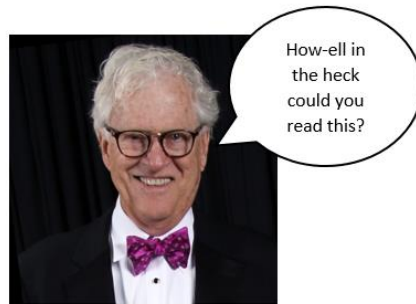


# MIB – Medical Information Bureau



*By: David Howell*

Hi Alan,

I am a great fan of your webinars and enjoyed the one yesterday. Good stuff, as always. It would be easier, and perhaps wiser, for me to stop at this point. However, I decided to let you know that the information regarding the Medical Information Bureau, a/k/a the MIB, was not entirely factual. The view your source gave you, while incorrect, is commonly held, by the way.

Since I know you want to provide only factual information, I decided to take a few minutes to provide some more info on the MIB. Attached is a little piece I use on this subject, entitled "MIB De-Mystified." Here are some points:

The MIB exists to provide insurance carriers with "alerts" to possible errors, omissions and misrepresentations made during underwriting.

"Codes" are used by insurance carriers and the MIB. A carrier would, for example, inform the MIB that the applicant has a history of diabetes, cancer or coronary artery disease.

Actual medical records are not provided to the MIB. Only codes representing significant medical, non-medical (e.g. race car driving) and financial (e.g. bankruptcy) are part of the MIB database.

A carrier cannot make an underwriting decision based solely on MIB codes. The codes are meant to serve as an alert to the carrier, who can then dig deeper into the matter. If the applicant, for example, does not disclose that he or she has coronary artery disease but there is a CAD code in the applicant's database, the carrier would then further investigate.

As you can imagine, in all the years I've been underwriting life insurance cases, I have occasionally been surprised – disappointed – to learn (because of a MIB code alert) that my client failed to give me the whole truth.

I think you and I discussed another resource used by carriers to ensure accuracy re medical issues during the underwriting process: The "Rx Report" a/k/a "Script Check." If an applicant takes, for example, medication for high blood pressure, that fact will be in the Rx Report. If the applicant fails to disclose this in the application process, it raises a

concern. If I know it in advance, I have the opportunity to dig deeper and provide the carrier with details gathered from the applicant and perhaps the applicant's physician, in my cover letter to the carrier. I'll paste a little blurb on Script Check below.

Because of the MIB and Script Check I always have a serious conversation with clients at the very beginning of the underwriting process. I encourage them to tell me everything because when I know "stuff" in advance, I can be pro-active. This is much better than trying to do damage control later. By the way, as you can imagine, it is not only the MIB and Script Check: Carriers routinely "Google" applicants for information. Oh, the stories I could tell.....

All the best.

David

### **Using Rx Reports (aka script check) Allows BGA's to Know More About the Applicant Than the Producer!**

**IBU has been providing prescription database check access to BGA's since 2011 and usage is growing.**

Life insurance companies use Rx reports extensively and especially when reviewing large premium, older age applications. BGA's usage of Rx reports is rising as it serves as a low-cost, non-intrusive supplement to APS's. BGA's must maintain an underwriting edge to sustain its value proposition with producers. Using Rx reports allows BGA's to minimize surprises from carriers and to know more about the applicant than the writing agent.

Used extensively by carriers, Rx reports provide insight into an applicant's prescription usage. Rx reports may also reveal additional attending physicians that were not revealed by the writing agent. The carrier will find out this information anyway so why get the information up front. Think about the impression you'll leave with an important producer when you tell them the medications the applicant is taking as well as the doctors the applicant has seen.

As long as a proper authorization has been executed, IBU BGA clients can conduct a prescription database check just like the carriers with no inconvenience to the insured.

Insurance carriers are using Rx reports and so are smart BGA's. If you have not incorporated Rx reports into your underwriting process you may be losing agents to a BGA who is.