

**AXA Equitable is
Making Life Easier!
Here's How...**

**Underwriting
Niches and
Advantages
2012**



Agenda

- Making Life Easier!
- Underwriting Niches & Advantages
- Underwriting Programs
- Case Studies
- Who We Are
- What Sets AXA Apart?



Making Life Easier: Age and Amount Requirements

- **No Treadmill Tests** required for non-tobacco users and non-diabetics
- **No MD Exams**, Paramedical exams are accepted in lieu of MD exams for all ages and amounts
- **No Routine Attending Physician Statements** for amounts under \$2 million at issue ages 36-50.

Liberalized age and amount time frame for requirements:

- Labs – 12 months at ages less than 70
- Exams – 12 months at ages less than 70
- EKGs – 12 months
- Treadmills – 24 months
- Shortened timeframe for required APS ordering from 2 years to 1!



Making Life Easier: Inspection Reports

Relaxed Inspection Report Requirements:

- Inspection reports no longer required to age 69 at face amount of \$2 million to \$10 million!
- Inspection reports on clients age 70+ no older age specific questions.

What we will do:

- Proactively gather information on clients age 70+ during the underwriting process
- Internal Data Verification
- Pharmaceutical Data Search (e.g., Script Check, Rx Check)

Underwriting Niches and Advantages

Preferred classification available with personal history of cancer

Better than Standard offers can be considered on a case-by-case basis for some cancers with very favorable prognosis.

This would include:

- Melanoma-in-situ (Clark's level 1 melanoma), without history of dysplastic nevi
- Papillary or mixed (papillary-follicular) carcinoma of thyroid
- Testicular seminoma
- Carcinoma-in-situ or CIN/dysplasia of cervix
- Carcinoma-in-situ of colon, without subsequent adenomatous polyps

Underwriting Niches and Advantages

Favorable factors for consideration of better than standard with a personal history of cancer

- Non-smoker
- Early stage and early grade of tumor (in situ or stage I) at time of diagnosis and treatment
- Surgical treatment only (no radiation or chemotherapy)
- Current age 50 and up
- 10 or more years since cure of cancer
- Excellent follow-up and routine preventive health care



Underwriting Niches and Advantages

Bladder Cancer

- Low grade, early stage (Ta) bladder cancer, may consider at better than Standard rates

Prostate Cancer

- Early stage, low grade prostate cancers in older males are often standard
- At ages 60 and up, organ confined disease, not apical, Gleason 8 and lower, may qualify for Standard with treatment to cure and 5 years, favorable PSA's
- Age 66 up, can offer on selected cases of biochemical (PSA rise) relapse of prostate cancer



Underwriting Niches and Advantages

Sleep Apnea

- All Preferred classes are available with mild sleep apnea (AHI less than 20, O₂ saturation > 85%)
- All Preferred classes available on cases treated with effective CPAP therapy with demonstrated compliance



Underwriting Niches and Advantages

EBCT Results

AXA looks at the whole case giving credit for favorable routine care and control of blood pressure and cholesterol and other coronary risk factors

- Percentile 0 – 74: all Preferred levels available.
- Percentile 75 – 89: can consider for Preferred or Standard Plus with normal imaging stress test, favorable risk factors etc.
- Percentile 90+: Standard is best offer, with normal imaging stress test, favorable risk factors etc.

A cardiac catheterization report remains the gold standard if done as part of the cardiac workup.

Underwriting Niches and Advantages

Bariatric surgery

- Significant, sustained weight loss over 2 years
- Look for improvement in:
 - hypertension
 - diabetes
 - diet and exercise

Cases can be **considered for all levels of Preferred** after two years based on the merit of the improvement, stability of the treatment, and its effects on all associated impairments.

Underwriting Niches and Advantages

Aviation

- AXA Equitable offers Private Pilots the opportunity to qualify for all Preferred Classes for risks evaluated up to **\$3.50/1000** for their aviation activities.
- Licensed private pilots with 100 or more solo hours and flying between 26 and 150 hours a year incur no extra premium assessment.

Cases can be **considered for all levels of preferred** with 100 or more solo hours and flying between 26 and 150 hours a year.



Underwriting Niches and Advantages

Projected Inheritance: $1+1 = 2$Turn 1 sale into 2 (or more!)

AXA Equitable now financially underwrites cases based on the projected inheritance of the Insured!!!

The assets of one generation can justify life insurance coverage for the next.

Projected Inheritance Guidelines:

- Generation 1* (G1) must be a) age 75 or older, or b) under age 75 with evidence of a life expectancy under 5 years.
- Require confirmation that established estate planning is in place that involves transfer of estate to the next generation.
- Verification of net worth of G1.
- An appreciation factor may be considered on a case-by-case basis (possible 3-5% for max period of 10 years), subject to the structure of the inheritance planning, details of assets to be inherited (value and type of asset), and review by the Financial Due Diligence Team.



Underwriting Niches and Advantages

AXA's Foreign Travel Definition

- U. S. citizens and permanent residents
- A & B & C countries: up to 12 weeks
- D countries: up to 4 weeks
 - Example: Israel (minus Gaza and West Bank) 12 weeks. All level products considered, regular retention rules apply.

NOTE: Travel will be cumulative within a year's period. If travel is to more than one country, the time limits of the most restrictive area apply. Some states have enacted legislation that prohibits adverse actions based solely on Foreign Travel. As of this writing the following states have passed laws: CA, CO, CT, FL, GA, IL, MA, MD, NJ, NY, and WA. Current affairs in each country is taken into consideration regardless of country classification.



Underwriting Niches and Advantages

Professional Athletes, Entertainers and High Profile Individuals

	Personally-Owned	Business/Team-Owned
Products	All Term and Permanent	10-year level Term and ART
Retention	Full retention	Full retention
Compensation	Regular schedule	Levelized schedule
Team Limits	N/A	No Limit
Reinsurance	None	None



Underwriting Programs

Good Health Credit Program (GHCP)

Giving Credit Where Credit is Due!

Can a Proposed Insured with a demonstrated healthy lifestyle get credits to improve their overall rating?



In fact, eligible Standard cases can move to better than Standard rates! How?

Factors considered include:

- Favorable cardiovascular risk factors
- Good preventative medical care
- Lifestyle changes and improved health habits

Underwriting Programs

Unlike traditional limiting industry table shave programs, AXA Equitable's GHCP allows credits for:

- **All Products**
- Face amount limits - up to available **full retention**: \$20 million individual or \$25 million survivorship
- **Both lives** on a survivorship policy
- Cases **rated up to Table D**



Underwriting Programs

AXA Equitable Retention and Automatic Limits (Standard or Better Risks — In Millions)

Single Life Policies

Issue Ages	Retention Limit	Automatic Reinsurance Limit ^{1,2}	Maximum Issue Limit
0-65 ¹	20	45	65
66-70	20	45	65
71-75	15	30	45
76-80	10	10	20
81-85	5	0	5

Joint Life Policies

Issue Ages	Retention Limit	Automatic Reinsurance Limit ²	Maximum Issue Limit
20-70	25	40	65
71-75	15	40	55
76-80	10	20	30
81-85	5	20	25
86-90	2.5	0	2.5

Large Retention Capacity!
Strong Reinsurance Relationships!

¹ Lower limits apply to juvenile insurance.

² For policies with increasing amounts, i.e., policies with Return of Premium Death Benefit Rider (ROPR), the ultimate amount, per the illustration, must be used for retention and automatic reinsurance calculations.

Underwriting Case Studies



Financial Case Study

Underwriting Case Study:

Key Person Coverage

Face Amount: \$10mil
Product: Term 10
Gender: Male
Age: 45
Annual Income: \$300,000

AXA Equitable application:

- Proposed insured is the Founder of a Medical Technology company founded six years earlier.
- Product going to market within the Quarter.
- Income from this venture will increase annually.
- Proposed Insured is Key in Marketing and Developing spin-off products. Future growth dependent on Key Person.

Financial Case Study, Continued

Additional information uncovered by the Financial Team:

- Innovative product developed through 'seed money' and obtained FDA approval in 2010.
- Product to be delivered through major tele-communications company that will offer the service free to its own employees.
- Product won numerous awards in Mobile Health arena.
- One of the Proposed Insured's patient used product with such success that he became large investor in business.

Financial Underwriting Decision: OK

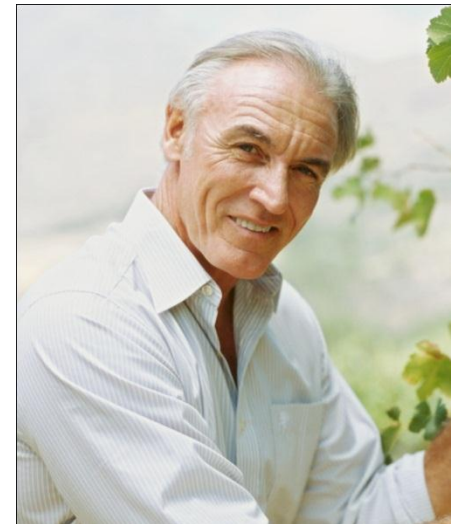
The Proposed Insured is truly key to the on-going support of the current product going to market and expansion of that market, current and future product development, and the forging of key business and professional medical relationships for future product development.

Medical Case Study – EBCT

- Face Amount: \$5,000,000, VUL
- Male age 65, Nonsmoker
- Treated Hyperlipdemia, Chol ratio 4.5
- Blood Pressure 120/80
- EBCT score of 70th percentile
- All other risk factors favorable.

Underwriting Decision: **Preferred Elite**

- Follow up: BGA called the underwriter on this case to ensure that the offer was quoted correctly because other competitors were at standard. AXA Equitable confirmed their Preferred Elite offer.



Medical Case Study – Bariatric Surgery

- Male age 42, Nonsmoker
- 5'9", 195 lbs, no smoking in 15 years. All other risk factors favorable. Is compliant with routine medical care.
- Was referred for bariatric surgery when his weight reached 330 pounds, with an elevated blood pressure and a Glycohemoglobin (A1C) of 6.5
- Gastric banding took place 4 years ago and a steady weight loss followed until client hit a plateau at 195 lbs.
- Follows a healthy diet and exercises regularly. Anti-glycemic and blood pressure medications stopped after 8 months.

Underwriting Decision: Preferred Non-Tobacco

- Applicants who voluntarily lost significant weight by diet and exercise or with most types of surgical intervention, experienced no complications and have kept their weight off for two or more years are assessed on their current weight. These applicants can be considered for all preferred classes, provided the other class criteria are met.

AXA Equitable's Most Competitive Niche...

Who We Are



Who We Are

Our Financial Team of experts are dedicated to helping you resolve financial issues case-by-case.

Specifically, this team:

- Is ready to discuss complicated or unique Case Design, Financial Underwriting scenarios, Trusts and Premium Financing.
- Performs in-house reviews that validate submitted financials which may eliminate the need for any additional financial requirements.
- Reviews complex case designs and financial presentations for both Formal and Informal submissions.



Who We Are

5 Medical Directors combined at 3 sites with a total of over 50 years experience

- Committed to research and development of new medical updates to supplement our already strong Underwriting manual.
- On site professionals with medical expertise in Cardiology, Pathology and Insurance Medicine.



Who We Are: Underwriting Teams

Our Underwriting Teams

- 40 Underwriters; average of 20+ years experience
- Expertise in navigating the grey by taking a holistic approach to underwriting each case
- Understand the competitive nature of the business
- Options oriented; solutions driven
- Dedicated to building and maintaining relationships

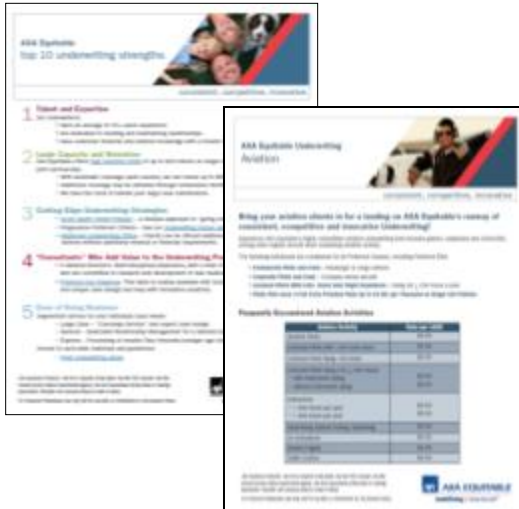
Our Workflows

- Maximize our strong experienced staff, with easy and direct access by phone or email

Large Case	“Concierge Service” and expert case design.
General	Dedicated Relationship Management for a tailored response to individual agency needs.

Underwriting Marketing Support

Marketing Flyers



HTML Underwriting Case Studies

Underwriting Case Study: Bariatric Surgery

Patient Background: 45-year-old male, 6'0", 300 lbs, BMI 35.0. History of hypertension, diabetes, and sleep apnea. Underwent bariatric surgery 18 months ago.

AXA Equitable Exam:

- Last seen by physician 4 months ago for routine physical. Results normal.
- Obesity - Gastric banding 4 years ago resulting in a 120 pound weight loss.
- Hypertension requiring medication until 2 years ago, resolved blood sugar requiring medication for 6 months.
- Current medication - a daily multi-vitamin.
- BP 120/70, 120/70. Balance of exam, TNC and labs completely within normal limits with glucose at 98 and no A1C.

Attending Physician Statement:

- Noted the client had lost numerous lbs and weight loss efforts in the past unsuccessfully.
- He was referred for evaluation and possible bariatric surgery when his weight reached 330 pounds. His blood pressure remained elevated despite multiple medications and anti-obesity medication was initiated as his Glycohemoglobin (A1C) reached 8.5.
- Gastric banding took place 4 years ago and a steady weight loss followed until the client hit a plateau at 180 pounds 22 months ago.
- Client follows a healthy diet and maintains regular exercise.
- Anti-obesity medication was stopped after 6 months, with no A1C stable in the 5-7 range.
- He has been off all blood pressure medication for the past 2 years with his highest reading during that time 120/70.
- He is checked every 6 months with a complete physical exam. All results over the past 2 years have been within normal limits.

Underwriting Decision: PREFERRED NON-TOBACCO

Applicants who voluntarily lose significant weight in that and exercise actively with real types of regular commitment, supervised by professionals, and have lost the weight for 3 years or more are exempted from their current weight. These applicants can be considered for all preferred classes, provided no other class criteria are met.

These people are not considered non-smoking weight loss, and obesity is associated with a number of serious medical conditions. But these people, during the last 3 years following surgery, achieve the goal of a weight loss program, a portion of the pre-surgery weight loss is retained in safe current build to reach an underwriting classification.



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Brainsharks



Good Health Credit Program



UW Marketing & Education



High Retention

What Sets AXA Apart?



Medical Directors

Underwriting Expertise



Financial Team

Thank you for your business!

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Disclosure

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