

IMPAIRED RISK REFERENCES

Issue 5

Underwriting Liver Conditions

THE CASE

STUDY FOR

THIS MONTH

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A 60-year-old man is looking for \$500,000 of 10 year term life insurance. He has no medical problems, does not take any medications, and has had no known liver problems in the past. At the time of the exam, he is 5' 10" and weighs 225 lbs. Blood tests reveal a liver value three times the normal level. Special tests were negative for alcohol abuse and hepatitis.

Liver test abnormalities are common surprise findings in insurance lab testing. They are obstacles in the underwriting process as well as in the broker's process of placing the policy once the underwriting is complete. Often the evaluation of this problem is transparent to the broker and involves behind the scenes evaluation at the home office as in the case illustrated above.

The liver is an organ that is essential and its importance can't be overstated; life cannot exist without it. It functions normally to breakdown and eliminate multiple waste products (i.e. the medications we take, bacterial products, cell products and others). It also manufactures materials for normal blood activity (i.e. essential proteins, clotting factors, sugar, and fats).

When liver test results are elevated, it is a clue that a disease could be developing which would have an affect on the longevity of the liver and consequently overall mortality. Generally speaking, the higher the test value the greater the chance of damage to the liver.

Certain medications, minor illnesses, and other conditions can affect the liver test results, but not affect longevity. This conclusion can only be deduced, however, when the possibility of all diseases have been tested for and ruled out. It is certainly a difficult conclusion to reach during the first stages of underwriting.

The true prognosis of the liver test abnormality relates to the actual cause or diagnosis. This diagnosis often can only be made by a liver bi-

opsy. Since the cause often can't be diagnosed and a biopsy is not available at the time of underwriting, the underwriter has to estimate the chance that disease is present. The likelihood of disease is often related to the degree of elevation. According to experts, three times the normal level can be of significant concern.

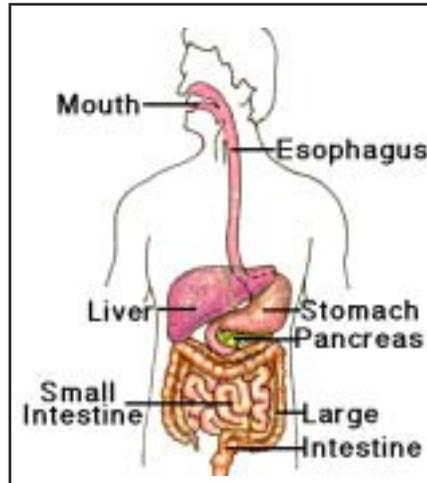
In the case of an unusually elevated test result like the one described above, without any further evaluation, the risk would be rated at table

4 (an increased mortality of 100 percent or, in other words, this rating calculates to an average life expectancy of four years less than normal). But if the underwriter can rule out the possibility of some common conditions that cause liver-related deaths, the risk becomes better. Some of those common causes are hepatitis and alcohol abuse. The tests for these conditions are reliable and, if negative, then the mortality risk related to the abnormal liver test is improved. When these tests have been performed by the insurance testing lab and credits given for no evidence

of these conditions, the rate is reduced. This happens behind the scenes during the underwriting process.

Depending on the abnormalities involved, the medical history and the face amount of the policy, the evaluation of these abnormalities sometimes has to be left to a liver specialist or the attending physician.

In this case study, the likely assessment is standard plus. The applicant's height and weight are classified as standard plus, so there is no change in the risk assessment from that determined by the build. The tests performed by the insurance lab allowed credits which improved the rating from a table 4 to the final offer of standard plus. Even though the exact cause of the elevated liver value is not known, the main concerns have been eliminated and the policy can likely be issued as applied for.



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