

Older Age Underwriting Changes

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IN THIS BULLETIN:

- Older Age Underwriting Changes

Allstate and Lincoln Benefit Life will be implementing changes to our existing underwriting requirements. These changes have been designed to improve mortality in the growing older age market segment.

Beginning May 15, 2006, we will initiate a pilot in Florida, Illinois and Arizona using Delayed Word Recall (DWR) and Peak Flow pulmonary function testing for all applicants **ages 70 and above**. The Florida pilot will be limited to the Tampa, Sarasota and Ft. Myers areas, and the Illinois pilot will cover the Chicagoland area (Cook, Lake, McHenry, DuPage and Kane counties). Details regarding our full implementation strategy will follow later this spring.

With the Delayed Word Recall test the proposed insured will be given a list of 10 words that he or she will be asked to recall later in the paramed interview. The Peak Flow pulmonary function test requires the proposed insured to blow into a simple test device that measures peak exhalation airflow. Both the Delayed Word Recall and Peak Flow tests are non-invasive, specific assessments for elderly mortality risk.

During the pilot, test results will be communicated directly to Home Office for review and evaluation. Results will not be reported to the underwriter and will not factor into the underwriting decision. There will be no adverse underwriting impact to the customer during the pilot.

CONTINUED ON NEXT PAGE

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The Delayed Word Recall and Peak Flow tests will now be part of the normal paramed process for customers age 70+. Since all customers age 70+ are currently seen by a paramed, no additional appointments or points of contact are required.

Also, due to the relatively small volume of age 70+ applicants, ExamOne will be our exclusive paramed partner for the Delayed Word Recall and Peak Flow tests and will explain the procedures to the customer at the time of the paramed examination. It is essential that exams for all applicants ages 70 and above be arranged through Exam One. **Even though the results of the Delayed Word Recall and Peak Flow tests will not be used in the underwriting decision, we still need this data for our pilot.** In those cases where we do not receive the Delayed Word Recall and Peak Flow data, the underwriter will request that the examiner schedule a recheck with the customer.

The underwriting changes noted above will allow us to maintain competitive products and pricing in the growing older age market segment. Questions related to these changes can be directed to Eric Hjerpe, Director, Risk Management, 847-402-7916.