

Cover letters often are submitted only after applications have been received and the underwriter has done extensive questioning. If detailed cover letters are sent along with the applications, however, underwriting time may be reduced substantially. The importance of sending a good cover letter with an application, therefore, can't be overstated.

To be most effective, the cover letter should include:

- *The purpose of coverage.*

The difference between an arbitrarily conceived death benefit and one that is carefully calculated is significant. You should be sure to include in the cover letter how the coverage amount was determined. Questionable or vague coverage needs or owner/beneficiary designations can cause underwriting to take more time scrutinizing financial need or insurable interest.

- *Pertinent objective details.*

Use the cover letter to go beyond the "yes/no" format of the insurance application. The "remarks" section of the application may not provide enough room for detailed explanations. A cover letter is ideal for communicating additional information, which may prove helpful during the underwriting process.

- *Personal knowledge of the applicant's medical or financial history.*

This is clearly different from - but not necessarily less useful than - objective information. The degree to which the producer knows the client personally can be helpful to the underwriter. An example of this could be that the client has had heart bypass surgery, but he and the agent run marathons together. Or perhaps the agent and his client are in the same church and are lifelong non-smokers/non-drinkers for religious reasons. Information that might seem trivial or anecdotal to the producer could be useful to the underwriter.

- *The importance of a particular case or group to the agency or producer.*