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WILLIAM SANSUM
DIABETES CENTER



Underwriting Diabetes for Life, Disability and Long-Term Care Insurance

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In my practice I help people who want to protect their families and finances in the event they become sick or injured and cannot work, pass away before life expectancy and/or become frail and need custodial care over a period of years. I help them acquire individual life, disability and long-term care insurance as a cost-effective means to protect what is important to them.

In order to health qualify for these types of insurance policies applicants must go through an underwriting process which involves a review of their medical records and lab results (blood and urine) from a medical exam. The question is often asked if someone with Type 1 or Type 2 diabetes can acquire insurance and how diabetes is evaluated by the insurance companies.

An applicant with diabetes can qualify for insurance, but successfully underwriting the condition is based on a number of considerations. First is the type of insurance applied for and how a particular company may view diabetes. Some carriers may be more liberal than others with diabetes. Second is the type of diabetes and the date of onset. Last are how the condition is treated, the level of control and what other health issues the applicant may have.

Whether or not an applicant with diabetes could qualify for coverage would be based on an evaluation of their individual application, medical records and lab results. However, here are some general guidelines as to how Type 1 and Type 2 diabetes may be underwritten for individual life, disability and long-term care insurance.

Life Insurance

Type 2: A policy could be approved with as high as a standard (normal) health rating as long as diabetes is not a new diagnosis and it is controlled with diet, exercise and oral medication.

Type 1: This is also an insurable condition, however a policy would be rated 4 to 6 tables. Being rated means that insured would pay a higher premium to offset the risk for a condition that could result in a reduced life expectancy. Glucose and A1c must be within normal limits and stability/control is the key. If the diabetes is not under control it would be a decline.

Disability Insurance:

Type 2: Well controlled Type 2 diabetes can be underwritten with most carries. A policy would be capped with a 5 year benefit period, and there would be a 30% to 50% additional premium charge.

Type 1: This is more difficult to underwrite. There is one carrier in the market that would consider an applicant if age of onset is 25 or later and proposed insured takes no more than 40 units of insulin daily. The diabetes must be under control with no other medical issues. There would be an extra premium of 50% to 75% depending on the applicant's age. In most cases, people with Type 1 and those taking insulin should look for disability coverage with a carrier that specializes in sub-standard health or high occupational risk. These policies would also have a 5 year benefit period.

Long-Term Care Insurance

Long-term care insurance policies fall into two categories. One is the traditional premium based (term) policies that have been around for 40 years. The other is life insurance and annuity policies with long-term care benefits built in or added as a rider; these are called linked benefit or hybrid policies.

Type 2: This can be an insurable condition with most carriers offering one or both of the long-term care insurance options above. Oral medication is acceptable and the diabetes must be well controlled. The applicant must have no other serious conditions such as heart disease, peripheral vascular disease, amputation, retinopathy, kidney disease or stroke. There can be no tobacco use in the last 5 years.

Type 1 or insulin use: This is not an insurable condition for traditional long-term care insurance. However there is at least one carrier that will issue long-term care insurance benefits in a linked benefit policy. Approval would be based on how well the diabetes is controlled with insulin, diet and exercise, and if there are no other co-morbid conditions.

When applying for an individual life, disability or long-term care insurance, it is important to work with an agent who can do advance or "field" underwriting on your behalf. This means talking with the underwriting departments of multiple insurance companies prior to submitting your formal application. This will increase the likelihood of a policy being issued with the best pricing for your situation.

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