



## Insurance Medicine

When evaluating a medical history, the insurance company through its underwriting and medical departments may determine that a rating is necessary to cover a given risk. At times this comes as a surprise to the client who feels that he/she is in the picture of health and has been told by their attending physician that he/she is "doing well," "stable," or has "*some minor problem that needs follow-up but no current treatment.*" The client then becomes confused over the difference of opinion regarding their medical health and life expectancy.

This issue of **Rx for Success** addresses why an insurance company may have a different view than a client's attending physician. Generally, it is not a case of one view being right or wrong but rather a difference in perspectives.

Attending physicians see themselves as a patient advocate. The patient's medical history will be painted in the best possible light. If the person has a medical problem that requires no immediate treatment, the physician may not be that concerned and relay that sentiment to their patient, although the condition may cause problems or require treatment in the future. When the medical condition becomes more severe or complications develop, the attending physician can respond by starting treatment or ordering further evaluation. The insurance company, however, evaluating that same medical condition only has the narrow window of time during which underwriting takes place to make its assessment. The policy is a guaranteed contract, and once issued, this contract cannot be changed except in the client's favor (*possible rating reduction on second anniversary in some cases*).

Using the example of an abnormal ECG, the attending physician may not be concerned if the person is not having any chest pain. If several years down the road the client has symptoms, the doctor can further evaluate and treat at that time. From an insurance medicine perspective, a certain percentage of these individuals will go on to develop heart disease which will impact the life expectancy of the group as a whole. For these individuals, the premium can not be raised to cover the additional risk. Therefore, the entire group of people having that ECG abnormality will be assessed a low substandard rating.

One further point on which attending physicians and insurance companies differ is the way they look at future life expectancy. The attending physician is thinking in terms of the general population whereas the insurance companies base their mortality assumptions on the life expectancy of the insured population, which assumes at any given age that the individual will live longer than if they followed the general population statistics.

We hope you found this discussion of insurance medicine helpful. In those cases where a client is confused or uncertain about our company's assessment of their medical condition, please feel free to contact our underwriting or medical departments. Often, our involvement can be helpful in explaining to the client or his/her attending physician the reason for our action.

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