What to Do If You Have Been Denied Life Insurance

Life insurance is a product that is based on risk. The higher the level of risk you assume in your life, through your hobbies or health habits, the more expensive your policy is going to be. There are some situations in which your assessed level of risk may be too high for an insurance company to offer you a policy.

The most common reasons why an insurance company might elect not to offer coverage are concerns about lifestyle or occupation risks and problems with the applicant's health. However, not all insurance companies use the same guidelines when it comes to underwriting – the process of assessing risk and the resulting premiums. This means that it is possible for one company to deny coverage while another approves your application.

As an example, it can be hard for deploying servicemembers to find additional life insurance beyond SGLI because many companies view the risk of insuring an individual throughout a deployment as exceptionally high. However, as a company built by servicemembers, for servicemembers, Navy Mutual recognizes that deployments are a part of life. We have no war, aviation, terrorism, or travel clauses for those on active duty.

Other lifestyle factors that may make it difficult to obtain life insurance – or to obtain life insurance at the best possible price – include having risky hobbies like scuba diving, racecar driving, or skydiving; a less-than-stellar driving record; or an occupation that increases the risk of death on a day-to-day basis (e.g., construction work, mining, aviation).

Underwriting also considers your age, gender, health status, and family medical history in determining whether you are coverable.

- **Age:** Life insurance products may have age cutoffs – after the applicant or insured reaches a certain age, they are no longer eligible for coverage by that product. Furthermore, premiums

increase with age, meaning that the older you are when you apply for coverage, the more you are going to have to pay for that coverage.

- **Gender:** Statistically, women live longer than men, and therefore, they often are given lower premiums.
- **Health status:** There are plenty of factors that go into determining your overall health status: your height and weight, history of past illnesses, results from a physical exam, nicotine use, and chronic conditions. The healthier you are, the more likely you are to obtain coverage at a low price. If you smoke, are overweight, and have multiple chronic conditions, you are likely looking at higher premiums.
    - An insurance company can deny life insurance based on medical status. However, many companies offer guaranteed issue life insurance products that do not require a medical exam. Navy Mutual offers [Guaranteed Issue Flagship Whole Life](#) to servicemembers and their dependents within 120 days of separation if they were covered by SGLI while in service.
- **Family medical history:** Your family medical history can help underwriters estimate what your health status might look like in the future. Diseases that may have a genetic component, including cancer, diabetes, and heart and kidney disease, are given extra attention.

If the risk determined by underwriting with all lifestyle and health factors combined is under a certain threshold, you will be approved for a policy. On the other hand, if it's too high you may be declined.

If you are declined, you are not out of options.

1. Talk to your sales representative after a denial to verify that all of your treatment records up to that point were reviewed by the underwriter and to understand the exact reasoning for the risk assessment. It is possible that your medical exam showed evidence of an unknown abnormality or a health condition that was more severe than previously recognized. Understanding why you are denied is the first step to determining what alternatives might be available. Research whether any current life insurance coverage you have offers a guaranteed convertibility feature that might allow you to extend the length of any existing protection.

2. Start collecting proof that the risk concern is being addressed or corrected. If you have a medical condition that is treatable or manageable, make sure that you collect evidence of your treatment plan. You may have to wait a period of time before reapplying (e.g., six months to a year for medication to start working and managing your condition), but with an improved health status or changes to other risk attributes (like an improved driving record or a decrease in risky hobbies), you may be approved for coverage in the future.

3. Alter your lifestyle choices. In some cases, certain health conditions in combination with a lifestyle choice impact overall risk beyond an insurer's tolerance (such as smoking with a diagnosed lung problem), so you may have the ability to improve your insurability. Again, you may have to wait a certain amount of time to prove that your habits have changed, but you can then reapply for a new assessment.

If you are truly medically uninsurable or cannot feasibly alter your lifestyle, you could consider a guaranteed issue product. Guaranteed issue products don't require a medical exam or any risk assessment questions but often provide a "graded" benefit, meaning that they may only pay out a death benefit after a certain period of time passes from their effective date. These products are typically offered at lower coverage amounts and cost more than fully underwritten products, but are otherwise relatively easy to obtain.

You may also be eligible for employer-sponsored life insurance. This is usually automatically provided to employees of a company as part of their benefits package and doesn't come with a medical exam. Coverage amounts are typically equivalent to one or two years of an employee's salary. However, keep in mind, if you leave your job, you also lose all coverage through your employer.

At Navy Mutual, we pride ourselves on providing coverage to servicemembers and their families. If you have questions about eligibility for our life insurance products, you can learn more **here**, **schedule an appointment** with a representative, or call **800-628-6011.** We're here to help.