

# A Consumer's Guide to MIB

## A few FAQ's about MIB

The more you know about MIB, the better you will understand how MIB works to help keep insurance protection affordable for the majority of honest, law-abiding citizens like you. Here are a few frequently asked questions.

**Q.** *What is MIB?*

**A.** MIB is a not-for-profit association of life insurance companies throughout North America that operates a confidential exchange of information of underwriting significance for the benefit of its members.

**Q.** *What is MIB's purpose?*

**A.** MIB exists 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.

**Q.** *How did MIB get started?*

**A.** The "modern" MIB was formed in 1902 by a cooperative effort of 15 physicians. They were employed as the medical directors of insurance companies. Each had seen their own company suffer enormous losses due to fraudulent omissions or misrepresentations on insurance applications. They felt it was wrong to increase premiums and charge more to honest applicants or policyholders because of the dishonesty and deception of a few. They agreed to a confidential exchange of certain pertinent information.

**Q.** *Who belongs to MIB?*

**A.** MIB has grown from its original 15 founding members! Today, there are more than 500 member companies, which represent virtually every major company issuing life, health, disability income and long term care insurance in North America.

**Q.** *How do insurance companies determine how much to charge for coverage?*

**A.** Insurance experts called "actuaries" are responsible for estimating how much it might cost to insure an applicant over a period of time. Other experts called "underwriters" do what is called a risk assessment. They take a look at a number of factors such as age, health, and medical history. The underwriter will use this information to establish an appropriate "risk classification," which determines the appropriate premium. Most applicants have a low-risk profile, and qualify for a 'standard' or 'preferred' rate for their age bracket.

**Q.** *How do insurance companies work with MIB?*

**A.** In order to use MIB, the Member Company must have an application for insurance. The applicant or proposed insured must also give permission, or authorization, to obtain information from MIB, as well as other sources that might have records, such as a licensed physician or hospital. Comparing application information with an MIB report helps alert a Member Company to the possibility of misrepresentation or fraud. Members are also required to submit brief summaries of information discovered during the underwriting of the application that may have a bearing on health or longevity. These reports are encoded to protect confidentiality.

**Q.** *What does MIB do?*

**A.** MIB maintains a database of information in a coded format that is accessible only to Member Companies. Reports remain on file for seven years before MIB automatically deletes them. Our experience is that fewer than 20% of applicants have an MIB report on file.

**Q.** *What type of information is contained in an MIB report?*

**A.** In general, an MIB report indicates conditions or tests that are significant to health or longevity. There are approximately 230 medical conditions or tests that are reported to MIB, as well as some non-medical conditions. Examples include factors such as obesity, certain heart conditions, involvement in extremely hazardous sports, etc. Reports contain other identifiers such as date of birth and occupation.

**Q.** *Are there limits to what is included in an MIB report?*

**A.** Yes! MIB does not indicate the amount of coverage applied for or if a policy was issued, declined or charged an extra premium. MIB does not reveal the identity of the reporting company.

**Q.** *How does an insurance company decide if an applicant qualifies for coverage?*

**A.** An underwriter is responsible for reviewing the application for insurance for suitability and insurability. This includes looking at the information provided by the applicant as well as examining information obtained from other sources. Often one of the first steps is to compare the application with information received from MIB.

**Q.** *Does the insurer make a decision based only on the MIB report?*

**A.** An MIB report can ONLY be used as a starting point or as an alert, and cannot be used to determine the applicant's eligibility for insurance. With - and only with - the applicant's permission, the insurer may then obtain additional information from licensed physicians, hospitals, clinics, or other medically related facilities.

**Q.** *Are my records kept private?*

Absolutely! MIB information is held in coded form. Only authorized personnel of a Member Company may access MIB records. All access is secure and documented. Contents are never released to credit or consumer reporting agencies, agents or brokers.

**Q.** *Can I find out if I have a record on file with MIB?*

**A.** Yes, you can! Every year more than 100,000 people contact the MIB Information Office and request a copy of their MIB record. If MIB has a record on you, you have the right to review and correct it.

Depending on the circumstances, MIB may charge a slight fee to cover the administrative costs of providing such information.

In order to learn if there is a record of you on file, you must complete a Request for Disclosure Form and send it to MIB.

**Q.** *How can I obtain a Request for Disclosure or contact MIB?*

**A.** MIB provides you with several options:

■ Visit [www.mib.com](http://www.mib.com). Residents of the U.S. and Canada can download the Request for Disclosure Form, complete it and send it to MIB.

■ You can also send an e-mail request to [disclosure@mib.com](mailto:disclosure@mib.com).

■ Residents of the U.S. should mail requests to MIB, P.O. Box 105, Essex Station, Boston, MA 02112. You can also telephone MIB by calling (617) 426-3660.

■ Residents of Canada should mail requests to MIB, 330 University Avenue, Toronto, Ontario, Canada M5G 1R7.

You can telephone MIB in Canada by calling (416) 597-0590.

**Q.** *What if MIB has a record on me?*

**A.** If a record exists, a translation from its coded format will be sent directly to you. You will also be given the

names of any MIB Members that received a copy of your record during the previous twelve months.

**Q.** *What if I disagree with the information that you have about me?*

**A.** If you do not agree with the information in your MIB record, you should contact MIB and request a reinvestigation. MIB will send you a Request for Reinvestigation Form. You should indicate the specific information with which you disagree.

MIB will initiate a reinvestigation by getting in touch with the Member Company that reported the disputed information.

Ordinarily a reinvestigation takes 30 days or less to complete and you will be sent the results. Any inaccurate or incomplete records will be corrected.

**Q.** *What if I am not satisfied with the outcome, or if the reinvestigation leads to no changes?*

**A.** If this should happen, you may submit a "Statement of Dispute," which will then become part of your MIB record.

From that point forward, any MIB Member who receives your record will also receive a copy of your "Statement of Dispute."

MIB, Inc. • 160 University Avenue • Westwood, MA 02090-2307

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