

DON'T GET FOOLED

Life Insurers Could Misread Your Medical Records

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Apply for a life insurance policy, and you authorize the release of your medical records to the insurance company—but what if those records are misunderstood or misinterpreted and the insurer thinks you have a health problem that you *don't* have? This can happen, and the consequences may be costly. If the insurer mistakenly believes that you have a health issue that could reduce your life expectancy, it might set your premiums 10% to 30% above the “preferred” premiums, if not more, or decline to cover you at all. And if the insurer reports this perceived issue to the Medical Information Bureau (MIB) database, other insurers will learn of it, too, and they also will quote you higher premiums or deny you coverage.

Example: A woman was quoted a steep premium because an MRI scan in her medical file appeared to show a carotid artery abnormality. Upon reviewing the file, her insurance broker realized that she was a perfectly healthy person with this one exception blemishing her medical profile. The broker asked a more senior radiologist in the department that conducted the scan to review the initial finding—and this radiologist discovered



that there actually was no significant abnormality. The initial report had “overreported” a minor abnormality. A letter from the radiologist to the insurance company allowed the underwriter

to offer the policy on a preferred basis.

What to do: When you choose among potential insurance brokers, ask, “Who do you have on your staff or on call who has medical or underwriting experience?” Lean strongly toward brokers who confirm that they do have such people available. If you are denied coverage or quoted a steeper-than-expected rate because of a medical issue of which you previously were unaware, ask your broker to have his/her medical staffer or consultant review your exam findings. Insurers generally are willing to reconsider their health assessments when brokers they work with demonstrate that these assessments could be mistaken.

Bottom Line Personal interviewed Lee Slavutin, MD, CLU, principal of Stern Slavutin-2 Inc., an insurance and estate-planning firm in New York City. Prior to entering the life insurance business in 1983, he was a surgical pathologist at Lenox Hill Hospital in New York City. SternSlavutin.com

