



# What You Need to Know About...Underwriting Cover Letters for Foreign Nationals

Foreign nationals are a growing demographic in the United States, and life insurance can provide an excellent solution to the planning needs of this unique market. When dealing with foreign national business, providing as many details as possible is essential to ensure that your case goes through quickly and smoothly. The following gives a brief overview of what you should include in a cover letter for a foreign national file.

## Executive Summary

Start your cover letter with an executive summary and include the following information:

- Proposed insured
- Residency/Citizenship
- Number of days (annually) spent in the U.S.
- Net worth in U.S. dollars
- Insurance need
- Coverage applied for in U.S. dollars
- Total inforce/applied for in U.S. dollars
- Product type(s)
- Policy design (see attached proposal)

## Introduction

Introduce your client with a history of your relationship with them and how it was established and developed.

### Example

*"I am pleased to present my client, John Smith, for formal underwriting review and approval. I met John 10 years ago via a client referral and have been meeting with him annually."*

## Financial Profile and Source of Wealth

Describe your client's source of/development of the wealth and how it relates to the need for insurance coverage. Explain relationships, including the role in their business/family structure. This is your opportunity to present your client not only to your underwriter but also to the underwriters at the carriers. The narrative should provide specific details that give the proposed carrier 'comfort' in considering providing the insurance coverage as designed and requested. Reference should be made to verifiable published articles, websites, company names, and other public information, enhancing a better understanding of the client profile and rationale for the recommended planning (including the insurance planning component).

In addition, clearly show what the implications are at the death of the proposed insured relative to issues such as:

- Inheritance taxes in the country of citizenship—show tax rates, exemption structures, and any other relevant details that drive the financial liability calculation at the death of the proposed insured.
- Income taxes in the country of citizenship—same details/implications as above.
- U.S. tax implications:
  - U.S. death taxes (Federal estate taxes and state inheritance/estate taxes) that are projected to be imposed on the death of the proposed insured.
  - U.S. income taxes (Federal rates and state rates as applicable).
- Citation of third-party law firms, accounting firms, and banking relationships that could serve as a reference in aiding the verification of information provided, possibly streamlining the underwriting process.

### Owner, Beneficiary, and Premium Payer

List the names and relationships of the policy owner, beneficiary(s), and premium payer.

### Closing

End your cover letter with a complimentary close, such as 'Sincerely,' and include your contact information.



Contact your underwriter for questions about creating cover letters when underwriting foreign nationals. You can also refer to our popular article, [What You Need to Know About...Underwriting Cover Letters](#).

