

Beware... of Inforce Illustration System Error

Not everything from an insurance carrier can be taken at face value. I've long understood that people and computer systems at home offices of multi billion dollar organizations are as infallible as the rest of us.

Here's a recent situation: I ordered in-force ledgers from an insurance carrier recently. Once I received and reviewed them I was sent the results of the exact same request from another advisor one month earlier. They were different though there was no change in any aspect of the policy nor had we even passed a policy anniversary.

I went back to my internal contacts and had the entire batch rerun. The result? Some came back like those I ordered and some like the other advisor ordered, even though the requests and input were identical. Furthermore, the "solves" from ledger to ledger within the same order didn't even match up or make sense.



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Without getting into details, I factually know that this policy doesn't cost more for a lower death benefit than it does for a higher death benefit, all things being equal. Yet, there we were.

The bottom line is that this a type of guaranteed universal life policy and some of the ledgers were run under the GUL formula and some as though this was a traditional universal life policy. I've seen that plenty of times before but because of a home office individual's wrong inputs. That wasn't the case here. Some runs were using the GUL formula and some completely ignored it so that one run correctly lasted for life but one run wrong and with a higher premium lapsed early.

This isn't an input error. This is a system error or an intentionally manipulated output to lead the policy owner to a certain action.

The lesson is that one can't always take information from a home office at face value. I've seen many examples and will share more over time.