

Underwriting Hot Topic: Foreign Travel

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An important factor in determining a person's underwriting classification and eligibility for obtaining life insurance is foreign travel. Life insurance companies review future travel plans and potentially past travel habits because a proposed insured may be negatively affected by the surroundings of the country visited. Conditions such as lower standards for personal health, poor medical facilities, and political unrest may increase the mortality risk for a proposed insured.

Foreign travel is generally defined as travel outside of the United States (for business or personal reasons) for no more than six months per year. Insurance carriers usually evaluate the destination, frequency, duration and occupation of the proposed insured when determining an underwriting classification.

Life insurance companies assess a country based on their own analysis and the current conditions of the country. Countries such as Cuba, Egypt and Ukraine may be deemed unacceptable for any travel, as specified by the insurance carrier. Other countries/regions like Iran and the West Bank (Palestinian territories) may be acceptable for travel, but for shorter allowable durations or reduced face amounts.

Insurance carriers take a close look at a proposed insured who applies for life insurance directly before traveling abroad. In some cases, the life insurance acquisition may be postponed until the trip is over. Insurance carriers may also try to evaluate past travel patterns to determine a proposed insured's risk classification. However, some states including, but not limited to, Florida, New York and Colorado have enacted regulations that do not allow an insurance company to take negative action based only on a person's lawful travel activities.

When foreign travel is part of the equation, a well-positioned and complete picture of the insurance plan needs to be presented to the insurance carriers upfront to set the stage for an ideal outcome. Working with an insurance advisor who has established carrier relationships and experience navigating foreign travel constraints can positively impact the final risk assessment.

Underwriting Advocacy

There are many nuances involved in a life insurance acquisition, especially if more than one insurance carrier is involved. Through our confidential and proprietary underwriting process, we ensure that our clients receive the best possible underwriting offers available. We continue to expand our resources and underwriting expertise as we encounter new trends that may affect the implementation of a life insurance strategy.

To learn more about our underwriting approach, please contact us at (330) 665-2376.