Male and female applicants)            |                  |  |
| ▪ <i>One first-degree relative</i> diagnosed under age 60        | STD– Table C     |  |
| ▪ <i>Two first-degree relatives</i> diagnosed under age 60       | Table A– Decline |  |
| ▪ <i>Three or more first degree relatives</i> diagnosed < age 60 | Decline          |  |

  

|  |                  |  |
|--|------------------|--|
| <b>Other Cancers</b> (Male and female applicants)  |                  |  |
| ▪ <i>One first-degree relative</i> diagnosed under age 60                                | STD possible     |  |
| ▪ <i>Two or more first-degree relatives</i> diagnosed under age 60                       | Table B– Decline |  |
| ▪ <i>Liver cancer in one first degree relative</i> and applicant is hepatitis B positive | Decline          |  |





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Assurity Life Insurance Company is a wholly owned subsidiary of Woodmen Accident and Life Company, an insurance company founded in 1890.

Assurity provides financial protection for families and businesses through the sale of a broad range of products including life insurance, disability income, and annuities. Products are made available to individuals on a convenient basis at their home or through the workplace. Located in Lincoln, Nebraska, Assurity is a member of the Lincoln Insurance Group, which has more than \$1 billion in assets.

Excellence in service, favorable investment returns, and low net costs to policyholders has earned Assurity an A- (Excellent) rating from A.M. Best Company, independent insurance industry analysts.

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**Our goal has been to make this guide easy to understand and accurate. If, inadvertently, a discrepancy exists between this guide and the actual AssurityBalance® Critical Illness Insurance contract, the contract provisions will govern.**

**Note:** Critical Illness Insurance is not a substitute for health insurance. This policy may not be appropriate for Medicaid recipients.

Premiums are subject to change only on a class basis with state approval.

Product availability varies by state. Benefits and policy provisions may vary by state. Policy form #A-CI 001.

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