

MIB and underwriting

Life and Health insurance companies use powerful resources for evaluating whether to cover individual consumers: a health "credit report" drawn from databases containing medical and prescription drug records.

MEDICAL INFORMATION BUREAU (MIB)

The MIB is a computer database, which contains medical and certain non-medical information pertaining to some individuals who have applied for insurance coverage. The major purpose of MIB, Inc. is to provide an information exchange among member insurance companies to prevent loss due to fraud or omission. MIB reports are submitted only by member insurance companies and are available only to member insurance companies with the written authorization of the person to whom the information pertains. Physicians are not a direct source of information to the MIB.

The MIB has over 600 member companies. MIB's principal function is to detect and deter fraud in the procurement of life, health, disability, and long term care protection, which allows for these products to be reasonably priced for those people who desire coverage. This information alerts member companies of certain medical, driving, and avocation histories, which might impact the basis on which an insurer offers coverage to a prospective insured. This is done in a coded fashion to protect the privacy of the proposed insured. Only authorized personnel of a member company may access MIB records. Contents are never released to credit or consumer reporting agencies.

MIB information does not entitle the member company to forgo its own underwriting investigation; rather, it serves only to alert members to possible significant exam information which the member company will need to confirm before making a final decision. The MIB report will be used only as a starting point to begin an investigation, which will help protect insurers and the policyholders from losses due to fraud or omission. This in turn improves the companies' experience and allows for better product pricing.

Let your clients know that it is very essential for them to indicate on the application if there is any adverse decision on prior insurance applications that might show up on MIB. Being up front about this increases the chances of getting coverage since the insurance company underwriter will be able to eliminate surprises.

Call 800-847-6426 or email us for a quote today!