

# Financial Underwriting Guidelines

from



American National  
Insurance Company

## Personal Coverage

### INCOME REPLACEMENT - Requirements:

\$3,000,001 - \$10,000,000

- ◆ ANICO Financial Supplement (Form 4165)
- ◆ Inspection from First Financial (800-570-3477) or another approved vendor of comparable quality.
- ◆ If no 3rd party confirmation, underwriter may request copy of most recent 1040 or statement from CPA.
- ◆ Cover letter explaining purpose of coverage and how amount was determined.

\$10,000,000+

- ◆ ANICO Financial Supplement (Form 4165)
- ◆ Inspection from First Financial (800-570-3477) or another approved vendor of comparable quality.
- ◆ Copy of most recent 1040 or written 3rd party financials from CPA.
- ◆ Cover letter explaining purpose of coverage and how amount was determined.

### INCOME REPLACEMENT TABLE

Age	Income Factor
20-40	20 to 30 x
41-50	15 to 20 x
51-60	10 to 15 x
61-65	8 x
>65	5 x

## ESTATE PROTECTION - Requirements:

\$3,000,001-\$10,000,000

- ◆ ANICO Financial Supplement (Form 4165)
- ◆ Inspection Report from First Financial (with 3rd party CPA or attorney confirmation) or comparable inspection from another approved vendor.
- ◆ If no 3rd party confirmation on IR, will need written 3rd party financials from CPA or Attorney familiar with client's financial situation, but who is at arms length from the sale.

\$10,000,001+

- ◆ ANICO Financial Supplement (form 4165)
- ◆ Inspection Report from First Financial or comparable inspection from another approved vendor
- ◆ Written 3rd party financials from CPA or Attorney who is familiar with client's financial situation, but who is also at arms length from the sale.

### ESTATE PROTECTION FORMULA:

Current value of worth with reasonable appreciation  
X remaining life expectancy or 15 years, whichever  
is less x 50% (Future value x 50%)

## Juvenile Coverage

- ◆ Siblings equally covered
- ◆ Parents with at least equal coverage
- ◆ Amounts greater than \$250,000 require facultative reinsurance

## Charitable

- ◆ Multiply average annual giving by 10 for typical maximum face amount
- ◆ Personal coverage should be adequately covered.
- ◆ Include cover letter explaining how face amount determined.

## Business Coverage

### BUY/SELL:

- ◆ Value of company multiplied by % of ownership to determine max face amount.
- ◆ Cover letter explaining how amount was determined, buy/sell agreement details, market value of company, listing of all owners with % of ownership and status of insurance coverage on partners.
- ◆ For amounts over \$1,000,000, will need Inspection report with Business Beneficiary Report
- ◆ For amounts over \$3,000,000, will need Inspection report with Business Beneficiary Report and most recent business financial statements

### KEY PERSON:

- ◆ 10 x annual income for typical maximum face amount.
- ◆ Cover letter explaining purpose of insurance and how amount determined and how person is "key" to operation.

American National reserves the right to order any requirement it deems necessary for sound underwriting practice.



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