



Income Protection Financial Underwriting

Financial Underwriting is the evaluation of a prospective insured's personal or business financial background as well as their current economic circumstances. The purpose of this evaluation is to ensure that the amount of insurance being purchased is reasonable and in line with the proposed insured's financial needs. An analysis of a person's financial circumstances should be performed every time an application is underwritten. For most sales, information obtained from the application, a telephone interview, or from an inspection report will be sufficient to satisfy the underwriter's questions regarding the appropriateness of the insurance applied for. For very large amounts of insurance, or when considering complex insurance programs, a more extensive analysis is required. It may include a review of specific financial statements or other supporting documents. A complete insurance program should take all of an individual's financial needs into consideration and include an assessment of their ability to pay for the coverage requested.

Income Protection Insurance is purchased to protect against the loss of earned income in the event of the untimely and unexpected death of the insured. Earned income is defined as income that would be expected to cease upon the death of the insured such as salary, bonus, pension, social security and cash distributions from a business. It generally would not include pure investment income or distributions from 401(k) plans or IRAs. When insurance is being purchased to replace lost income, underwriters use specific income factor guidelines to determine an amount of coverage that appropriately reflects the future income needs of the insured's beneficiaries.

The attached income factor tables can be used as a guide to determine the maximum amount of insurance an underwriter may consider appropriate to protect against the loss of a proposed insured's earned income. The factors shown in the tables estimate the potential economic loss of income based on various earning scenarios, including adjustment for inflation, potential income growth, existing heirs and dependents, as well as consideration for the addition of future dependents.

This material is intended for insurance informational purposes only and is not personal medical advice for clients. This marketing material includes an expiration date and use of this material must be discontinued as of the expiration date.

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Your Success Matters.

{Name
Phone Number
E-mail Address
Website Address}



Prudential

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751 Broad Street, Newark, NJ 07102-3777
Rx139 IFS-A095784 Ed. 10/08 Exp.10/10

1. Individuals that are married or with dependents

Ages	Income		Factor		Amt. of Ins.
to 30	\$	X'S	30	=	\$
31-40	\$	X'S	25	=	\$
41-50	\$	X'S	20	=	\$
51-60	\$	X'S	15	=	\$
61-70	\$	X'S	10	=	\$
71-80	\$	X'S	5	=	\$

2. Individuals without dependents with incomes < \$50,000

Ages	Income		Factor		Amt. of Ins.
to 30	\$	X'S	15	=	\$
31-40	\$	X'S	10	=	\$
41-50	\$	X'S	8	=	\$
51-60	\$	X'S	7	=	\$
61-70	\$	X'S	5	=	\$
71-80	\$	X'S	0	=	\$

3. Individuals without dependents with incomes >\$50,000

Ages	Income		Factor		Amt. of Ins.
to 30	\$	X'S	20	=	\$
31-40	\$	X'S	15	=	\$
41-50	\$	X'S	10	=	\$
51-60	\$	X'S	8	=	\$
61-70	\$	X'S	5	=	\$
71-80	\$	X'S	0	=	\$

*As is always the case, anytime you have a question that you would like to discuss with an underwriter, feel free to contact your regional brokerage director.

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