

Catron, Cindy

From: Noonan, Kay
Sent: Monday, June 7, 2021 11:52 AM
To: Catron, Cindy
Subject: Concern/Complaint about insurer practices from a 20 year insurance professional

From: Jamal Mahmood, CFP(r), CLU(r), RICP(r) <jamal@msfsolutions.com>
Sent: Friday, April 30, 2021 1:32 PM
Subject: Concern/Complaint about insurer practices from a 20 year insurance professional

I am writing to you regarding a concern that I have had for a while, one which bothers me more and more over time. I am hoping you can route it to the correct person within your organization.

My concern is regarding underwriting practices I have encountered across life insurance companies when it comes to foreign travel.

In my experience, insurance companies do not have very sophisticated criteria at all when it comes to screening for foreign travel among life insurance applicants.

Most companies ask "Do you have any plans to leave the United States for travel or residence?" or some variation of that question. Some will ask a trickier variation: "Do you anticipate travel?" which is a broader question that covers more "grey areas."

In any event, most insurance companies will be very strict when it comes to denying coverage for any insured who mentions that they may be traveling to countries that have travel advisories.

I would argue and request that the NAIC consider that perhaps this practice is unfairly discriminatory on racial and ethnic lines. My own experience is a case in point.

Many of my clients hail from Pakistan, originally (that is where my ancestors are from, and thus Pakistani Americans are my natural market). Pakistan is, understandably, a "D" country for most insurance companies. It is not a place any American citizen in their right mind would travel to for tourism, or any other discretionary reason. But the implication of the way insurance companies treat such a situation is that it is very difficult for ANYONE from Pakistan to obtain life insurance.

The reason is because a good many people from Pakistan have family there. So when I ask them if they have plans to travel, I am often met with a confused response that basically says "Well... I have no plans to go to Pakistan but at some point I probably will go..." meaning, there is no reason for them to go, but at some point, maybe their nephew will get married, or a parent will get sick, and then they would go, because it's their home...

Insurance companies have told me many times that I should just say "we have no plans" to travel in such situations, because there are indeed no "plans." But this feels somewhat uncomfortable, because conscientious clients would prefer to say "I have no plans to travel, but there is a possibility I may go to Pakistan at some point." This would be especially appropriate if the question asks if travel is *anticipated*. But even the slightest nuance is intolerable when it comes to this- the word "Pakistan" on an application as a possible travel destination is an automatic decline.

People born in America do not have this conflict. Even if they are from the toughest parts of Oakland, Detroit, or Brooklyn, there is no "risk" to travel within the United States. Yet the entire country of Pakistan is considered one big

danger zone. It is as if merely the possibility that one might consider traveling to Pakistan increases one's mortality risk. This is completely illogical, and it discriminates against anyone who is from there.

My suggestion and request:

Please consider a guideline that states that regardless of a country's status, an insured's possible travel to that country CANNOT be considered grounds for denying coverage to that person. A valid alternative could be an exclusion for death that occurs within that country, or an automatic "standard" rating. Perhaps it could be combined with de minimis travel allowances, or allowances for insureds with family ties to the country in question.

The simplified way that insurance companies handle it at present may be convenient for them, and it does not affect probably 90% or more of applicants, anyone who hails from a Western country. But people from Pakistan, from the Middle East, from Africa, all of them will face this problem that I am speaking of here.

Thank you for your consideration of this matter.

Sincerely,

Jamal Mahmood, CFP®, CLU®, RICP®

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