

Underwriting Melanoma

THE CASE

STUDY FOR

THIS MONTH

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Ken Larson has been a member of our impaired risk team for two years. Ken has been an underwriter for over 27 years in career, reinsurance, brokerage and substandard brokerage. Be sure to give Ken a call on your next tough case.



Case Study: A 36-year-old man is looking for \$500,000 of term life insurance. He was found to have melanoma on his arm 5 years ago. Review of the pathology report finds that the tumor was 1.5 mm thick. Recent exam reveals no evidence of melanoma.

Melanoma is a malignant overgrowth, a cancer, of a particular type of skin cell called a melanocyte. The melanocyte gives skin its normal coloring. Melanoma affects up to one out of every 75 people in a lifetime. Melanoma is increasing in frequency more than any other cancer and the mortality is increasing as well. Fortunately, because of earlier diagnoses now being made when the cancer is smaller, a higher percentage of those with melanoma are surviving this cancer. As a result, melanoma is commonly encountered in underwriting. This cancer can be especially aggressive and spread quickly; therefore it must be underwritten quite carefully.

The complete cause of melanoma is unknown, but it is clear that melanoma is caused by genetic factors and by sun exposure. Certain families are more prone to develop melanoma but this does not account for the increasing frequency. Its increased frequency is a direct result of increased sun exposure. The ultraviolet rays in the sun damage the skin cell genes that affect the cell growth thus promoting cancer development.

The mortality risk of any cancer, including melanoma, is related to the possibility that it has spread (metastasized) before it could be removed. Metastasis can be so small that only time will tell if it has occurred. This is the reason most cancer cases have a postponement period before they can be underwritten. When metastasis takes place, as in the case of melanoma, it grows down into the skin and enters the skin vessels, the lymph channels, and the skin blood supply. From there it can go to other tissues overtaking them as well. This leads to mortality.

The best way to prognosticate the mortality risk is by the measurement of the thickness of the melanoma as seen under the microscope (called the Breslow Level) or depth of invasion into various layers of the skin (called the Clark

Level). Of the two, the Breslow Level is the more prognostic. If the thickness is less than 0.76 mm, the survival rate is 99 percent after removal. If the thickness is over 4.0 mm, the survival rate is less than 50 percent. In the case study where the thickness was 1.5 mm, the statistical expectation of survival would be 85 percent. Melanomas can show unpredictable behavior and may spread many years later; so even five years after treatment the melanoma may still not be considered cured.

A mole is a common benign overgrowth of these same cells, the melanocytes. There is an unusual type of mole called a dysplastic nevus that presents a concern in underwriting. Although not all dysplastic nevi become malignant, they are considered potentially malignant. In fact, 20 percent of dysplastic nevi become malignant. The dysplastic nevus can also be an indicator of increased future risk of a melanoma developing elsewhere. This type of mole can be inherited but it can also develop spontaneously. The diagnosis can only be made with the microscope; the cells of the mole appear unusual (dysplastic). When a person has had one dysplastic nevus, the risk of future melanoma developing doubles. If a person has had two or more, the risk is sevenfold.

In the case study, the most likely offer for insurance would be a temporary flat extra of \$7 per 1000 dollars of coverage for two years; this is on a standard plus base. As mentioned above, there is still risk of late mortality. There would have been a two-year postponement period immediately following treatment because of the chance of early spread that was not detectable. If the melanoma thickness had been 0.75 mm or less, then a standard offer would have been possible right after removal and without a flat extra being necessary.

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