



MIB Underwriting Services

When you can see risks clearly,
you can issue with confidence.





OVER A BILLION DOLLARS.

That's how much MIB is estimated to save the insurance industry each year by revealing risks only its members can see clearly.

In fact, two recent studies show MIB's protective value at:

- \$46:1 for fully underwritten life insurance,¹ and
- \$30:1 for simplified issue life insurance.²

Proven results like these are what makes MIB the industry's most trusted, cost-effective resource in the fight against anti-selection.

¹ Milliman, Inc., 1999.

² Bergstrom Consulting, LLC., Richard L. Bergstrom, FSA, MAAA; ARHart Consulting, LLC., Anna R. Hart, MS, SRM, 2010.

More information on MIB's protective value at www.mib.com/pvstudy.

WHY MIB MEMBERS ISSUE WITH CONFIDENCE.

Industry-wide problems are best addressed by industry-wide solutions. And that's exactly what MIB offers the insurance industry — a comprehensive, cost-effective solution to the problems of application omission, misrepresentation and fraud.

Some applicants don't fully understand the questions insurers ask. Some honestly forget pertinent information. Others purposefully omit or distort the facts to secure coverage, attain better rates, or worse yet, commit fraud. And sometimes producers don't help the situation.

Intentional or not, these risks have one thing in common...they threaten an insurer's bottom line.

MIB information is provided by underwriters for underwriters, delivering a shared intelligence that spans the industry to give you a more complete and accurate picture of your applicants. MIB lets underwriters identify unforeseen risk on insurance applications — information critical to accurate risk assessment.

For more than a century, MIB has been owned by its members and operated for the benefit of the entire industry. Today, virtually every North American insurer and reinsurer is an MIB member, using our fraud protection services for:

- **every line of business** — life, health, disability income, long-term care and critical illness coverage, and
- **every distribution model** — from career agents and independent producers to direct mail and Internet purchase, for both individual and voluntary group coverage.

MIB empowers underwriters with the knowledge they need, where and when they need it. Shared intelligence, exclusively for MIB members, that lets you **Issue with Confidence.**



“We simply wouldn’t underwrite without MIB. Nothing else provides this much protection for this little cost. The return on investment is exceptional.”

*Ann Hoven, MD, Chief Medical Director
Individual Life, The Hartford*

Plan-F in Action

Situation: A \$4 million policy had been issued to a 55-year-old male, standard, non-smoker. The applicant indicated he had a normal stress test on the application.

Follow-up Revelation: An abnormal thallium stress test was reported to MIB from an application for additional insurance.

Result: The policy was rescinded and reissued at a far higher premium.

REVEALING HIDDEN RISKS. EMPOWERING BETTER DECISIONS.

When your company joins MIB, your underwriters will be able to quickly see what other underwriters already know about your applicant. MIB’s Underwriting Services lets you uncover critical medical information and excessive application activity that impacts risk assessment and reveals fraud so you can avoid these hidden risks.

Shedding light on inaccurate applications

MIB Checking Service. Exclusively available to members, this fraud protection service is the most powerful underwriting tool in the industry today. It alerts underwriters to risk factors that can significantly impact an applicant’s mortality and morbidity — risk factors that other MIB members have already deemed important.

These alerts help guide underwriters so they can focus their investigation, obtain additional information, and reveal a truer risk profile for a more accurate and actuarially sound decision.

A second chance to spot anti-selection

Follow-up Service (Plan-F). MIB is also the industry’s only source of post-issue information. For two years following the original MIB Check, we’ll alert our members of any new information submitted on the applicant by another member. This new information, if significant and undisclosed, can give members a crucial second chance to review and rescind during the contestable period — before it becomes a claim, triggers legal costs and threatens an organization’s reputation.

In some cases, our Follow-up Service sheds light on additional risks while a case is still being underwritten. The service is so valued by our members that it is requested on over 60% of total MIB inquiries.

Spotting frequent shoppers

Insurance Activity Index (IAI). Frequent applications by the same individual may not necessarily be a good thing, and can be an indicator of fraud. IAI provides MIB members with an industry-wide view of an applicant's activity over the past two years across every MIB member.

In addition to showing when and how often individuals have applied, IAI identifies what type of coverage(s) they applied for and whether the activity was for new business, a reinstatement or reinsurance. Our members then use this intelligence to identify a host of critical risks, including:

- applicants who try stacking smaller policies with fewer underwriting requirements to “fly below the radar,” and
- instances of Stranger-Owned Life Insurance (STOLI).


Identifying overinsurance for disability applicants

Disability Income Record Service (DIRS). For disability insurers, overinsurance presents a unique risk — one that MIB's shared intelligence can help reveal. DIRS provides disability insurers with a comprehensive report that outlines:

- how much disability income insurance an applicant currently has in-force, and
- whether that applicant has applied for new benefits from any other participating disability income insurers.

By combining a DIRS inquiry with an MIB Checking Service inquiry, disability insurers get a quick read on potential overinsurance and an applicant's health status simultaneously. In one step, you quickly get a clearer picture of two different underwriting risks.

All MIB underwriting services illustrate the power of the industry (its members) working together to reveal relevant underwriting risk that could simply not be seen by any one insurer on its own.



“We wouldn't be in business without MIB, and without their services, would have to charge exorbitant rates far and above what we currently charge.”

Lynn Patterson, Chief Underwriter
ING

IAI in Action

Situation: One individual applied for 18 life insurance policies with 18 different member companies over five months — accumulating more than \$40 million of face amount.

IAI Revelation: IAI's industry-wide view revealed this unusual activity and was the only alert that something was amiss.

Result: The fraud collapsed when insurers spoke with one another and notified their state insurance departments about it. In the end, the companies rescinded all of the policies involved.

VALUE DELIVERED. VALUE REALIZED.

MIB delivers real value to our members and the entire industry through our suite of underwriting services that help reveal risk and limit losses.

MIB Protective Value Study for Simplified Issue Term Plans

In a study of a representative MIB member, researchers found that using the MIB Checking Service saved the member \$30 for every \$1 spent.

Strong protective value for insurers

A recent study published in *On The Risk* illustrated that an insurer could save \$30 for every \$1 spent on MIB for its simplified issue business. Furthermore, the study illustrated that insurers could benefit from MIB for smaller cases as well as larger ones. In fact, it demonstrated protected value for policies with face amounts as low as \$3,600.

Critical value for the entire industry

MIB provides its members with services that help the industry more effectively select and price risk. That in turn allows insurers to offer — and consumers to purchase — affordable life and health insurance protection.

- MIB helps **underwriters** validate applicant statements and detect omissions or misrepresentations so they can better focus their underwriting investigation and ultimately **Issue with Confidence**.
- MIB provides **member companies** with exclusive access to information that improves risk selection, loss ratios and bottom-line profitability.
- MIB ensures **consumers** can equitably obtain individually underwritten insurance products at reasonable and affordable premiums.



Bergstrom Consulting, LLC., Richard L. Bergstrom, FSA, MAAA; ARHart Consulting, LLC., Anna R. Hart, MS, SRM, 2010. A complete report of the study can be found at www.mib.com/pvstudy.

TAILORED SOLUTIONS. EXCLUSIVE SUPPORT.

Our members can quickly realize the value of our underwriting services through a full suite of connectivity and support options.

Flexible connectivity options

MIB makes it easy for members to quickly submit and receive information via the Internet, protected by our stringent security protocols. Each member chooses how they want to directly access our services by either:

- opting for our browser-based solution — WEB-TERM, or
- fully integrating our services into their automated underwriting system with our ACORD-compliant WEB-DIRECT to enhance their workflow.

We work closely with each of our members as well as their new business and underwriting system vendors to tailor the optimal connectivity solution for their organization.

Expert training and support

MIB provides comprehensive training and support to members including:

- Training for new members
- Advanced training for existing members
- Advice on MIB coding questions
- Access to KnowledgeNow for all things MIB
- Guidance on MIB Rules
- Expertly staffed Help Desk 24/7/365
- Connectivity and system integration support

A trusted guardian

As an industry-owned, secure repository of underwriting information for millions of insurance applicants, MIB protects both consumers and the insurance industry. Our role as a trusted guardian extends to servicing consumers' requests for reinvestigations and amendments to their record. Through an easy-to-use, streamlined process, consumers may request their MIB records one time per year, free of charge.



“MIB is indispensable for any insurer. And it will become even more so as insurers continue to move toward more simplified underwriting. The fewer the underwriting requirements, the greater the value of MIB.”

*Hank George, FALU, CLU, FLMI
Leading Industry Consultant*

Together with its members, MIB strengthens the industry,
ensuring companies can offer — and consumers can purchase —
affordable life and health insurance protection.

The MIB Checking Service is provided by MIB, Inc., exclusively for the benefit of members of MIB Group, Inc.



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