

Cannabis and Field Underwriting

The power of reciprocity. Choose to work in Excellence.

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Field underwriting is an untapped competitive advantage. It's one thing to write an application. It's a whole other unique skill set to know with confidence that you've achieved the best underwriting decision possible for your Client.

Make underwriting part of your competitive edge

In this article, I'm sharing my best practices when it comes to cannabis use and the impact on underwriting life and critical illness insurance.

If you're ready to own this mandatory aspect of applications, then these practices are for you. They're also for you if you're no longer satisfied with solely relying on third party vendors and insurance companies to gather your Client's details. Remember, they don't know you, and they don't know your Clients. So who better than you to take the lead and start the reciprocity dance? There's mutual benefit when both sides have open communication.

There are three crucial dots to connect for Clients who use cannabis:

- Smoker or non smoker: Do they use cannabis with tobacco products?
- Do they use cannabis for medicinal reasons or is it for recreation?
- If it's recreational, do they have a strong history of drug, alcohol use or depression?

Smoker or Non Smoker: Get your illustration right from day one

Cannabis, when used with tobacco, results in smoker rates. Cannabis used without tobacco products will result in non-smoker rates. You'll find this rule to be consistent across most insurance companies.

A friendly reminder: most, if not all insurance companies will automatically check for cotinine during the urinalysis testing. Cotinine is a by-product of nicotine which is the chemical found in tobacco. Testing for cotinine is a standard test for all applicants – not just those involving cannabis. It's important to continue to practice full disclosure of tobacco use.

Medicinal or Recreational?

Being clear on the reasons your Client uses cannabis is a strategic move. Always ask if they use it for medical reasons or recreation. This distinction is critical for the process and the Underwriter's risk analysis, and helps ensure the quality of the underwriting decision.

Here are some behind-the-scenes insights into what happens next:

- Medical use: the Underwriter's next move is to underwrite the underlying condition requiring treatment with cannabis. In almost all cases, they'll ask for an Attending Physician Statement (APS).
- Recreational use: the Underwriter will focus first on underwriting the usage amount **and** assess the lifestyle risks. This includes any history of drug, alcohol or mental health issues, such as depression or anxiety.

Best Practices for the application

If your Client uses cannabis, I recommend including the following in their application:

Medical use:

1. Why the cannabis is being prescribed
2. Who is prescribing the cannabis
3. How long has cannabis been the treatment of choice
4. What is the dosage and frequency of the treatment
5. Will the prescribing doctor have all the reports related to the condition
6. Is the cannabis mixed with tobacco
7. Has the condition improved since starting this treatment
8. When was the last follow up for the related condition, and what were the results
9. Are there any challenges or complications we need to be aware of

Recreational use:

1. What is the cannabis consumption: daily, weekly, monthly or yearly
2. What is the amount of cannabis consumed per use
3. Is the cannabis mixed with anything else, e.g. tobacco or other drugs
4. Have there been any challenges related to the consumption
5. Consider including the insurance company's drug questionnaire to confirm whether or not there's other drug use
6. **If your Client uses cannabis and has a strong history or currently uses other drugs or alcohol:** my recommendation would be to get the specifics in full detail. Then, pause and consider connecting with me or your Field Underwriting Expert of choice to determine your next steps.

Did you know?

- Whether the cannabis is used for medical or recreational reasons, it will ***not*** cause an automatic decline.
- Whether medical or recreational, you can receive a standard, rated or declined offer.
- The final decision will depend on a combination of: the purpose of use, the amount consumed, the Client's mental health and lifestyle, and the underlying medical condition.

To recap, these are the 3 important steps I recommend:

1. Identify if there's any tobacco use with the cannabis.
2. Identify if the purpose is medicinal or recreational.
3. Consider connecting with me or your preferred Field Underwriting Expert if other drugs, alcohol or mental illness are present.

You work hard to protect what your Clients have earned. Choose to own the underwriting process instead of relying on others. No one is as invested as you are.

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About the Author

Michelle Roussin is unapologetically fearless when it comes to uncovering the root of any challenge or getting to the details. She's a financial services professional with expertise in life insurance underwriting, wholesaling and business strategy development. Michelle is also the President and Founder of her new initiative - Underwriting, Done Right. Her favourite symbol is the persistency logo shown above. It's a reminder to herself, her goddaughters and others to never give up on their passions and beliefs.