

Going Down to the Crossroads: Cocaine Underwriting, Part II

By Daniel Perkins, JD, FALU

The above title, in keeping with our Eric Clapton reference in the August 2008 newsletter, was suggested by one of our readers who had some additional questions and comments to share with Heritage Labs. “Going down to the crossroads” was an inspiration as Heritage Labs received several questions and comments regarding the article. These questions and comments, along with our remarks, are presented for our readers:

- “A good article to use for case clinic discussion . . . especially with newer underwriters.”

REMARKS: This was actually the whole point of the article, to promote discussion of this impairment. The article can be seen as one underwriter’s philosophy or method of approaching this impairment. Using the article as a starting point, it is suggested that underwriters within a company discuss whether or not they agree with the article, and provide arguments pro or con why they either do or do not. This can occur whether the underwriters are new or have many years of experience.

- “And then there are the cases where medical personnel use cocaine in the course of their work . . . like ENT surgeons. Talk about a dilemma!!”

REMARKS: Dilemma indeed! A good rule of thumb: avoid ENT surgeons who have white powder around their nose, their clothes, their money, etc. All kidding aside, substance abuse by physicians or other medical personnel is not an impairment regularly seen in underwriting. Is it because it only rarely occurs, or because these individuals are better at hiding their affliction?

- “In one of my prior lives, we would order a hair follicle test whenever non-disclosure or the ‘one time at a bachelor party’ was admitted. We would only pay for the test if it came back negative and a policy was issued. Interesting how many cases just closed for requirement not obtained.”

REMARKS: The old reliable “put up or shut up” strategy. The Author can only speak from his experiences as a reinsurance underwriter. There were several occasions where either the hair follicle test was requested or where the applicant was instructed that MIB had a code and he or she needed to contact MIB to determine if the code was correct. The Author can not remember any case where the requested information was obtained and forwarded to reinsurance for review.

- “Do labs still offer hair testing for cocaine cases? Is it being used today by carriers? Results?”

REMARKS: Why yes, the hair follicle test is still around. For the uninitiated, hair follicle testing of applicants is used as a confirmatory test for a positive urine cocaine or oral fluid cocaine test. A urine cocaine test is highly reliable but can only detect cocaine for 48-72 hours after its ingestion. With urine testing there are issues that concern tampering with the urine to produce a false negative result. The detection period for oral fluid cocaine testing is even shorter at 24 hours, although the possibility of tampering is less that of urine testing. The advantage of hair testing is that once the cocaine is ingested, it remains permanently in the hair. However, it is a much more expensive test than either urine or oral fluid testing.

- “I question your conclusion that the anomaly is in the 60-69 age band. Here is the breakdown by age band of absolute mortality from cocaine use according to your data:

1.3% in ages 20-29
1.8% in ages 30-39
5.5% in ages 40-49
0.4% in ages 50-59
12.4% in ages 60-69
6.2% in ages 70-79

I assume you have very small numbers of positives for the ages 70 & up bands, and those few users would, in any event, have presumably not been exposed to cocaine in their youth, unlike the younger bands. Therefore, I submit to you it is the 50-59 band that is the anomaly. One has to ask what is either wrong with the data or right with (my) 50-59 age group that we can experience so few deaths from cocaine in active users and thus completely violate the presumption of progressive mortality with (assumed, based upon usual drug use patterns) increasing duration of cocaine use.

REMARKS: A very good, thought-provoking analysis of the material presented in the article. Just what we are looking for from our readers. In response, we offer the following:

1. The records used were lab data only and no other underwriting information was available for review by the lab. Therefore, we do not have any information regarding duration and extent of use, any history of treatment for substance abuse, or the presence or absence of other significant medical histories. In this context, the presumption of progressive mortality with increasing duration of cocaine can not be addressed with any degree of accuracy.
2. The lack of hard data for each applicant is why the article was focused more on the underwriting of this impairment rather than a detailed statistical analysis of the lab data.
3. As the reader surmised, the number of deaths at ages 70 and up was rather small in number. In fact, the number of deaths at all of the age strata above 50 years of age was small. Therefore, instead of anomalies, it may be more correct to identify the culprit as statistical variability.

Eric Clapton

In the original article and this follow-up, the Author has made reference to Eric Clapton regarding his association with substance abuse. Eric Clapton has suffered from the effects of both heroin and alcohol addiction, but has been sober since 1987 according to his official website. In 1998, Eric opened the “Crossroads Centre” on Antigua Island. This is a rehabilitation facility for drug and alcohol abuse. Since its opening Eric has participated in many fundraising activities for this center. Eric is wished continued sobriety, and success with this facility.