

**MORGAN**  
ADVISORY GROUP



**U N D E R W R I T I N G**  
*Client Advocacy Through Collaboration*

AN AFFILIATE FIRM OF M ADVISORY GROUP,  
A MEMBER FIRM OF M FINANCIAL GROUP

# UNDERWRITING

Our firm continues to demonstrate a commitment to client advocacy that delivers significant value. There are a variety of complementary components of our client advocacy strategy, including due care, product differentiation, reinsurance, inforce management, and technology.

Underwriting, an extremely important and delicate step in the process of securing life insurance coverage, is also part of the strategy. Where many see it only as a process in which a life insurance carrier assesses the risk of insuring a client's life, we view underwriting as an opportunity to advocate on behalf of our clients by presenting the risk effectively to the carrier, negotiating to maximize value, and creating a clear path to policy placement.

As a Member Firm of M Financial Group, we have access to a variety of underwriting resources that enhance our efforts. M Financial is a leader in delivering product differentiation to clients while also sharing our focus on process differentiation. This allows us to have a direct and significant impact on the effectiveness and efficiency of the work we do for clients. In short, we are good at what we do but M Financial makes us even better.

The following is an overview of the key components of our underwriting approach, which continues to differentiate us in the marketplace.

## EXPERTISE

Our firm's underwriting expertise—as well as the high quality of the business placed by M Member Firms—plays a critical role in our ability to deliver superior underwriting support and service. We understand the complexities of the process and have resources with underwriting expertise in a variety of areas, including exam results, case presentation, carrier negotiations, and capacity management on larger cases.

We also have access to expertise within M Financial. M's underwriting team has decades of experience working with Member Firms and carriers to overcome challenges in the risk assessment process.

All of this knowledge helps us to facilitate the most competitive underwriting offers, while simplifying the underwriting experience for our clients.

## CARRIER RELATIONSHIPS

Our commitment to client advocacy is supported by deep relationships with a select group of Partner Carriers. These carriers understand the needs of our clients and deliver the service required to facilitate long-term success. Our firm has direct access—a rarity in our industry—to senior decision makers that are aware of the quality and volume of our business. We have frequent conversations with carrier underwriters to discuss cases, participating in a collaborative process to manage risk and deliver the most competitive offers to clients.

This collaboration also supports efforts to establish proprietary underwriting advantages. These advantages include reduced or eliminated underwriting requirements, which ease the burden on our clients without compromising the protective value of the underwriting process.

Further, M Financial is the only independent distribution system that invests its own capital in the business placed by M Member Firms through reinsurance. Each year, M Financial Re—M Financial's wholly owned reinsurance operation—allocates approximately \$50 million to reinsuring new business. Sharing risk aligns our interests with those of the carrier, facilitating a risk assessment process designed to maximize value for the client.

# CLIENT ADVOCACY THROUGH COLLABORATION



## NEGOTIATION

The combination of expertise, relationships, and a shared commitment to collaboration allows us to negotiate effectively on behalf of our clients. When we present a client's case for consideration, we communicate directly with carrier underwriters with the goal of securing the best possible underwriting offer. Better underwriting offers optimize policy pricing and increase value for our clients.

Our negotiations are also impacted by our membership in M Financial. The collective volume of M Member Firm business—which exceeds \$1 billion annually—as well as our superior mortality, persistency, and expense experience, creates a path for successful negotiations. Like the carriers, placing quality business is a priority for our firm and this alignment of interests enhances the value we deliver to clients.

## TECHNOLOGY

In June of 2007, M Financial launched e-Case Exchange, a secure, web-based tool that allows us to submit informal and formal applications electronically to participating Carriers. Through e-Case Exchange, the underwriting process is more efficient and less onerous for Member Firm clients and confidential client information is more secure.

e-Case Exchange is also a key component of M Financial's effort to streamline the underwriting process. It acts as a data warehouse allowing a better understanding of the factors that impact underwriting decisions. Analyzing these trends in the high net worth market, and making changes to the process based on this collective intelligence, will ultimately provide meaningful value to our clients.

## SUCCESS STORY

To provide a practical view of our underwriting advantages, the following is a success story involving an M Member Firm. The firm worked on a case in which the latest application of multi-detector computed tomography (MDCT) played a pivotal role in reducing risk classification, allowing the policy to be placed in force. The applicant was a 64-year-old male diagnosed with atherosclerotic coronary artery disease (CAD) who required surgical intervention. During the initial submission of the informal inquiry to the carrier, a Table 5 (225% mortality) class was offered. The Member Firm, surprised by the higher risk classification, brought the case to M Financial's underwriting team for assessment.

M Financial immediately focused on the results of a new study called coronary CT angiography (CTA), which had been performed on the client. A review of articles published in the Journal of American College of Cardiology and the Journal of Applied Radiology found that the CTA test was quickly becoming the new "gold standard" in coronary imaging. In this case, the client's CTA concluded that his plaque was considered stable and the surgical treatment (angioplasty & stent) was working well.

The Member Firm and M Financial presented their findings directly to the carrier underwriter to appeal the rating, submitting recent clinical medical references and mentioning the other positive risk management factors contained in the medical records (cholesterol, favorable build, excellent exercise capacity, use of cardio-protective medications). After an ongoing dialogue with the carrier and the Member Firm, the carrier revised its offer to a new mortality assessment of Table 2 (150%). This allowed the Member Firm to secure the insurance coverage for their client at a significantly reduced premium amount.

While the circumstances of this case are specific to an individual, this success story provides an example of the positive impact our firm's expertise, relationships, and negotiation can have on underwriting offers for our clients.

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Morgan Advisory Group  
2101 East Coast Hwy, Suite 250  
Corona Del Mar, CA 92625  
949.760.4050 Main  
949.760.4059 Fax  
[www.morganadvisory.com](http://www.morganadvisory.com)