

Carrier Hot Buttons

Universal Life

- 1. Q. My client likes the idea of Universal Life (UL), but is concerned about surrender charges. Is there a product with no surrender charges?**

A.

 - a) Empire Life – Trilogy,
 - b) Manulife Financial – Security UL,
 - c) AXA Group – UL Protection Plan,
 - d) BMO Financial – Life Dimensions Prestige Plan - Low Fees Option/Bonus Option,
 - e) Industrial Alliance Group – Genesis with the level COI Option, and
 - f) Canada Life – Millennium Limited pay.
- 2. Q. Premium tax is one aspect of the contract that is out of the company's control. Is there a company that guarantees premium tax?**

A.

 - a) Manulife Financial – 2% is deducted from deposits to policies to pay provincial premium taxes and is guaranteed not to change.
 - b) Transamerica Life – COI charges contractually guaranteed - includes 2% premium tax.
 - c) Foresters Life – Built in premium tax to their guaranteed policy fee.
- 3. Q. Is there a UL product that can effectively deal with living benefits including Long-Term Care (LTC)?**

A.

 - a) AXA Group, Canada Life, Equitable Life, and Empire Life all offer CI as a rider.
 - b) Equitable Life's UL policy has a provision included called the 'Living Benefit' which allows a client to take a withdrawal of the lesser of \$25,000 or 50% of the face amount (less any existing policy loans), if the insured is suffering from a disease or injury which is expected to cause death within 24 months.
 - c) Transamerica Life – Critical Condition and Occupational Disability are included in the living benefit clause of the UL contract.
 - d) Sun Life Financial – Allows payout in the event of LTC requirements – definitions in contract.
 - e) Empire Life – CI definitions different from those on standalone contract. CI in Advance Option – Benefit paid as portion of UL face amount (reducing the available death benefit proportionately) in the event of a CI ('old' CI definitions in effect) CRA includes provision allowing a tax free payout of UL cash value in the event of disability (defined as severe and prolonged).
- 4. Q. Are Mutual Fund Investment Options available without stacked MER's on UL Policies?**

A.

 - a) On the Canadian Dividend Growth Fund,
 - b) Transamerica Life – Estate Advantage,
 - c) Canada Life – Millennium UL,
 - d) BMO Financial – Life Dimension Low Fees (0% additional MER on 45 funds),
 - e) Manulife Financial – InnoVision with Investment Accumulator,
 - f) Sun Life Financial – With "no bonus" option, and
 - g) RBC Insurance – No bonus contract.



- 5. Q. Is it possible to have a guaranteed paid up UL contract?**

 - A. a)** Manulife, Sun Life Financial, Canada Life, Equitable Life, Industrial Alliance Group – Guaranteed 10, 15, or 20 pay options available.
 - b)** Desjardins – Pace Plan and Precision 10 & 20 pay options available.
- 6. Q. Which carriers offer preferred underwriting on UL?**

 - A. a)** Manulife, RBC Insurance, Transamerica Life (Elite & Preferred rates).
 - b)** Industrial Alliance Group preferred underwriting starts at \$200k sum insured.
- 7. Q. Which Carriers offer Rating Reduction Programs?**

 - A. a)** Canada Life – Astra program: Ratings up to 175% reduced by 25%. Ratings up to 225% reduced by 50%. Ratings over 225% reduced by at least 75%.
 - b)** Manulife Financial – Limited Pay & Security UL will offer ratings of 200% and lower a 50-60 point rating deduction. Manu will waive ratings of 125% or lower for Joint Last-to-Die and ratings less than 150% for Single life.
 - c)** Sun Life Financial – Up to 100% discretionary rating reduction via the substandard ratings generator program.
 - d)** Industrial Alliance Group – 200% and lower than \$500K will issue standard at the discretion of the underwriter.
- 8. Q. Which companies offer an uninsurable life on a Joint Last-to-Die UL contract with fund value paid out on first death?**

 - A. a)** Empire Life – After the contract has been inforce for 5 years, the owners have the right to change the death benefit option to have the Tax-Exempt Account Value payable on each death.
 - b)** Industrial Alliance Group – Not until the policy has been inforce for 5 full years.
 - c)** Transamerica Life – Will offer a modified fund value payout for a first death on a joint-last policy with one life uninsurable. The payout would be the fund value less half the surrender charges, less any outstanding loans, less 3 months COI.
- 9. Q. Do any carriers have the opportunity to switch UL policies from Joint First-to-Die to Joint Last-to-Die?**

 - A.** Manulife Financial (Joint Legacy Protector), Transamerica Life, Canada Life, and BMO Financial (Insurance JLTLD conversion rider). Change typically based on original age. All or part of the coverage can be changed over.
- 10. Q. Do any of the carriers offer contractual guaranteed rates of return for the life of the UL contract?**

 - A.** BMO Financial (Life Dimensions, Life Dimensions Prestige and Life Provider), Canada Life, Empire Life, Equitable Life, Manulife Financial (Innovision, Ultravision and Limited Pay UL), Sun Life Financial, Transamerica Life, Foresters Life, RBC Insurance guarantees on 5, 10, 15, and 20 year Term investments but not for the life of the contract.
- 11. Q. Which companies provide a platform for running your own inforce illustrations?**

 - A.** Industrial Alliance Group (Interface) and Manulife Financial (Repsource).



Critical Illness

1. Q. Which companies cover Loss of Independence (LOI)? Is LOI coverage the same as Long Term Care (LTC)?

- A.** Every company in the marketplace offers LOI, with the exception of Manulife Financial (may have to be added as a rider with some carriers).

Manulife's CI includes LTC as part of their basic CI benefit. Under this LTC benefit, Manulife Financial pays out 1% (home care) / 2% (facility care) of the CI face amount, up to \$5,000/\$10,000 respectively. Although the LOI payout is a nice lump sum, its definition is more stringent than LTC as they require the loss of the 2 ADLs to be permanent and non-recoverable.

2. Q. Which carriers have built-in convertibility to LTC without medical evidence later on?

- A.** Manulife Financial (only T100 plans), RBC Insurance, and Sun Life Financial (with LOIE rider).

3. Q. My clients understand the need for Critical Illness (CI) insurance into their retirement years, but are concerned with premium payment beyond their working years.

- A.** If they are not price-sensitive, Manulife Financial (T100), Canada (T100) offer a 15 Pay option. Sun Life Financial offer a 15 Pay on the T100 & T75 and a 10 Pay option. Otherwise, Canada Life, RBC Insurance and Desjardins offer CI T75 payable to age 65. Foresters Life offers a reduced paid up CI at age 75.

4. Q. Which of the carriers offer individual non-cancellable and portable mortgage look-a-like CI?

- A.** The table below is a general guide to all the major carriers' mortgage look-a-like products. For more details on how any of these products can fit your client's specific needs, please consult your regional Marketing Specialist at HUB Financial Inc.

Mortgage Look-A-Like Features Offered	MAN	IAG	SUN	EQU	DFS	UNI
1) Affordable Premiums	X	X			X	X
2) Major Illnesses Covered	X	X			X	X
3) Simplified Underwriting/Issue	X	X			X	X
4) Pre-Qualification with Life App U/W	X		X	X		
5) Systematic & Easier to Sell	X	X	X	X	X	X

5. Q. What products or carriers can I look to if my clients have medical and/or family history which will translate to automatic rating or declines?

- A.** Assumption Life, Manulife, Industrial Alliance Group, and Foresters Life offer simplified issue CI requiring a clean bill of health for the last 10 years and no record of declines in the last 2 years. Manulife Financial Affinity Markets also offers Lifecheque Basic.

However, if your client still does not qualify, then another strategy is to utilize a max-funded UL with Canada, Sun, Transamerica Life, and Manulife Financial UL which will allow the client to withdraw funds from the UL tax-free in the event of a critical illness.



6. **Q. Which carriers will allow my clients to increase their CI face amount in later years without medical underwriting (just like the guaranteed insurability option on life)?**
- A. RBC Insurance and Industrial Alliance Group have such optional riders that will double the CI face amount within 10 years in different increments per year without any underwriting.
7. **Q. Who will cover critical illness Stage A Prostate Cancer, Ductal Carcinoma in Situ of the breast, Superficial Malignant Melanoma, and Coronary Angioplasty?**
- A. Please see chart below:

AXA Group	Supplemental benefits: 10% or up to \$50,000
BMO Financial	10% or up to \$25,000
Canada Life	10% up to \$25,000
Desjardins	Recovery Cash Advance: 10% or up to \$50,000
Empire Life	25% to max of \$25,000 (\$10,000 for angioplasty)
Equitable Life	Up to \$25k (Early Detection Benefit)
Industrial Alliance Group	10% up to \$50,000
Manulife Financial	25% up to \$50,000 (Early Intervention Benefit)
RBC Insurance	10% up to \$50,000
Sun Life Financial	Lesser of \$50,000 or 15%
Foresters Life	Excluded

Children's Critical Illness

1. **Q. My clients would like to purchase CI Insurance for their children. Which companies offer this?**
- A. Industrial Alliance Group, Standard Life, Desjardins and Sun Life Financial, Canada Life, AXA Group, and Foresters Life (as a rider)
2. **Q. CI rates are expected to increase, how will that affect conversions?**
- A. Manulife Financial and BMO's conversion rates are guaranteed in the term contract you buy today. BMO's conversion rate to the T-100 product will not increase by more than 25%. Manulife Financial guarantees that if you convert within five years of buying the policy, you can convert using the original rate scale that was in place when the policy was sold.

3. **Q. My clients are concerned about their children contracting a CI. What companies cover the main childhood illnesses?**

A. Please see chart below:

	Autism	Cerebral Palsy	Congenital Heart Disorder	Cystic Fibrosis	Muscular Dystrophy	Type 1 Diabetes
Canada Life		x	x	x	x	x
Inalco P		x	x	x	x	x
Sun Life		x	x	x	x	x
Desjardins		x	x	x	x	x
AXA Group	x	x	x	x	x	x
Foresters Life	x	x	x	x	x	x

4. **Q. Who includes an assistance benefit?**

A. All carriers offer some form of assistance benefit, usually limited to 10k or 10% of face amount.

5. **Q. I would like to market CI to groups but it seems a daunting task to try to underwrite so many clients. Is there a guaranteed issue product available?**

A. RBC Edge and Manulife Financial Lifecheque Basic require only medical declaration.

RBC Insurance offers CI to groups of 10 lives or more via their GSI program; available benefit increases with number of lives on plan from \$10,000 to \$150,000 with 150 plus lives.

Term Insurance

1. **Q. Can my client still qualify for preferred rates if they don't quite meet all the criteria?**

A. Yes! Foresters Life is the only carrier which uses a debit/credit system of underwriting to look at the entire picture of your client's health.

2. **Q. My client just quit smoking but insurers still consider him a smoker, what can I offer?**

A. Foresters Life will offer non-smoker rates for the first two years on their T100 product. Provided your client has been 'smoke-free' for 12 months at the end of the 2 year period the non-smoker rates will continue. If the client does not quit smoking the rates will change to 'smoker' based on original age.



- 3. Q. Is a Child Rider worthwhile?**

A. A child rider is worthwhile because it is very inexpensive and typically guarantees that the child will be able to purchase coverage worth up to \$250,000 (with most carriers) without proof of insurability upon turning 18. Please speak with your regional Insurance Specialist for specific details on each carrier.
- 4. Q. Premium is a concern for my client who wants to insure their newborn child. Can I purchase Term insurance on a child?**

A. Yes, both Transamerica Life and Industrial Alliance Group will insure a newborn (15 days old) in a Term contract.
- 5. Q. Preferred underwriting is confusing. My clients never understand why they are approved at a certain class. Does anyone explain the decision?**

A. Manulife Financial will send your client a Heathstyles report explaining the rate they received.
- 6. Q. I've heard cigar smokers can be considered non-smokers for life insurance. Is this true?**

A. If your client smokes less than 12 cigars a year or 1 cigar per month, most carriers will consider the client as a non-smoker.
For WL and UL products Canada Life allows up to 1 cigar/week

Disability Income Insurance

- 1. Q. Do any carriers offer LTC following the Disability Income (DI) coverage?**

A. Manulife Financial provides the "Future Care Option" within the Proguard Series or the Venture Series product as a contractual benefit, and also the "Future Care Option" on a non-contractual basis to many of inforce DI contracts. RBC Insurance offers a conversion option with The Professional Series, Quantum, The Foundation Series and Bridge Series issued on or after August 5, 2008, anytime between ages 55 and 65.
- 2. Q. Can my client exchange his DI coverage to a LTC product?**

A. Yes, Manulife Financial allows the client to exchange disability protection for LTC under the Future Care Option (conditions apply).
- 3. Q. What would happen if my client lives beyond age 65 with a disability? Will the DI coverage cease when the benefit period ends at age 65?**

A. With a Canada Life Lifetime Benefit "Accident & Graded Sickness (LBAGS)" Rider added to the Lifestyle Protection Plan (classes 5 & 4); your client may continue receiving monthly benefits after age 65 if your client becomes disabled due to sickness or injury.
- 4. Q. My client insists on having "Loss of Independent Existence" within his disability policy contract, does any carrier offer this feature?**

A. Canada Life and Manulife Financial offer "Catastrophic Disability" defined as the "Loss of Independent Existence" as a contractual benefit.

5. **Q. A business owner is forced to sell their business due to a long term disability, how can they pay for related legal and accounting expenses?**
- A. Manulife Financial & Canada Life offer a feature called "Sale of Business Benefit" or "Sale of Business Facilitator" that helps reimburse some of these expenses related to the sale of the business.
6. **Q. Can I give a discount to my disability clients?**
- A. RBC Insurance gives a 15% important group discount on some products when insuring 3 lives or more working for the same company or when insuring professionals sharing the same office fees. They also offer 15% select discounts to employee's who are topping up their Group LTD coverage if they are currently underinsured on their group plan.
- Canada Life offers a 5% discount with 2 or more contracts grouped into a Wage Loss Replacement Plan, and an additional 10% if selling each applicant a CI policy as well.
7. **Q. Is there a product on the market strictly based on the loss of income (residual disability)?**
- A. RBC Insurance offers a product called Quantum. The Quantum policy takes a different approach to providing long-term individual disability income protection to fee-for-service professionals and consultants as well as other high income professionals and executives who work in corporate business settings. Quantum policy is a guaranteed renewable policy until the age of 65, with a loss of earnings definition of disability.
8. **Q. Is there a product that helps my client maintain a Retirement Savings Program (RSP) in the event of total disability?**
- A. Manulife Financial and RBC Insurance offer a rider that helps maintain your future retirement. This coverage is particularly important for those who are self-employed individuals without access to a company pension plan. This coverage is available as a stand-alone policy at RBC Insurance or as an optional rider on select plans.
9. **Q. Is there a product on the market that could protect my client's business loan while disabled?**
- A. The Business Loan Protector policy from RBC Insurance was developed to make the funds available to pay outstanding business loans and loan interest when the business owner becomes totally disabled. Manulife, Canada Life and RBC Insurance offer Business Overhead Insurance that will pay most of a company's day to day expenses (except owner's salary) in the event of a disability.
10. **Q. My client is uninsurable for disability due to a medical problem; do you have a solution for me?**
- A. RBC Edge can sometimes insure those with medical issues, certain uninsurable occupations and business owners with no or little taxable income.

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