



NAVIGATING THE WORLD OF FOREIGN NATIONAL INSURANCE

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WHAT IS A FOREIGN NATIONAL?

- Green Card or Permanent Residents
- Valid Visa holders residing in the US
- Valid Visa holders travelling to the US, and with US Nexus
- Dual Citizens, and US citizens living abroad
- Refugee and Asylum status

WHY DO NON-US CITIZENS WANT US COVERAGE?

- Children may be living in US, ultimate beneficiary of policy
- They own business in US, need to cover buy-sell/key-man/loans
- Estate Tax Difference, 60k
- Products in US are very competitive
- US Dollar is very stable currency
- Forced Heirship

COMMON CARRIER REQUIREMENTS

- US Ownership
- Money/Assets in US for established time (premium payment)
- Solicitation in US
- US address for correspondence
- Max age 70-75
- Max rating Table 4
- No living benefits such as LTC riders

COMMON CARRIER REQUIREMENTS CONTINUED

- Cover letter to understand the need for US coverage
- W8-BEN or W8-BENE
- Cannot be a PEP, missionary, judge, journalist, foreign government employee
- Pilots-no aviation outside US
- Exams/labs are typically required
- Medical records may need to be translated

CASE I

- Female 58 Citizen of China- living in US 6 years- EB5- no visa status verified
- Applying for \$25,000,000 No coverage on spouse- primary source of wealth
- Applied for SUL policy with other company- not issued- no details provided
- Income \$100K- Manager- net worth \$100M+ - source: company in Hong Kong
- Financial IR waived due to 'service issues'- PHI- unable to verify employment, US assets; spouse signed PFS- no 3rd party verification of WWA or US Assets
- Waived Executive Physical Exam results completed 2 years ago in Hong Kong
 - No foreign national program in place by carrier- 'Didn't obtain records outside US'
- Obtained on US records- sees Acupuncturist only (traditional medicine)- no significant health history disclosed.

- **Conclusion:** disproportionate coverage considered 'surrogate insurance'

- **Outcome:** Insured died 2.5 years after issue from multiple primary malignancies with long-term myelodysplasia noted on death certificate

CASE 2

- Female 28- \$5,000,000 Citizen of France residing in US on student visa
- Law student in US- has Law degree in France- no 3rd party verification of either item
- Income \$120K stipend from parents who reside in France- no verification of financials for insured or parent- “they are very private with their financial situation”- agent believed that they have \$5M- no verification- policyowner unwilling to pursue verification of parents’ financials/IF coverage
- Owner/beneficiary: domestic partner, changed to brother, then back to domestic partner- no coverage on HIM
- No medical records available in US
- Visa status not confirmed

TAKEAWAYS FROM CASES

- Does fact pattern make sense?
- Adequate evidence to support risk?
 - Complete medical records with office notes- equivalent to US standard of care?
 - 3rd party financial documentation to verify adequate US income/assets to support
- Was evidence freely-disclosed and were UW requests for information met?
- Any inconsistencies?
- How well does the producer know the client? Referral source?
- Source of wealth