

Underwriting Asthma

THE CASE

STUDY FOR

THIS MONTH

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A 40-year-old man is applying for \$750,000 of term life insurance. He has a life long history of asthma and controls it with a daily pill and occasional inhaler. The APS shows that he has occasional attacks that respond to cortisone treatment.

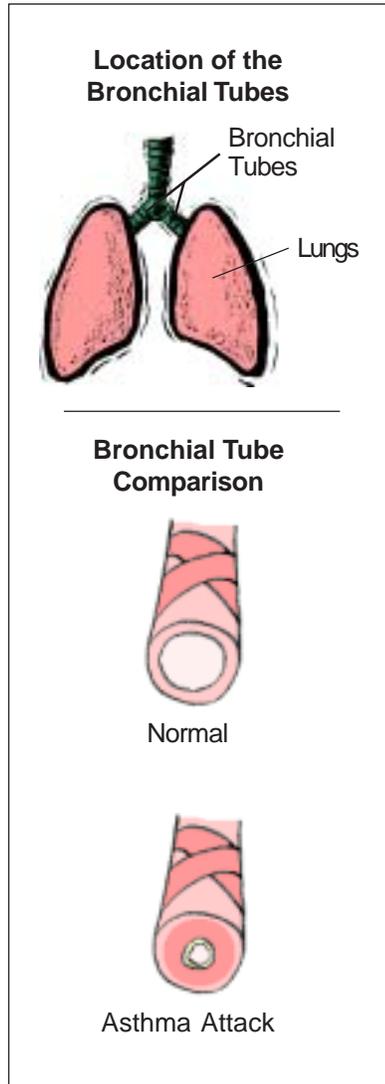
Asthma has been increasing and now affects 5 percent of the population. The death rate of asthmatics has continued to rise despite newer and better medications to treat it. So, asthma must be taken seriously in underwriting.

Asthma comes from the bronchial tubes reacting to a variety of common causes including allergies, inflammations and emotions among others. The outcome is that the bronchial tubes begin to close and restrict air from flowing into the lungs. This effect makes the whistling sound of wheezing and breathlessness that typifies asthma.

Some asthmatics are allergic to multiple contaminations in the air we breathe, most often pollens, but also animal danders, feathers, dust, even mites and other pollutants. Most people have no reaction to these, but the asthmatic has an immune system that overreacts when the bronchial tubes encounter such allergens.

In determining the risk to life, the underwriter has to determine how prone a person is to wheezing on a regular basis. Breathing tests do not help assess the risk. They are too subject to wide variations

and change too quickly. Instead, the parameter used to evaluate the asthmatic is more related to how often an attack of asthma occurs, how many visits to the hospital, how many medications are required to control the asthma, or how many times cortisone is needed to settle the wheezing.



The best asthmatic risks are those people who only wheeze in the spring or fall seasons or only when they exercise. These people do not require regular medication, hospital visits or cortisone prescriptions.

In contrast, the worst cases require multiple medications to keep the wheezing under control. The problem lasts throughout all seasons. There is regular or recurrent cortisone medication required or hospital visits are necessary.

Asthma is a definite underwriting problem with a wide range of outcomes. In the case study, the likely underwriting assessment would be table 2 (on a standard plus base). When the person requires cortisone medications or hospital visits to control the asthmatic attacks, the risk assessment would result in a rating. If there were no attacks requiring cortisone or hospital visits, the risk would more likely be classified as standard plus. There are only rare instances when a person with asthma can be considered a preferred risk.



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