

# UNDERWRITING

## Immigrants to the U.S.

### Background

When it comes to consider the underwriting and pricing of a life insurance policy, a life insurance company takes a look at several pieces of information about the proposed insured. One of the evaluated factors is time he or she spends outside of the United States (U.S.). Here's why:

The life expectancy of individuals who spend a significant amount of time outside the U.S. may be affected by the conditions of the countries they frequent. These conditions may include:

- ▶ Poor economic conditions
- ▶ Widespread disease
- ▶ Lower standards of public health and sanitation
- ▶ Lack of proper medical facilities
- ▶ Different cultural attitudes toward personal health and safety.

Underwriting generally takes into account the increased mortality risks that may be presented by immigrants and non-immigrants.

*For additional information on non-U.S. residents and foreign travel, refer to the Non-U.S. Residents Highlighter (1002952) and the Foreign Travel Highlighter (1002951).*

### DEFINE IMMIGRANT AND NON-IMMIGRANT STATUS

Generally, a citizen of a foreign country who wishes to enter the United States must first obtain a visa (documentation), either a non-immigrant visa for a temporary stay or an immigrant visa for permanent residence.

- ▶ Non-immigrant visas are generally for people who do not intend to stay permanently in the U.S., such as visitors (for business or pleasure), students and diplomats.
- ▶ Immigrant visas are required to obtain a "Green Card." A Green Card holder has the legal right to work and reside permanently in the U.S. Once the individual receives a green card he or she is considered a legal, permanent resident of the U.S.

### HOW DOES UNDERWRITING CLASSIFY AN INDIVIDUAL THAT HOLDS AN IMMIGRANT OR A NON-IMMIGRANT STATUS?

- ▶ Immigrant visa / Green Card holder—Green card holders are underwritten as U.S. residents.
- ▶ Non-immigrant visa, in the U.S. less than one year, with plans to apply for an immigrant visa for permanent residency—These individuals are underwritten as Non-U.S. residents (includes all requirements as a non-U.S. resident). Refer to the Non-U.S. Resident Highlighter (1002952).
- ▶ Non-immigrant visa, in the U.S. greater than one year, with plans to apply for an immigrant visa for permanent residency—These individuals are considered immigrants to the U.S. and generally will be underwritten as U.S. residents.

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- ▶ Proposed insured is the policyowner—If the proposed insured is the owner and does not have a Social Security Number (SSN) or Individual Tax Identification Number (ITIN), and cannot, therefore, complete the tax certification, no offer can be made.
- ▶ Proposed insured is not the policyowner—The third party owner must comply with our tax form guidelines. If the proposed insured does not have a SSN or ITIN, but the owner is able to complete the appropriate tax form, we may be able to consider coverage subject to validation of the proposed insured's identity, income, and confirmation of the need for insurance.
- ▶ Non-immigrant visa, in the U.S. (any time period) and does not intend to remain permanently in the U.S.—These individuals are underwritten as non-U.S. residents (includes all requirements as a Non-U.S. Resident). Refer to the Non-U.S. Resident Highlighter (1002952).
- ▶ No valid documentation (no documentation or expired visa)—These individuals should be underwritten using the non-immigrant visa information noted above, depending on length of time in the U.S. and intent to remain.

### WHAT ABOUT POLITICAL REFUGEES?

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Generally, if the proposed insured has been granted asylum, he or she has the right to live and work in the U.S. and should be considered a U.S. resident.

### WHEN ARE TAX FORMS W-8 AND W-9 GENERALLY USED?

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- ▶ The W-8 (BEN, ECI, EXP, IMY) tax document is used for non-U.S. residents that do not have a SSN or ITIN. It certifies that the owner of the policy is a resident of a country outside the U.S. Usually Form W-8BEN is used.
- ▶ The W-9 tax document (same as the application Tax Certification) is used for U.S. persons and resident aliens (Green Card holders), or those individuals that meet the substantial presence test; this requires a SSN or ITIN.
- ▶ If the policyowner has been living in the U.S. but does not have a SSN or ITIN, he or she is unable to properly complete these tax forms for our purposes.

### WHAT MEDICAL REQUIREMENTS ARE NEEDED TO BE CONSIDERED FOR UNDERWRITING?

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Normal age and amount requirements apply.

### WHAT INFORMATION IS NEEDED FOR IMMIGRANTS IN THE U.S.?

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To be considered a U.S. resident, it is important for immigrants in the U.S. to demonstrate an intent to stay in the U.S. Evidence of such intent may include an established residence, other family members also in the U.S., or a history of steady employment. This information will generally be secured by the underwriter during the client interview or by means of the paper application.

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A cover letter is particularly useful in these cases to help Underwriting understand all the facts of the case. For more detailed information, refer to The Underwriting Cover Letter (1002883) flyer. In rare cases, Underwriting may request proof of residence status, such as a Green Card or other federal document establishing residence status.

This may be necessary in cases when information is unclear or a discrepancy in information is discovered during the underwriting process.

We do not provide tax, accounting, or legal advice. Clients should consult their own independent advisors as to any tax, accounting, or legal statements made herein. Automatic and jumbo limits are graded down by age, rating, and special risks (e.g., foreign residence and travel, entertainers, professional athletes, etc.) Availability of insurance and rates will vary based on the satisfaction of underwriting criteria. Underwriting rules are subject to change at our discretion.

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