

Child Policy Guidelines

Two Parents: Child coverage face amount may be no more than 50% of the parent with the highest amount and no more than the parent with the least coverage. The face amount restriction applies to the total of all coverage in force with AIL on the child (no time limit, *all policies currently active with AIL*).

Example: Dad has \$100,000 and mom has \$40,000; the max on child is \$40,000

Example: Dad has \$100,000 and mom has \$10,000: the max the child can have is \$25,000 (see BUT: below)

- A premium of \$8.67/month is allowed if a parent is the owner regardless of parent coverage.
- Child cannot have more ADB than WL on any policy.
- All child policies require a child coverage questionnaire.

Head Start applications are a great sale, and we are changing the guidelines for such sales! Effective immediately, the limit for grandparents purchasing coverage on their grandchildren is being increased from \$5,000 to \$25,000!

Important guidelines to remember concerning parent/guardian info:

Grandparents can now purchase up to \$25,000 coverage on their grandchildren without the signature of the parent. The only signature needed is that of the grandparent, unless the coverage amount exceeds \$25,000, at which time we must have the consent of the parent.

If you can get a parent's or grandparent's signature, please do, and make sure it is clear on the app which one we have. If you cannot get a parent or grandparent's signature, give the name, address, and especially the phone number of a parent, and make sure the parent knows we will be calling or writing to them.

On all other relationships (sibling, aunt, godparent, etc.), we will obtain the parent's signature. If we can't get parental consent, the coverage will be reduced to \$5,000 (except in the states of AR, AL, MO, and PA – guardians cannot apply). If consent is denied by the parent, no coverage will be issued. If the child has a significant medical history, we will typically write instead of calling a parent, so we can properly obtain medical records.

If someone has custody/guardianship of the child other than a parent and we can't get a parent's consent, the maximum issue amount is \$5,000 or \$52 annual premium. It makes no difference how long the child has lived with the guardian. The only exception is adoption, and these are rarely seen. Most of these situations are some form of legal guardianship, which is not the same as adoption.

Please note: If the coverage has been reduced, please do not return the policy to be reissued for a higher face amount without also sending in the parent's signed consent to the coverage. One other quick thing to note, if you do get a parent's signature on a new app, make sure it is sent through as a reopen and not as new business.