

# UNDERWRITING: Psychosis

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Psychosis is defined as a loss of contact with reality.

Psychotic symptoms include: hallucinations, paranoid delusions, personality changes, and disorganized thinking, and can be found in persons with serious mental illnesses such as severe clinical depression, bipolar disorder, schizophrenia, and with some forms of drug and alcohol abuse.

**Hallucination** – Sensory perception (seeing, hearing, feeling, and smelling) in the absence of actual stimulus. For example, hearing voices when no one is speaking.

**Delusion and Paranoia** – A false or unusual belief firmly held.

Others are plotting against them  
Exaggerated ideas of one's importance or identity.  
A healthy person may believe he has a terminal illness.

**Depression** – A depressive illness has continued for at least two weeks and exhibits several of the following.

Change of appetite with significant weight loss or gain.  
Difficulty falling asleep, waking up frequently, or over-sleeping.  
Loss of interest in formerly enjoyed activities.  
Loss of energy, fatigue, feeling burned-out.  
Feelings of guilt and self blame for no valid reason.  
Inability to concentrate and indecisiveness.  
Feelings of hopelessness and helplessness.  
Recurring thoughts of suicide, or attempted suicide.

**Bipolar Disorder (Manic Depression)** – A type of mood disorder with wide swings between extreme elation and severe depression.

Teenagers can be moody, irritable, hyperactive and agitated, can get by with little or no sleep, become involved in multiple activities, anti-social behavior, risk taking activities, and have impaired judgement.

Bipolar disorder generally occurs before age 30 and may first manifest itself in adolescence.

**Schizophrenia** – Characterized by severe problems with one's thoughts, feelings, behavior, and use of words.

Symptoms frequently include delusions of paranoia and persecution, and hallucinations which may include hearing voices commenting or criticizing the person.

**Alcohol and Drug Abuse** – Repeated and regular recreational use can lead to other problems such as anxiety and depression.

Teenagers frequently use drugs and alcohol to compensate for feelings of anxiety, depression, or lack of social skills, contributing to physical and sexual aggression, and excessive risk taking behavior.

Warning signs of teenage drug or alcohol abuse include: drop in school grades, change in groups of friends, delinquent behavior, deterioration in family relationships.

Physical signs of substance abuse may include red eyes, persistent cough, changes in eating or sleep habits, blackouts, withdrawal symptoms, and difficulties functioning at home, work or in school.

## UNDERWRITING CONSIDERATIONS

When you cannot tell the difference between what is real and what is not, this is very frightening, confusing, and extremely stressful.

Needless to say a diagnosis of Psychosis is equally stressful to the underwriter confronted with your application.

These are some of the questions that he needs to address in order to even begin to consider your application.

- Was this a single episode?
- Was the episode brief in nature or did it continue for some time?
- What triggered the episode?
- Is it still ongoing?
- Is it likely to recur?
- When did treatment end?
- Is medication still required?



Because Psychosis is so extremely difficult to underwrite, a good cover letter is absolutely essential to a favorable underwriting outcome.

Cases involving Psychosis that are ongoing will be usually be declined. With recovery for a reasonable number of years, sub-standard offers will, in most cases be available on some reasonable basis.

**Even if your client is uninsurable, don't overlook Guaranteed Issue and Simplified Issue Life Insurance.** Guaranteed Issue Life Insurance is available today in amounts of up to \$100,000 and more. Simplified Issue may be available in amounts of \$250,000 or more. In many cases one of these will likely be the best recommendation that you can make. We suggest that your client buy as much Guaranteed Issue or Simplified Issue as you can find, or they can afford to purchase.

UNDERWRITER:

Defined as someone sitting in an ivory tower 900 miles from here, trained to say, "NO."

YOUR JOB:

To convince that underwriter, with truthful information, presented in as favorable a light as possible that it is desirable, even possible to say "YES."