canada life™

Critical illness insurance

LifeAdvance™

Advisor guide

Information accurate as of September 2022

Not for use with clients

LifeAdvance advisor guide

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Product details

LifeAdvance™ provides a lump-sum benefit, which is payable after the diagnosis of one of a number of critical illness insured conditions (some exceptions apply). With advances in medical science improving the chances of waiting after the diagnosis of a serious illness, there is a heightened need for insurance benefits designed to help protect an individual's lifestyle after the onset of a critical illness insured condition.

LifeAdvance is available with the following premium and coverage options:

- Permanent level premium, paid-up at 100
- Permanent level premium, paid-up in 15 years
- Permanent level premium, paid-up in 20 years
- 10-year renewable term to 75, convertible to 65 (term 10)
- 20-year renewable term to 75, convertible to 65 (term 20)
- Level premium term to 75, paid-up in 20 years
- Level premium term to 75

Issue ages

Age nearest birthday:

- 18 – 54: Level premium term to 75, paid-up in 20 years
- 18 – 54: Term 20
- 18 – 55: Permanent level premium, paid-up in 20 years
- 18 – 60: Permanent level premium, paid-up in 15 years
- 18 – 65: All other plans

Lump-sum benefit limits

- Minimum: $10,000 and a minimum annual premium of $100 (including optional benefit riders).
- Maximum: $3 million (all carriers) personal, business or any combination of personal and business protection.

Policy features

Critical illness insured conditions	
Acquired brain injury	Life-threatening cancer
Aortic surgery	Loss of limbs
Aplastic anemia	Loss of speech
Bacterial meningitis	Major organ failure on waiting list for transplant
Benign brain tumour	Major organ transplant
Blindness	Motor neuron disease
Coma	Multiple sclerosis
Coronary artery bypass surgery	Occupational HIV infection
Deafness	Paralysis
Dementia, including Alzheimer's disease	Parkinson's disease and specified atypical Parkinsonian disorders
Heart attack	Severe burns
Heart valve replacement or repair	Stroke
Kidney failure	**Plus, illness assist benefit, see next page.**

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Waiting period

Provided the insured person is still living and hasn't experienced irreversible cessation of all functions of the brain, a lump-sum benefit will be payable after the diagnosis of, or surgery for, one of the critical illness insured conditions identified on page four, with the following exceptions:

- 30 days for aortic surgery, coronary artery bypass surgery, heart attack, heart valve replacement or repair, stroke and coronary angioplasty
- 90 days for bacterial meningitis, loss-of-independent existence and paralysis
- 180 days for acquired brain injury and loss of speech
- Six months for dementia, including Alzheimer's disease
- One year for Parkinson's disease
- The number of days until the serum HIV tests are taken as specified in the definition for occupational HIV infection

Extension of benefits

(Only applies to level premium and renewable term plans. Doesn't apply to permanent level premium plans.)

If the policy expiry date occurs during the waiting period, the policy will continue in-force to an extended expiry date, which will be the earlier of:

- The date of the insured person's death
- The date of completion of the waiting period applicable for the insured condition

Illness assist benefit

This benefit provides the owner with a lump-sum of 15% of the critical illness benefit up to $50,000. The illness assist benefit is payable a maximum of four times, provided each payment occurs for a different illness assist insured condition.

Payment of the illness assist benefit will not cause the policy to terminate. The critical illness benefit will be reduced by the amount of the illness assist benefit payable if, within 90 days of payment of the illness assist benefit, further investigations or procedures confirm a diagnosis of a related critical illness insured condition.

The illness assist benefit is provided if the insured person receives a written diagnosis for one of the following:

- Coronary angioplasty
- Ductal breast cancer in-situ
- Early chronic lymphocytic leukemia
- Early prostate cancer
- Early thyroid cancer
- Gastrointestinal stromal tumours
- Grade 1 neuroendocrine tumours (carcinoïde)
- Superficial malignant melanoma

Surgery advance

Canada Life will pay the owner an advance on the critical illness benefit if the insured person is diagnosed with a critical illness insured condition as defined in the policy and requires surgery as a result of the critical illness. The surgery advance payment will be the lesser of 10% of the critical illness benefit amount selected and $15,000. The surgery advance payment will become payable on the date of diagnosis or surgery. The critical illness benefit will be reduced by the amount of the surgery advance payment. Payment of the surgery advance will not cause the policy to terminate.

If the insured person dies before the end of the waiting period, the surgery advance will not have to be returned. If the policy includes a return-of-premium at death rider, the return-of-premium benefit will not be reduced by the surgery advance payment.

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Non-cancellable

While the policy is in-force, Canada Life cannot change the policy or terminate the policy other than as explained in the termination section below. The premium is guaranteed for as long as the policy remains in-force, except for the premium for the second-event rider.

Termination

Coverage terminates on the earliest of:

- The date on which Canada Life receives the owner's request to terminate the policy
- The date of the insured person's death
- The date the critical illness benefit becomes payable, unless the second-event rider has been added to the policy
- Full withdrawal under a return-of-premium at withdrawal rider
- Full withdrawal under a return-of-premium at withdrawal or expiry rider
- Lapse of the policy
- Policy expiry

Premium

Premium bands

- Band 1: $10,000 - $99,999
- Band 2: $100,000 - $249,999
- Band 3: $250,000 - $499,999
- Band 4: $500,000 - $999,999
- Band 5: $1 million +

Premium modal factors

Canada Life may approve a premium payment frequency other than yearly. Any payment frequency other than yearly will result in a higher annualized premium. The premium modal factors are:

- Monthly PAC: 0.09
- Quarterly: 0.27
- Semi-annual: 0.54

Policy fee

The policy fee has been removed for LifeAdvance policies applied for on or after June 24, 2019.

Premium reductions

Premium reductions aren't available for LifeAdvance policies applied for after Nov. 26, 2012.

Beneficiary

Where legislation has been adopted, a policy owner can name a beneficiary for all benefits payable under a critical illness insurance policy using form F544 (CL). This form can also be used to name beneficiaries for specific benefits.

F545 (CL) Direction to pay form may be used to allow the policy owner to direct that benefits be paid to another person during the lifetime of the policy owner.

A direction to pay expires on the death of the policy owner, doesn't provide any creditor protection for benefits, and can be revoked by the policy owner at any time.

If there is provincial beneficiary legislation that is applicable, the jurisdiction that would be applicable concerning the naming of a beneficiary is based on where the policy owner resided at the time the application was signed.

Tax treatment

Canada Life's understanding of current taxation legislation as it applies to critical illness insurance is that the lump-sum critical illness benefits aren't taxable provided the policy is an accident and sickness policy for tax purposes. The Canada Revenue Agency generally accepts that critical illness policies providing no return-of-premium benefits are accident and sickness policies. The Canada Revenue Agency (CRA) and Revenue Quebec have not provided a formal ruling regarding the tax treatment of return-of-premium benefits that are included in a disability policy. The tax treatment of an optional return-of-premium benefit is subject to interpretation.

If an employer pays the premium on an employee-owned critical illness insurance policy, the premium will constitute a taxable benefit to the employee and the amount paid will be deductible to the employer as a business expense.

The tax information provided above is for general information only. It isn't to be relied upon as providing legal or tax advice. Clients should be encouraged to consult with their professional tax and/or legal advisor about their particular circumstances.

Optional benefit riders

Disability waiver-of-premium

An optional benefit rider available on all LifeAdvance plans for issue ages 18 – 55 (18-54 for the level premium term to 75, paid-up in 20 years plan; and the term 20 plan). It can be added after issue for all LifeAdvance plans except the permanent level premium, paid-up in 15 or 20 years, and the level premium term to 75, paid-up in 20 years plans.

If the insured person becomes totally disabled for a period of 90 consecutive days before age 60, Canada Life will waive the premium payments under the policy while total disability continues. Any premium paid during the 90-day waiting period will be refunded. LifeAdvance policy coverage will continue as if the premium has been paid.

Loss-of-independent existence

An optional benefit rider available on all LifeAdvance plans. The loss-of-independent existence rider is available only at issue of the basic policy, on plans issued in the May 2008 series or thereafter.

If the policy includes the loss-of-independent existence rider, it will be included as an insured condition under the base policy which increases the number of critical illness insured conditions from 25 to 26.

Loss-of-independent existence means a total inability to perform, by oneself, at least two of six activities of daily living, as defined in the policy. The loss-of-independent existence must be continuous for a period of at least 90 days, with no reasonable chance of recovery.

The coverage period will mirror the coverage period of the base plan.

This rider will not terminate if the paid-up option is elected under the return-of-premium at withdrawal riders for the permanent level premium, paid-up at 100 policy.

Second event

An optional benefit rider available on all LifeAdvance plans. It can be included only at issue of the basic policy. An individual will only be issued one second-event rider, regardless of the number of LifeAdvance policies purchased. Available for issue ages 18 – 60 (18-54 for the level premium term to 75, paid-up in 20 years plan, and the term 20 plan; and 18-55 for the permanent level premium, paid-up in 20 years plan).

If the insured person has received a critical illness benefit for heart attack, life-threatening cancer or stroke before their 65th birthday, this rider will provide a limited amount of critical illness coverage for one of two critical illness insured conditions.

If the first claim was for:

- Heart attack or stroke — second event coverage will be provided for life-threatening cancer.
- Life-threatening cancer — second event coverage will be provided for heart attack.

If the first claim was for a critical illness insured condition other than heart attack, life-threatening cancer or stroke, no coverage is provided under this rider. In no event will this rider provide coverage for more than one second event insured condition.

If the critical illness benefit was for life-threatening cancer, no benefit will be payable if heart attack occurs within one year of the date of diagnosis for life-threatening cancer.

If the critical illness benefit was for heart attack or stroke, no benefit will be payable if life-threatening cancer occurs within one year of the date the waiting period for heart attack or stroke was satisfied.

A form will be sent to the insured person asking for confirmation that they haven't had a second event (i.e., heart attack or life-threatening cancer) during that one-year period. If this form isn't returned to Canada Life within 30 days, the rider will terminate. The insured person must be alive and must not have experienced irreversible cessation of all functions of the brain on the date of diagnosis of life-threatening cancer or during the first 30 days after the date of diagnosis of heart attack before the second event benefit becomes payable.

The second event benefit will be the lesser of:

- 50% of the insurance amount selected for the basic policy
- $100,000

Premium for the second-event rider isn't guaranteed and may change on any policy anniversary. After the critical illness benefit is paid for the first event, the policy becomes paid-up. No further premium payments will be required.

The rider will terminate on the earliest of the following dates:

- The monthly anniversary following the date on which Canada Life receives the owner's request for termination of the rider;
- The policy anniversary nearest the insured person's 65th birthday, if the critical illness benefit isn't payable before that date;
- If the critical illness benefit's payable before the policy anniversary nearest the insured person's 65th birthday, the earlier of:
    - The date of diagnosis of the second event insured condition, if such date occurs within one year of the date of diagnosis for life-threatening cancer or within one year of the date the waiting period for heart attack or stroke was satisfied;
    - 11 years from:
        - the date of diagnosis for life-threatening cancer
        - the date the waiting period was satisfied for heart attack or stroke
    - The policy anniversary nearest the insured person's 75th birthday
- The date the exclusion for certain insured conditions provision applies
- The date on which the policy terminates for any other reason

Return-of-premium riders

Availability of return-of-premium riders

	Permanent paid-up at 100	Permanent paid-up in 15 years**	Permanent paid-up in 20 years**	Term to 75	Term to 75, paid-up in 20 years**	Term 10	Term 20
Return-of-premium at withdrawal (year 15)	18-65*	18-55	—	—	—	—	—
Return-of-premium at withdrawal (year 20)	18-65*	—	18-50	—	—	—	—
Return-of-premium at withdrawal (age 65)	18-49*	—	—	—	—	—	—
Return-of-premium at withdrawal (year 15) or expiry	—	—	—	18-60	—	50-60	—
Return-of-premium at withdrawal (year 20) or expiry	—	—	—	18-55	—	—	—
Return-of-premium at withdrawal (age 65) or expiry	—	—	—	18-49	—	18-49	—
Return-of-premium at expiry	—	—	—	18-60	18-54	18-60	—
Return-of-premium at death	18-65	18-60	18-55	18-65	18-54	18-65	18-54

* The return-of-premium at withdrawal riders on LifeAdvance permanent level premium, paid-up at 100 includes a paid-up option.

** All riders are only available at issue for the permanent level premium, paid-up in 15 or 20 years and the level premium term to 75, paid-up in 20 years plans.

Return-of-premium dates and benefit amounts for full withdrawal

Return-of-premium dates			
Return-of-premium (year 15)	Return-of-premium (year 20)	Return-of-premium (age 65)	Return-of-premium benefit: amount for full withdrawal
10th policy anniversary	15th policy anniversary	Age 60	50% of eligible premium
11th policy anniversary	16th policy anniversary	Age 61	60% of eligible premium
12th policy anniversary	17th policy anniversary	Age 62	70% of eligible premium
13th policy anniversary	18th policy anniversary	Age 63	80% of eligible premium
14th policy anniversary	19th policy anniversary	Age 64	90% of eligible premium
15+ policy anniversary	20+ policy anniversary	Age 65+	100% of eligible premium

Return-of-premium at withdrawal (year 15, year 20, age 65)

Permanent level premium, paid-up at 100: All of the above riders

There are three optional return-of-premium at withdrawal riders available to this plan. These riders will be allowed on in-force policies in the November 2004 series and later policy series. These riders are available for issue ages:

- 18 - 65 for return-of-premium at withdrawal (year 15)
- 18 - 65 for return-of-premium at withdrawal (year 20)
- 18 - 49 for return-of-premium at withdrawal (age 65)

* Policy anniversary nearest the insured person's age.

The paid-up option continues to be available only for the permanent level, premium paid-up at 100 policy.

Permanent level premium, paid-up in 15 years: year 15 rider only

There is one optional return-of-premium at withdrawal rider available to this plan, the year 15 rider.

It's only available at issue of the basic policy. This rider is available for issue ages:

- 18 - 55 for return-of-premium at withdrawal (year 15)

Permanent level premium, paid-up in 20 years: year 20 rider only

There is one optional return-of-premium at withdrawal rider available to this plan, the year 20 rider. It's only available at issue of the basic policy. This rider is available for issue ages:

- 18 - 50 for return-of-premium at withdrawal (year 20)

Full withdrawal

- Permanent level premium, paid-up at 100
- Permanent level premium, paid-up in 15 years
- Permanent level premium, paid-up in 20 years

If a full withdrawal is requested on an applicable return-of-premium date, this benefit will be equal to the eligible premium paid for the policy and any riders except the child's LifeAdvance rider, if applicable, between the effective date of this rider and the return-of-premium date elected, multiplied by the appropriate percentage identified in the return-of-premium dates and benefit amounts for full withdrawal table.

The calculation of the benefit amount for full withdrawal will not include any interest, additional fees, or premium waived by Canada Life.

If the insurance amount is reduced or an optional rider is removed, then the amount of eligible premium before such change that will be included in any return-of-premium benefit calculation will be:

$$\text{Eligible premium paid prior to change} \times \left(\frac{\text{policy premium after change}}{\text{policy premium before change}} \right)$$

This adjustment will result in a reduction in the benefit amount otherwise payable.

The election of the return-of-premium for full withdrawal will cause the policy to terminate.

Any illness assist benefit paid will not be deducted from the return-of-premium benefit.

The return-of-premium benefit isn't payable if the lump-sum critical illness benefit has been paid.

Partial withdrawal

- Permanent level premium, paid-up at 100
- Permanent level premium, paid-up in 15 years
- Permanent level premium, paid-up in 20 years

On any applicable return-of-premium date, the owner may request a partial withdrawal provided the minimum critical illness benefit amount is maintained (currently $10,000). Partial withdrawals involve a reduction in insurance amount and a payment of the benefit amount for partial withdrawal, calculated as follows:

$$\text{Benefit Amount for Partial Withdrawal} = \text{Benefit Amount for Full Withdrawal} - \left[\text{Benefit Amount for Full Withdrawal} \times \frac{\text{policy premium after change}}{\text{policy premium before change}}\right]$$

A partial withdrawal doesn't cause termination of the policy or this rider. The decrease in insurance amount will take effect on the return-of-premium date requested. Canada Life will give the owner notice of the premium amount required for the reduced insurance amount selected, along with any changed premium amount required for any additional riders.

Canada Life reserves the right to charge a fee for processing a partial withdrawal, the amount of which will be determined by our then current fee schedule.

Any illness assist benefit paid will not be deducted from the return-of-premium benefit.

The return-of-premium benefit isn't payable if the lump-sum critical illness benefit has been paid.

Paid-up option

- Permanent level premium, paid-up at 100

When the return-of-premium benefit amount for full withdrawal reaches term 100%, the owner has the option to keep the policy in-force at a benefit amount that may be reduced with no further premium payment required. The policy then becomes fully paid up. The paid-up option will be available on the first return-of-premium date that the benefit amount for full withdrawal reaches 100% of eligible premium and every five years thereafter if this option hasn't been exercised.

If the paid-up option is selected, all riders except the loss-of-independent existence rider, if applicable, will terminate and no additional optional benefits may be added. The paid-up option isn't available in conjunction with a partial withdrawal.

Return-of-premium at withdrawal or expiry (year 15, year 20, age 65)

Level premium term to 75: All of the above riders

There are three optional return-of-premium at withdrawal or expiry riders available for this plan. These riders are allowed on in-force policies in the November 2004 and later policy series. These riders are available for issue ages:

- 18 - 60 for return-of-premium at withdrawal or expiry (year 15)
- 18 - 55 for return-of-premium at withdrawal or expiry (year 20)
- 18 - 49 for return-of-premium at withdrawal or expiry (age 65*)

* Policy anniversary nearest the insured person's age.

Term 10 (10-year renewable term to 75, convertible to 65): year 15 and age 65 riders only

There are two optional return-of-premium at withdrawal or expiry riders available for this plan. These riders are allowed on in-force policies in the November 2004 and later policy series. These riders are available for issue ages:

- 50 - 60 for return-of-premium at withdrawal or expiry (year 15)
- 18 - 49 for return-of-premium at withdrawal or expiry (age 65)

Full withdrawal

- Level premium, term-to-age 75
- Term 10

If a full withdrawal is requested on an applicable return-of-premium date, this benefit will be equal to the eligible premium paid for the policy and any riders except the child's LifeAdvance rider, if applicable, between the effective date of this rider and the return-of-premium date elected, multiplied by the appropriate percentage identified in the return-of-premium dates and benefit amounts for full withdrawal table.

The calculation of the benefit amount for full withdrawal will not include any interest, additional fees, or premium waived by Canada Life.

If the insurance amount is reduced or an optional rider is removed, then the amount of eligible premium before such change that will be included in any return-of-premium benefit calculation will be:

$$\text{Eligible premium paid prior to change} \times \left(\frac{\text{policy premium after change}}{\text{policy premium before change}} \right)$$

This adjustment will result in a reduction in the benefit amount otherwise payable. The election of the return-of-premium for full withdrawal will cause the policy to terminate. Any illness assist benefit paid will not be deducted from the return-of-premium benefit. The return-of-premium benefit isn't payable if the lump-sum critical illness benefit has been paid.

Partial withdrawal

- Level premium, term to 75
- Term 10

On any applicable return-of-premium date, the owner may request a partial withdrawal provided the minimum critical illness benefit amount is maintained (currently $10,000). Partial withdrawals involve a reduction in insurance amount and a payment of the benefit amount for partial withdrawal calculated as follows:

$$\text{Benefit Amount for Partial Withdrawal} = \text{Benefit Amount for Full Withdrawal} - \left(\text{Benefit Amount for Full Withdrawal} \times \frac{\text{policy premium after change}}{\text{policy premium before change}} \right)$$

A partial withdrawal doesn't cause termination of the policy or this rider. The decrease in insurance amount will take effect on the return-of-premium date requested. Canada Life will give the owner notice of the premium amount required for the reduced insurance amount selected, along with any changed premium amount required for any additional riders.

Canada Life reserves the right to charge a fee for processing a partial withdrawal, the amount of which will be determined by our then current fee schedule.

Any illness assist benefit paid will not be deducted from the return-of-premium benefit.

The return-of-premium benefit isn't payable if the lump-sum critical illness benefit has been paid.

At expiry

- Level premium, term to 75
- Term 10

On the policy expiry date, the applicable return-of-premium benefit amount for policy expiry will automatically be paid to the owner. This benefit is the amount that would have been paid for a full withdrawal on the policy expiry date.

Any illness assist benefit paid will not be deducted from the return-of-premium benefit.

The return-of-premium benefit isn't payable if the lump-sum critical illness benefit has been paid.

Return-of-premium at expiry

- Level premium term to 75
- Level premium term to 75, paid-up in 20 years
- Term 10

The return-of-premium at expiry rider is an optional benefit rider available on LifeAdvance plans as indicated above. It can be included at issue of the basic policy or added after issue on in-force level premium term 75 and term 10 policies in the January 2003 policy series with an issue date after March 1, 2004 or the November 2004 and later policy series. This rider is only available at issue under the level premium term to 75, paid-up in 20 years plan. This rider is available for issue ages:

- 18 - 54 for level premium term to 75, paid-up in 20 years (only available at issue)
- 18 - 60 for level premium term to 75 plans and term 10

Upon expiry of the policy, the owner will receive a benefit equal to the eligible premium paid for the policy and all riders except the child's LifeAdvance rider, if applicable, between the effective date of this rider and the expiry date of the policy.

The calculation of the benefit amount will not include any interest, additional fees, or premium payments waived by Canada Life.

If the insurance amount is reduced or an optional rider is removed, then the amount of eligible premium before such change that will be included in any return-of-premium benefit calculation will be:

$$\text{Eligible premium paid prior to change} \times \left(\frac{\text{policy premium after change}}{\text{policy premium before change}} \right)$$

This adjustment will result in a reduction in the benefit amount otherwise payable.

Any illness assist benefit paid will not be deducted from the return-of-premium benefit.

The return-of-premium benefit isn't payable if the lump-sum critical illness benefit has been paid.

Eligible premium collected under a term 10 renewable term plan with a return-of-premium at expiry rider, that has been converted to a level premium plan will be included in the return-of-premium benefit amount.

Return-of-premium at death

- Permanent level premium, paid-up at 100
- Permanent level premium, paid-up in 15 years
- Permanent level premium, paid-up in 20 years
- Level premium term to 75
- Level premium term to 75, paid-up in 20 years
- Term 10
- Term 20

The return-of-premium at death rider is an optional benefit rider available on all LifeAdvance plans as indicated above. It can be added at issue of the basic policy or added after issue only to in-force policies in the November 2004 and later policy series. This rider is only available at issue under the permanent level premium, paid-up in 15 or 20 years and the level premium term to 75, paid-up in 20 years plans.

This rider is available for issue ages:

- 18 - 54 for level premium term to 75, paid-up in 20 years
- 18 - 54 for term 20
- 18 - 55 for permanent level premium, paid-up in 20 years
- 18 - 60 for permanent level premium, paid-up in 15 years
- 18 - 65 for all other plans

The benefit amount is equal to the eligible premium paid for the policy and any riders except the child's LifeAdvance rider, if applicable, between the effective date of this rider and the date of the insured person's death.

The calculation of the benefit amount will not include any interest, additional fees, or premium waived by Canada Life.

If the insurance amount is reduced or an optional rider is removed, then the amount of eligible premium before such change that will be included in any return-of-premium benefit calculation will be:

$$\text{Eligible premium paid prior to change} \times \left(\frac{\text{policy premium after change}}{\text{policy premium before change}} \right)$$

This adjustment will result in a reduction in the benefit amount otherwise payable.

Any illness assist benefit paid will not be deducted from the return-of-premium benefit.

The return-of-premium benefit isn't payable if the lump-sum critical illness benefit has been paid.

Eligible premium collected under a term 10 or term 20 plan with a return-of-premium at death rider that has been converted to a level premium plan will be included in the return-of-premium benefit amount.

Return-of-premium examples

Full withdrawal example

On Sept. 2, 2012, the owner buys a LifeAdvance permanent level premium, paid-up at 100 policy with $150,000 insurance amount and the return-of-premium at withdrawal (year 15) rider, with a monthly premium payment of $125.

The first return-of-premium date is at the 10th policy anniversary on Sept. 2, 2022.

Example 1

On Sept. 2, 2022, the owner requests a full withdrawal. There have been no changes to the policy between Sept. 2, 2012 and Sept.2, 2022. The return-of-premium benefit amount for full withdrawal would be $7,500 and the policy would be terminated.

Benefit amount		Benefit %		Eligible premium
For full withdrawal	=	Applicable	x	for return-of-premium benefit

50% x ($125x120 months) = 50% x $15,000 = $7,500

Example 2

On Dec. 2, 2017, the owner requests a $50,000 reduction in insurance amount, leaving $100,000 insurance amount in-force. If the monthly premium before the insurance amount reduction was $125 and the premium after the reduction is $85, the amount of premium paid from Sept. 2, 2012, to Dec. 2, 2017 to be included in any future return-of-premium benefit would be $5,355.

$$\text{Eligible premium paid prior to change} \times \left(\frac{\text{policy premium after change}}{\text{policy premium before change}}\right)$$

($125 x 63 months) X ($85 ÷ 125) = $7,875 X 0.68 = $5,355

On Sept. 2, 2022, the owner requests a full withdrawal. The return-of-premium for full withdrawal benefit amount would be $5,100 and the policy would be terminated.

$$\text{Benefit Amount for Full Withdrawal} = \text{Benefit \% Applicable} \times \left(\text{Eligible premium for ROP benefit } \textbf{prior} \text{ to change} + \text{Eligible premium for ROP benefit } \textbf{after} \text{ change}\right)$$

50% x [$5,355 + ($85 x 57 months)] = 50% x [$5,355 + $4,845] = $5,100

Note: References of policy premium in this calculation reflect premium payments after renewal has occurred.

If client requests with effective date on or after renewal date, then both references of policy premium need to be on post-renewal basis.

If client requests with effective date before renewal date, then both references of policy premium need to be on pre-renewal basis.

Partial withdrawal example

On Dec. 3, 2015, the owner purchased a LifeAdvance level premium term-to-age 75 policy with $150,000 insurance amount and the return-of-premium at withdrawal or expiry benefit (year 15). The monthly premium payment was $125.

The first return-of-premium date is at the 10th policy anniversary on Dec. 3, 2025.

Example 1

On Dec. 3, 2025, the owner requested a partial withdrawal. The insurance amount is reduced to $100,000 and the premium payment becomes $85. The benefit amount for partial withdrawal would be $2,400.

Since the benefit amount for a partial withdrawal depends on the amount that would have been paid on a full withdrawal, the benefit amount at full withdrawal is determined first.

Benefit amount for full withdrawal = 50% x ($125 x 120 months) = $7,500

The benefit amount for partial withdrawal is determined using the following formula:

$$\text{Benefit Amount for Partial Withdrawal} = \text{Benefit Amount for Full Withdrawal} - \left(\text{Benefit Amount for Full Withdrawal} \times \frac{\text{policy premium after change}}{\text{policy premium before change}}\right)$$

$7,500 - [$7,500 x ($85 ÷ 125)] = $2,400

The amount of premium paid from Dec. 3, 2015, to Dec.3, 2025, to be included in any future return-of-premium benefit would be $10,200.

$$\text{Eligible premium paid prior to change} \times \left(\frac{\text{policy premium after change}}{\text{policy premium before change}}\right)$$

($15,000) x ($85 ÷ 125) = $10,200

Example 2

On Dec. 3, 2015, the owner purchased a LifeAdvance term 10 policy with $150,000 insurance amount and the return-of-premium at withdrawal or expiry benefit (year 15). The monthly premium for the first 10 years was $125, increasing to $325 effective Dec. 3, 2025. The client is age 50 when he purchases the policy.

The first return-of-premium date is at the 10th policy anniversary on Dec. 3, 2025.

On Dec.3, 2025, the owner requests a partial withdrawal. The insurance amount is reduced to $100,000 and the monthly premium reduces from $325 to $221. The benefit amount for partial withdrawal would be $2,400.

Since the benefit amount for a partial withdrawal depends on the amount that would have been paid on a full withdrawal, the benefit amount at full withdrawal is determined first.

Benefit amount for full withdrawal = 50% x ($125 x 120 months) = $7,500

The benefit amount for partial withdrawal is determined using the following formula:

$$\text{Benefit Amount for Partial Withdrawal} = \text{Benefit Amount for Full Withdrawal} - \left[\text{Benefit Amount for Full Withdrawal} \times \frac{\text{policy premium after change}}{\text{policy premium before change}}\right]$$

$$\$7,500 – [\$7,500 \times (\$221 \div \$325)] = \$2,400$$

The amount of premium paid from Dec. 3, 2015, to Dec. 3, 2025 to be included in any future return-of-premium benefit would be $10,200.

$$\text{Eligible premium paid Before change} \times \frac{\text{policy premium after change}}{\text{policy premium before change}}$$

$$(\$15,000) \times (221 \div 325) = \$10,200$$

Note: Both references of policy premium in this example reflect premium payments after renewal has occurred.

Example 3

On Dec. 3, 2015, the owner purchased a LifeAdvance term 10 policy with $150,000 insurance amount and the return-of-premium at withdrawal or expiry benefit (age 65). The monthly premium for the first 10 years was $125. The monthly premium payment increases to $325 on Dec. 3, 2025. The client is 48 when he buys the policy.

The first return-of-premium date is at age 60 on Dec. 3, 2024.

On Dec. 3, 2025, the owner requests a reduction in insurance amount. The insurance amount is reduced to $100,000 and the monthly premium payment reduces from $325 to $221.

The amount of premium paid from Dec. 3, 2015, to Dec.3, 2025 to be included in any future return-of-premium benefit would be $10,200.

$$\text{Eligible premium paid Before change} \times \frac{\text{policy premium after change}}{\text{policy premium before change}}$$

$$(\$15,000) \times (221 \div 325) = \$10,200$$

Note: References of policy premium in this calculation reflect premium payments after renewal has occurred.

- If client requests with effective date on or after renewal date, then both references of policy premium need to be on post-renewal basis.
- If client requests with effective date before renewal date, then both references of policy premium need to be on pre-renewal basis.

On Dec.3, 2027, the owner requests a partial withdrawal. The insurance amount is reduced to $50,000, and the monthly premium payment is reduced from $221 to $127. The benefit amount for partial withdrawal would be $3,297.23.

Since the benefit amount for a partial withdrawal depends on the amount that would have been paid on a full withdrawal, the benefit amount at full withdrawal is determined first.

Benefit Amount for Full Withdrawal	=	Benefit % Applicable	x	Eligible premium for Return-of-premium benefit **before** change	+ Eligible premium for Return-of-premium benefit **after** change

50% x [$10,200 + ($221 x 24 months)] = 50% x $15,504 = $7,752

The benefit amount for partial withdrawal is determined using the following formula:

$$\text{Benefit amount for partial withdrawal} = \text{Benefit amount for full withdrawal} - \left(\text{Benefit amount for full withdrawal} \times \frac{\text{policy premium after change}}{\text{policy premium before change}}\right)$$

$7,752 - [$7,752 x ($127 ÷ 221)] = $3,297.23

The amount of premium paid from Dec. 3, 2015 to Dec.3, 2027 to be included in any future return-of-premium benefit would be $8,909.54.

Eligible premium paid x policy premium after change
Before change policy premium before change
[$10,200 + (221 x 24 months)] x ($127 ÷ 221) = $8,909.54

Expiry example

On Sept. 2, 2012, the owner buys a LifeAdvance level premium term-to-age 75 policy with $150,000 insurance amount and the return-of-premium at expiry rider. The insured person's birthday is Aug.7, 1967. He is 45 years old (age nearest birthday).

Example 1

On Dec. 2, 2013, the owner requests a $50,000 reduction in insurance amount, leaving $100,000 insurance amount inforce. If the monthly premium payment before the insurance amount reduction was $125 and the premium payment after the reduction is $85, the amount of premium paid from Sept. 2, 2012, to Dec. 2, 2013, to be included in any future return-of-premium at expiry benefit would be $1,275.

$$\text{Eligible premium paid prior to change} \times \left(\frac{\text{policy premium after change}}{\text{policy premium before change}}\right)$$

($125 x 15 months) x ($85 ÷ 125) = $1,875 x 0.68 = $1,275

If no other changes are made to the policy, the policy will expire on Sept. 2, 2042, with a return-of-premium at expiry benefit of $30,600.

[$1,275 + ($85 x 345 months)] = [$1,275 + $29,325] = $30,600

Return-of-premium at expiry benefit	Eligible premium for return-of-premium benefit **before** change	+	Eligible premium for return-of-premium benefit **after** change

Example 2

On Sept.2, 2012, the owner buys a LifeAdvance term 10 policy with $150,000 insurance amount and the return-of-premium at expiry rider. The insured person's birthday is Aug. 7, 1967. He is 45 years old (age nearest birthday). The

monthly premium payment for the first 10 years is $125, increasing to $325 effective Sept. 2, 2022.

On Sept. 2, 2022, the owner requests a $50,000 reduction in insurance amount, leaving $100,000 insurance amount in-force. The monthly premium payment reduces from $325 to $221. The amount of premium paid from Sept. 2, 2012, to Sept.2, 2022 to be included in any future return-of-premium at expiry benefit would be $10,200.

$$\text{Eligible premium paid Before change} \times \frac{\text{policy premium after change}}{\text{policy premium before change}}$$

($125 x 120 months) x ($221 ÷ 325) = $15,000 x 0.68 = $10,200

Note: References of policy premium in this calculation reflect premium after renewal has occurred.

- If client requests with effective date on or after renewal date, then both references of policy premium need to be on post-renewal basis.
- If client requests with effective date before renewal date, then both references of policy premium need to be on pre-renewal basis.

On Sept. 2, 2032, the monthly premium increases from $221 to $575.

On Sept. 2, 2042, the policy will expire with a return-of-premium at expiry benefit of $105,720.00.

Return of premium at expiry Benefit = Eligible premium for return-of-premium benefit before change + Eligible premium for return-of-premium benefit after change

$10,200 + [($221 x 120 months) + ($575 x 120 months)] = $105,720.00

Conversion

Before the insured person's 65th birthday, the owner may apply to convert all or a portion of the insurance amount under a term 10 and term 20 renewable term policy to a level premium critical illness insurance policy of a plan type then offered for conversion, if any. Evidence of insurability will not be required. The owner cannot convert the policy if the insured person is disabled under the terms of any in-force waiver of premium rider at the time of application for conversion.

A term 10 policy with a series date of May 25, 2020, or later may also be converted to a term 20 policy within the first five years of issue, before age 54. However, if that term 10 policy has either the return-of-premium at withdrawal or expiry, or the return-of-premium at expiry rider, the client will forfeit their accumulated paid premium upon conversion to the term 20 policy, otherwise the conversion to a term 20 term policy will not be permitted.

Policy series

At time of conversion, the policy series of the new level premium critical illness insurance policy will be the same as the policy series of the original term 10 or term 20 policy (see exceptions below). Any rider that provides for a return-of-premium will be converted to the most current return-of-premium rider available. If the owner wishes to apply for a current policy series, which would include any new insured conditions, a new application will be required to replace the existing term 10 or term 20 policy.

Example: suppose the term 10 policy was issued in November 2004 and the return-of-premium at expiry rider was added in December 2008. The original term 10 was a November 2004 policy series, therefore, the new level premium policy would be a November 2004 version. The return-of-premium at expiry rider was a May 2008 policy series, therefore, the new return-of-premium rider would receive the most current contract series.

Exception 1:

The permanent level premium, paid-up at 100 plan from the 2003 policy series isn't offered at time of conversion. A term 10 policy issued in 2003 converting to a level plan can convert to either the level premium term-to-age 75 plan from the 2003 policy series, or the permanent level premium, paid-up at 100 plan from the 2004 policy series.

Exception 2:

A return-of-premium at withdrawal or a return-of-premium at withdrawal or expiry benefit rider then offered to be added at conversion, if any, will be added from the current policy series regardless of the base plan policy series.

Example: the term 10 policy was issued in November 2004. The policy is converted to a level premium term-to-age 75 policy under the 2004 policy series. The return-of-premium at withdrawal or expiry rider is added to the converted level premium plan. The most current policy series of this rider is available to be added. The policy is issued under the 2004 policy series with a return-of-premium at withdrawal or expiry rider from the most current contract series.

At time of conversion, a return-of-premium at withdrawal or expiry benefit rider or a premium pay back at withdrawal or expiry benefit rider that was on the term 10 policy will convert to the current policy series, regardless of the policy series of the base plan. See section below for examples.

Availability

Plans and riders

If the following riders are attached to the term 10 renewable to 75, convertible to 65 policy, the riders can be converted to the following plans based on the insured person's attained age at time of conversion as indicated in the table below.

	Level premium Term to age 75	Permanent level premium, paid-up at 100	Term 20
Basic plan	18 – 65	18 – 55	18-54
Return–of-premium at death	18 – 65	18 – 55	18-54
Return-of-premium at expiry	18 – 65	n/a	n/a
Disability waiver-of-premium	18 – 60	18 – 55	18-54
Second event	18 – 60	18 – 55	18-54
Loss-of-independent existence	18 – 65	18 – 55	18-54

If the following riders are attached to the term 20 policy, the riders can be converted to the following level premium plans based on the insured person's attained age at the time of conversion, as indicated in the table below.

	Level premium term-to-age 75	Permanent level premium, paid-up at 100
Basic plan	18 – 65	18 – 55
Return-of-premium at death	18 – 65	18 – 55
Disability waiver-of-premium	18 – 60	18 – 55
Second event	18 – 60	18 – 55
Loss-of-independent existence	18 – 65	18 – 55

June 2019, November 2015 and May 2008 return-of-premium at withdrawal or expiry (year 15 or age 65) rider conversion

The June 2019, November 2015 and May 2008 return-of-premium at withdrawal or expiry rider (year 15 or age 65) on the term 10 policy may be converted based on the insured person's age at time of conversion. If the term 10 term policy and return-of-premium at withdrawal or expiry rider (year 15 or age 65) is converted to one of the following base plans and riders, the applicable eligible premium paid before the conversion will be included in the return-of-premium benefit calculation for the new policy.

	Age at conversion
Level premium term-to-age 75	
Return-of-premium at withdrawal or expiry (year 15)	50 – 60
Return-of-premium at withdrawal or expiry (age 65)	18 – 49
Permanent level premium, paid-up at 100:	
Return-of-premium at withdrawal (year 15)	50 – 55
Return-of-premium at withdrawal (age 65)	18 – 49

Age at conversion

If the return-of-premium at withdrawal or expiry rider (year 15 or age 65) is converted to a different plan and rider combination than as listed above, the applicable eligible premium paid before the conversion will not be included in the return-of-premium benefit calculation for the new policy.

April 2006 and November 2004 premium payback at withdrawal or expiry benefit rider conversion

The April 2006 and the November 2004 premium payback at withdrawal or expiry benefit riders on the term 10 policy may be converted to the most current return-of-premium rider based on the insured person's age at time of conversion. If the term 10 policy and premium payback at withdrawal or expiry benefit rider are converted to one of the following base plans and riders, the applicable eligible premium paid before the conversion will be included in the return-of-premium benefit calculation for the new policy:

	Age at conversion
Level premium term-to-age 75	
Return-of-premium at expiry	18 – 65
Return-of-premium at withdrawal or expiry (year 15)	50 – 60
Return-of-premium at withdrawal or expiry (age 65)	18 – 49
Permanent level premium, paid-up at 100:	
Return-of-premium at withdrawal (year 15)	50 – 55
Return-of-premium at withdrawal (age 65)	18 – 49

If the premium payback at withdrawal or expiry benefit rider is converted to a different plan and rider combination than as listed above, the applicable eligible premium paid before the conversion will not be included in the return-of-premium benefit calculation for the new policy.

Partial conversion

Partial conversion of the insurance amount will be allowed, subject to the minimum limits in effect at the time of conversion.

Example: the owner has a $100,000 term 10 policy. The owner applies to convert $50,000 to a permanent level premium, paid-up at 100 policy and leave the remaining $50,000 in-force under the original policy.

Application for conversion

The owner must complete *the Application for change and reinstatement of adult and child critical illness and disability insurance policies* form (F561 (CL)).

The first premium for the converted policy must be submitted with the written request.

Insurance amount

The insurance amount must not exceed the insurance amount under the term 10 or term 20 policy and will be subject to the minimum and maximum limits in effect at the time of conversion. If only a portion of the insurance amount is being converted, the portion to remain in-force under the term 10 or term 20 policy cannot be less than the minimum limits then in effect (currently $10,000).

Riders

The owner may apply for any rider(s) in-force under the term 10 or term 20 policy, subject to the rules in effect at the time of conversion, which may limit conversion options (see plans and riders under the availability section for current rules).

Approval of the application

Approval of the application will be subject to the following:

- Canada Life's rules then in effect, including minimum amounts for policies of the plan type then offered by Canada Life
- Issue and participation limits
- Receipt of the written request and the first premium for the converted policy before the insured person's 65th birthday, or within the first five years if converting from a term 10 to a term 20 plan
- The insured person must not be disabled under the terms of any disability waiver-of-premium rider in-force, if any, at the time of conversion

If the application is approved, the converted policy will be effective on the date of approval

If the application isn't approved, the amount of any premium received for the converted policy will be refunded

Effective on the date of approval

Insurance amount

The insurance amount under the original policy will be reduced by the amount converted to the new policy.

Termination

The term 10 or term 20 policy will terminate:

- Automatically if the total insurance amount was converted
- At the owner's request if the total insurance amount isn't converted
- If the remaining portion of the total amount of insurance doesn't meet the minimum amount rules for policies of this plan type

Converted policy

Rating or exclusion to benefits

Any extra premium or exclusion to benefits on the term 10 or term 20 renewable to 75, convertible to 65 policy will apply to the new policy.

Premium

The premium for the new policy will be based on our then current rates for the plan type and amount of converted insurance based on the insured person's attained age and policy class. If a rider providing a return-of-premium benefit is converted, all or a portion of the premium paid under the original policy may be taken into account in determining the same return-of-premium benefit under the new policy. A premium reduction on the original policy may not apply to the new policy.

Incontestability period

The incontestability period will be measured from the latest of the policy effective date, the date of issue the last date of reinstatement of the original policy and the last date of reinstatement of the new policy.

Conversion of return-of-premium benefit rider

If a return-of-premium at death, return-of-premium at expiry or return-of-premium at withdrawal or expiry rider is converted to a return-of-premium rider for the same specified event (death, expiry or withdrawal) as described in the availability section, a prorated portion of the return-of-premium benefit will be included in the calculation of the return-of-premium benefit under the new level policy. The return-of-premium benefit under the original policy will be adjusted accordingly. (Note: as the return-of-premium on withdrawal/expiry and the return-of-premium at expiry riders aren't available on the term 20 plan, if a client wishes to convert a term 10 plan with either of these riders, the client will forfeit their accumulated paid premium upon conversion to the term 20.)

The amount to be included in the calculation of the return-of-premium benefit will be a prorated portion determined using the following calculation:

- for the new level policy $a \times \frac{b}{\text{greater of } c \text{ and } (b + d)}$
- for the term 10 policy if it remains in-force with a reduced insurance amount

$$a \times \frac{d}{\text{greater of } c \text{ and } (b + d)}$$

In the calculations:

a =sum of the premium paid under the term policy from the effective date of the return-of-premium rider to the effective date of the conversion, adjusted for any reduction in insurance amount or removal of a rider required in accordance with the benefit amount provision in the applicable rider.

b =the premium for the new level policy.

c =the premium for the original term 10 policy at the time of application for the new level policy.

d =the reduced premium for the term 10 policy if the policy remains in-force or zero if the original policy is terminated as a result of the conversion.

Below are examples to help explain the calculation of the prorated portion of the return-of-premium benefit. Examples are based on the following assumptions:

- Nov. 22, 2012 — owner purchases a LifeAdvance term policy with $150,000 insurance amount and a return-of-premium at death rider. Monthly premium was $75.
- Dec. 22, 2013 — owner requests conversion of $100,000 to level premium term-to-age 75 coverage with a return-of-premium at death rider. Monthly premium for the level premium term-to-age 75 policy is $85. The term 10 policy would reduce to $25.

Example one

Remaining $50,000 insurance amount is terminated — the amount to be included in the calculation of the return-of-premium at death benefit under the new level premium term to 75 policy would be $975.

$$(\$75 \times 13 \text{ months}) \times \frac{\$85}{\text{greater of } \$75 \text{ and } (\$85 + \$0)} = \$975 \times (\$85 \div \$85) = \$975$$

Example two

Remaining $50,000 insurance amount is kept in-force — the amount to be included in the calculation of the return-of-premium at death benefit under:

- the original term 10 renewable to 75, convertible to 65 policy is $221.59.

$$(\$75 \times 13 \text{ months}) \times \frac{\$25}{\text{greater of } \$75 \text{ and } (\$85 + \$25)} = \$975 \times (\$25 \div \$110) = \$221.59$$

- the new level premium term to 75 policy is $753.41

$$(\$75 \times 13 \text{ months}) \times \frac{\$85}{\text{greater of } \$75 \text{ and } (\$85 + \$25)} = \$975 \times (\$85 \div \$110) = \$753.41$$

Underwriting

How to succeed in the critical illness marketplace

Critical illness insurance products can be characterized as relative newcomers to the range of insurance products that are available in the Canadian marketplace. In fact, before 1983, critical illness insurance wasn't marketed anywhere in the world.

Much of the information used in the underwriting process comes from you. The more thorough the information you submit to the underwriter, the better your chances of success in the rapidly expanding critical illness insurance marketplace.

It may be useful to use the traditional life and disability insurance products as a point of reference. The lump-sum benefit payment and objective claims assessment are similar to life insurance. However, the claimant's active participation in the claim and emphasis on medical history at the time of application more closely mirrors disability insurance. Not surprisingly, elements of both life insurance and disability insurance underwriting guidelines are involved in assessing critical illness insurance risk.

Your primary tools in critical illness field underwriting are the pre-underwriting checklist and the application. The information you provide will help the underwriter fairly and accurately evaluate each risk. Ensure that you provide as much information as possible. Never hesitate to write an accompanying memo to elaborate on any information you think is pertinent.

Thorough and complete applications are underwritten more quickly which benefits you, your clients and Canada Life.

Medical underwriting guide – individual critical illness insurance

A medical underwriting guide – individual critical illness insurance is available to assist you with medical inquiries by providing details about:

- Probable underwriting action based on a particular physical impairment and/or medical history.
- How to obtain a preliminary underwriting assessment regarding a particular situation (for example, *Living benefits impairment quote* form).
- Internet medical links providing information on specific medical conditions and prescription medications.

The added underwriting perspective provided by this guide may help you better understand the underwriting process and educate clients upfront regarding possible underwriting issues. This upfront positioning may help facilitate the delivery of sub-standard policies and improve your placement ratio.

LifeAdvance advisor guide

This guide can be found as a PDF document on Canada Life™ RepNet under Products & tools > Living Benefits > Product details > Critical illness.

Underwriting LifeAdvance

We all know that having an application declined may be costly – both in terms of underwriting expense and in terms of your relationship with your clients. Canada Life has developed a simple two-step process that will help you determine which of your clients are most likely to qualify for LifeAdvance critical illness protection from Canada Life.

Proper use of the forms should increase your placement rate, resulting in more sales and more satisfied clients.

Step 1 — Reviewing the LifeAdvance pre-underwriting checklist

The checklist is an important part of the pre-screening process. If your client says, 'yes' to having a prior history of any of the conditions listed on the checklist, do not submit an application.

If there is no prior history of any of the uninsurable conditions, your client has passed the pre-screening process and you may submit an application. Proceed to step 2.

Critical illness insurability checklist		
If a proposed insured person has a history of any of the following illnesses, disorders or surgeries, an application shouldn't be submitted		
Acquired brain injury	Coronary bypass surgery or angioplasty	Kidney disease (chronic) or kidney failure
AIDS, AIDS related disease or a positive HIV test	Cystic fibrosis	Major organ failure on waiting list for transplant
Alcohol abuse (treatment for, within two years)	Dementia, including Alzheimer's disease	Major organ transplant
ALS (Lou Gehrig's disease or amyotrophic lateral sclerosis)	Diabetes insulin dependent non-insulin dependent if proposed insured person is under age 40	Multiple sclerosis
Angina	Drug use other than prescribed drugs or social marijuana within past three years	Muscular dystrophy
Aortic surgery	Haemophilia	Parkinson's disease and specified atypical Parkinsonian disorders
Aplastic anaemia	Heart attack	Permanent paralysis
Bacterial meningitis*	Heart valve replacement or repair	Pulmonary fibrosis
Benign brain tumour	Hepatitis (chronic)	Stroke or transient ischemic attack (TIA)
Cancer*	Huntington's chorea	Systemic lupus erythematosis (SLE)

* Some exceptions for bacterial meningitis or cancer (including most non-melanoma skin cancers) may apply. Consultation with a head office underwriter is recommended before submitting an application.

The checklist above includes some of the more commonly seen illnesses, disorders or surgeries. Other medical histories may also be uninsurable or no optional benefit riders.

Step 2 — Completing the application form

Two application forms are available to apply for adult LifeAdvance critical illness insurance:

- *Application for life, critical illness and disability insurance* (form 17-8908), in conjunction with the *Product pages for life, critical illness and disability insurance* (form 17-8910).
- *Telephone application for life, critical illness and disability insurance* (form 17-8909), in conjunction with the *Product pages for life, critical illness and disability insurance* (form 17-8910).

These applications and their processes contain the information required to assess the insured person's risk and to create a confidential file on the client.

Application

The application is the primary source of all the personal data on your client (such as legal name, date of birth, address, etc.). As such, the application must be as accurate and reliable as possible.

A basic sketch of your client helps the underwriter to get to know the person well enough to evaluate the person as an insurance risk. When you give the underwriter a better profile, the underwriter is able to complete the evaluation sooner and with less additional evidence. It's up to you to make the application as complete and clear a profile as possible.

Legal document

The application forms part of the contract of insurance and as such, it's part of a legal document and should be treated with the same attention to detail that would go into preparing any other legal document (e.g., partnership agreement, a will or a mortgage)

The questions on the application must be asked and the answers recorded in the presence of the insured person. The insured person shouldn't be asked to sign the application if any portion has yet to be completed.

The advisor is the primary source of contact with the insured person and is the person who has the training and knowledge to best help ensure that applicants complete their applications in a full, factual and accurate manner.

When an application is completed in a manner other than as described above, the chance that it will contain incorrect answers or information is greatly increased. This can, amongst other things, lead to a policy being challenged on the basis of material misrepresentation.

Legibility

All paper forms should be completed in clear, legible handwriting. Typewritten forms or forms completed in pencil aren't acceptable.

Application modifications

The signed consent of the insured person is required to any change in the information recorded in the paper application. Don't erase incorrect information or remove it with chemical ink eradicators. If a statement is incorrect, cross it out, insert the correct information and have the change initialled by the insured person and the witness.

Signatures

Obtain the signature of the insured person and where applicable, the owner and premium payor. The advisor is to sign as witness to these signatures.

Dating

The date shown on the application must be the date that the application was taken. This date may not be changed under any circumstances.

Health information

Accurate, complete information is essential in this section. In the absence of an examination, the facts you provide form

the basis of the underwriting process. The health information section of the application need not be completed if a paramedical or medical exam by a medical doctor is a requirement; however, you should include the attending physician's name, address and date of last consultation along with details of any significant medical history. This will allow the head office underwriter to begin the medical selection process sooner. In completing the health information section, it's important to ask every question as it appears on the application rather than to re-phrase the questions and risk pre-supposing a negative response. (i.e., there is a difference between asking "Have you ever had XYZ disease?" and "You've never had XYZ disease, have you?"). The insured person should be encouraged to give all relevant details. Ask the questions in turn and record the answers fully. Where the answer appears incomplete, ask additional questions in order to obtain complete details. Questions unanswered or incompletely answered result in delay in considering the application and frequently require completion of amendments on delivery of the policy.

In general, all affirmative answers in the health information section should be accompanied by the following information:

- Dates, including date of last episode
- Nature of illness and diagnosis
- Duration
- Treatment given and results
- Results of any tests done (e.g., x-ray, etc.)
- Doctors consulted and hospitals where confined: obtain names, including initials and addresses of doctors and hospitals

In regard to family history be sure to include the age at onset of the medical condition.

Check-ups

The words, check-up, routine exam, etc. don't usually express the real reasons for seeking medical advice. In a number of cases the check-up will have been prompted by a minor symptom. It will assist the underwriting process greatly if all facts are obtained.

In all cases where the insured person admits to having undergone a check-up, the following information should be obtained:

- Whether the check-up was done as part of a personal or company program at regular intervals. If so, indicate frequency;
- Whether any symptoms, even minor ones, prompted a check-up;
- Whether special studies, e.g., chest x-ray, G.I. series, etc., were performed, and the results;
- Whether any treatment was prescribed; and
- Whether the insured person was referred to a specialist, or asked to return at a later date for follow up.

Advisor's report on insured person

The advisor's report allows you to include your opinion of the insured person as a future client as well as providing additional information regarding habits, finances and sports, if applicable.

You know the insured person and how the insurance for which the insured person applied relates to the insured person's personal situation. You can assist the head office underwriter by conveying some of this knowledge. It's important that you provide as much information as possible. This will also avoid unnecessary delays caused by requests for additional information after the application is received at head office.

Telephone application

The telephone interview is a process where you complete a telephone application with your client that doesn't include any personal, financial or medical information. Canada Life head office will handle the administrative details of securing the insured person's personal, financial and medical history information.

About the telephone interview

The telephone interview offers your client a private and convenient way to provide the insured person's personal, financial and medical history information. An experienced interviewer from a Canada Life-approved vendor will contact your client to collect this information. The applicant and the owner, if applicable, must be able to speak and read English and/or French. However, Canada Life recognizes your client may be more comfortable answering questions in another language. The vendor offers services in English, French, Cantonese, Mandarin, Vietnamese, Urdu and Hindi.

To ensure the correct information is passed on to Canada Life, the vendor records all calls digitally for accuracy and quality verification.

The process

- Complete the *Telephone application for life, critical illness and disability insurance* (form 17-8909), in conjunction with the *Product pages for life, critical illness and disability insurance* (form 17-8910) and submit to Canada Life in accordance with your current process of submitting new application business. Be sure to include the additional client contact information and have your client choose a convenient time and place for the interviewer to contact them for the interview.
- Manage your client's expectations about the interview. Most interviews last approximately 30 minutes, if the insured person doesn't have a lengthy medical history. It consists of personal, financial and medical history questions, and any other details that are required for Canada Life to process the application.

  The interview will take place by phone at a time that is convenient for your client. The Canada Life-approved vendor calls at the best time specified by your client. The call procedure includes:

  - First call is made within 24 hours of receiving a request for a telephone interview.
  - Follow-up calls are made every 24 hours for the first week and every other day for the second week.
  - If the phone is busy, the interviewer will call again the same day.
  - If an answering machine picks up, the interviewer will leave a dedicated 1-800 number.
  - Each telephone number provided on the application is tried. Clients should only provide numbers where they are comfortable receiving personal calls.
- Review the client brochure titled *Your guide to telephone interviews for life and critical illness insurance* (form 17-8336), which explains the process and helps clients prepare for the interview. It's important that you leave this brochure with your client.
- Your client must review the telephone interview document provided by Canada Life's approved vendor when the policy is delivered. If there's been a change in insurability or there are incorrect statements in the telephone interview document, you must advise the underwriting department. The policy can't be placed unless approved by the underwriting department.

Note: Paramedical exams aren't required for telephone interview applications. Where a paramedical is required for age and amount, you should be requesting vitals instead. If blood profiles and/or vitals are required, you can arrange these through one of our paramedical services.

The telephone interview may also be used to clarify any information received on the application

Customer interview

A customer interview is used by underwriting to validate and more fully develop information disclosed on the application such as personal, occupation, financial and health history. The information is collected by an experienced interviewer over the telephone. The interviewer contacts the applicant directly to obtain the information. In addition to confirming disclosures from the application, a customer interview can also be used to gather answers to questions left blank or to complete questionnaires such as avocation, foreign travel or medical.

LifeAdvance advisor guide

In order for a customer interview to be completed successfully and on a timely basis convenient to the applicant, it's important that the advisor inform the applicant at time of application that they may be contacted by an interviewer during the underwriting process. It's also important for the advisor to collect and provide the applicant's contact information including telephone number(s), preferred time and place in the appropriate section of the application.

Underwriting reserves the right to request an inspection report or customer interview as deemed necessary on a case-by-case basis.

Inspection reports

In certain cases, Canada Life will obtain a report compiled by an outside investigative agency, furnishing information on the insured person's occupation, avocations, earnings, character, reputation, etc. This report provides the underwriter with objective facts to use in evaluating insurability

In most jurisdictions, it's legally obligatory to notify an insured person that an investigation of this type may be carried out, due to the confidential nature of some of the facts involved. The insured person's signature on an authorization indicates that the insured person has been informed of this procedure. In addition, the notice regarding investigative consumer report on the application must be left with the insured person.

Naturally, such an investigation takes time and money, so in the interests of accelerating policy issue and reducing acquisition costs, Canada Life doesn't routinely request inspection reports except on large amount applications. These reports may occasionally be ordered by the underwriter on smaller amount cases, however, to provide additional details required to accurately classify the proposed risk.

Medical information bureau

The medical information bureau is a non-profit membership organization of life insurance companies. It was formed to conduct a confidential exchange of underwriting information among its members as an alert against fraud and omissions. The exchange enables medical information bureau members to protect the interests of insurance consumers as well as the interests of life, health and disability insurers. The consumer permits the medical information bureau member to ask for a medical information bureau report by signing an authorization on the application. The notice regarding medical information bureau must be detached and left with the insured person, or parent or legal guardian of an insured person child.

During underwriting, if an insured person has a condition significant to health or longevity, a brief, coded report will be sent to the medical information bureau.

In the underwriting process, a medical information bureau report will be used only as the starting point of an investigation which will help protect insurers and policyholders from losses due to fraud or omission. The insurer who receives a medical information bureau report will compare the medical information bureau report with information provided by the insured person, or the parent or legal guardian of an insured person/child. If the brief codes in the medical information bureau report aren't consistent with other information, the insurer must seek further information about the insured person. Further information could be developed by contacting medical professionals and hospitals as well as the insured person, or the parent or legal guardian of an insured person/child. Sometimes, consumers worry that insurers may decline an application or charge more for coverage based solely on medical information bureau codes. Such a practice is forbidden without exception.

All information received by member companies through medical information bureau is held in such manner as will maintain its confidential character.

LifeAdvance advisor guide

Conditional insurance agreement

What this agreement provides

This agreement can provide insurance coverage on those who qualify for critical illness while Canada Life processes your application. Depending on what has been applied for, if a person who qualifies for conditional insurance suffers a covered critical illness while this agreement is in effect, and meets the required conditions set out below, Canada Life will pay the applicable conditional insurance amount.

However, in the case of critical illness insurance, this conditional insurance agreement doesn't provide coverage for cancer, a benign brain tumour or Parkinson's disease and specified atypical Parkinsonian disorder.

This agreement is also subject to the terms and conditions of any critical illness insurance policy Canada Life issues.

Who is eligible for conditional insurance?

Conditional insurance is available for the proposed insured person if:

- Under actual age 61 (and at least 60 days old for critical illness insurance).
- Answered no to all the conditional insurance questions for the type of insurance applied for.
- Doesn't intend to travel outside of Canada and the United States within the next three months.
- Insurable on the terms applied for or other terms offered by Canada Life that are acceptable to you.

When does this agreement start?

This agreement starts for the proposed insured person, if eligible, on the date when all three of the following conditions are met:

- This application is completed and signed.
- Canada Life received payment equal to at least the first monthly premium or 1/12 of the estimated annual premium, based on the insurance applied for and our standard rates. The payment must be submitted with the application and cannot be post-dated.
- The proposed insured person completes the initial medical exams and tests Canada Life requires.

How much conditional insurance can this agreement provide?

The amount of coverage this agreement provides, for a type of insurance applied for on the proposed insured person, is the lesser of the following amounts:

- The amount of coverage of that type that has been applied for on the proposed insured person, and
- The amount of coverage Canada Life would approve on the proposed insured person, if issuing a policy of that type, subject to the following maximums for each type of insurance:
  - Critical illness insurance (adult) -- $500,000

Maximum amount Canada Life will pay if the proposed insured person is covered by more than one conditional insurance agreement

If there is more than one conditional insurance agreement with Canada Life covering the proposed insured person, and claims with regard to a particular type of insurance are made under the separate agreements, the maximum amount Canada Life will pay for all these claims, taken together, is the highest amount under any one agreement. If there are different claimants under the separate agreements, Canada Life will allocate the amount Canada Life pays among the claimants, on an equitable basis as Canada Life determines.

When does this agreement end?

The conditional insurance agreement may last up to 90 days from the date the application is signed. However, it ends immediately if any of the following happens before the end of the 90 days:

- The policy applied for comes into effect.
- You ask Canada Life to cancel the application.
- Canada Life cancels or declines the application.

If Canada Life hasn't finished processing the application by the end of the 90-day period Canada Life may continue processing it, but the conditional insurance coverage will no longer be in effect. Canada Life will retain any payment made with the application and apply it to the policy or refund it if Canada Life doesn't issue the policy.

Minimum payment rules

In order for a payment to be valid for the conditional insurance agreement, the following conditions must be met:

- The amount of payment received must be equal to, or more than, one monthly premium for the coverage applied for.
- The payment acknowledged in the receipt must be made on the date the application is completed and signed as required by you and each proposed insured person.
- A current-dated payment (one which corresponds exactly with the date of the receipt) is made. Note: a post-dated payment or payment made later than the date of the receipt isn't valid for any conditional insurance agreement.
- Any cheque or money order given as payment for the conditional insurance agreement must be honoured the first time Canada Life presents it for payment.

Cheques or money orders must be made payable to Canada Life. Payment received after the application:

If payment wasn't taken with the original application, but the owner wishes to have coverage effective from the date of payment, you must:

- Obtain a new application, fully and properly completed and signed (to replace the original)
- Give the owner the receipt from the new application
- The conditional insurance goes into force on the later of the following:
  - The date the new application has been fully and properly completed, including non-medical, and any supplements to the new application
  - The date any paramedical, medical exam or medical test(s) which may be required by Canada Life are completed
  - The date payment has been made

Current dating

All policies will be current dated.

Backdating

Specific dating requests must be provided at the time of application or at least before approval of the policy. In order to save a younger age, Canada Life may backdate a policy up to a maximum of 30 days before the application date. Canada Life will current date coverage unless Canada Life is specifically requested to save age.

Medical underwriting

Critical illness insurability checklist

If a proposed insured person has a history of any of the following illnesses, disorders or surgeries, an application shouldn't be submitted

Acquired brain injury	Coronary bypass surgery or angioplasty	Kidney disease (chronic) or kidney failure
AIDS, AIDS related disease or a positive HIV test	Cystic fibrosis	Major organ failure on waiting list for transplant
Alcohol abuse (treatment for, within two years)	Dementia, including Alzheimer's disease	Major organ transplant
ALS (Lou Gehrig's disease or amyotrophic lateral sclerosis)	Diabetes • insulin dependent • non-insulin dependent if proposed insured person is under age 40	Multiple sclerosis

Angina	Drug use other than prescribed drugs or social marijuana within past 3 years	Muscular dystrophy
Aortic surgery	Haemophilia	Parkinson's disease and specified atypical Parkinsonian disorder
Aplastic anaemia	Heart attack	Permanent paralysis
Bacterial meningitis*	Heart valve replacement	Pulmonary fibrosis
Benign brain tumour	Hepatitis (chronic)	Stroke or transient ischemic attack (TIA)
Cancer*	Huntington's chorea	Systemic lupus erythematosis (SLE)

* Some exceptions for bacterial meningitis or cancer (including most non-melanoma skin cancers) may apply. Consultation with a head office underwriter is recommended before submitting an application.

The checklist above includes some of the more commonly seen illnesses, disorders or surgeries. Other medical histories may also be uninsurable or no optional benefit riders).

The chart below outlines Canada Life's routine medical requirements based on the total initial risk. These age and amount requirements apply to current critical illness insurance amounts, as well as amounts issued by Canada Life within the last year.

Age and amount underwriting requirements for critical illness insurance

Amount	18-40	41-50	51-60	61-65
Up to $100,000	NM	NM	Labs, PSA, PM	Labs, PSA, PM
$100,001 - $250,000	NM	Labs, PM	Labs, PSA, PM	Labs, PSA, PM, APS
$250,001 - $500,000	NM, Labs, V*	Labs, PM	Labs, PSA, PM, APS	Labs, PSA, PM, APS
$500,001 - $1,500,000	Labs, PM	Labs, PM, APS	Labs, PSA, PM, APS	Labs, PSA, PM, APS
$1,500,001 and over	Labs, PM, APS	Labs, PM, APS	Labs, PSA, PM, APS	Labs, PSA, PM, APS

NM = non-medical
PM = paramedical (or telephone interview and vitals)
V* = vitals only required with telephone interview

Labs = blood profile and urine
PSA = prostate specific antigen (male only)
APS = attending physician's statement

Note:

- If the client completes a telephone application and a paramedical is indicated as a requirement, vitals are accepted in lieu of the paramedical.
- Evidence required is considered current for a period not exceeding 12 months.
- In determining evidence required, all critical Illness amounts currently applied for as well as any amounts issued by Canada Life within the last 12 months, unless those coverages are to be replaced.
- Previous evidence received for prior Canada Life coverage shouldn't be duplicated unless required for current coverage.

- If both critical Illness and life insurance are applied for simultaneously, requirements are determined independently for critical Illness and life insurance, but the more stringent of the two sets of requirements should be considered. For example, if the life insurance requirements are a paramedical and vitals and the critical illness insurance requirements are a paramedical and blood profile, then order a paramedical and blood profile.

For SimpleProtect™ only – a paramedical/tele-interview isn't required for applications with total coverage amounts up to $250,000, as the full insurability disclosure will be facilitated by the SimpleProtect app.

Canada Life reserves the right to request any requirement deemed necessary, regardless of age, amount, or product.

Laboratories and blood testing: depending upon the amount for which the applicant applied, a blood profile, PSA and urine specimen may be required.

Each blood profile provides significant data for underwriting purposes in the following areas:

- **Hepatic profile** — identifies liver disorders and possible excessive alcohol use.
- **Glucose profile** — identifies glucose (sugar) intolerance.
- **Kidney profile** — identifies kidney disorders.
- **Lipid profile (cholesterol)** — identifies increased coronary risks of applicants.
- **AIDS** — identifies presence of the HIV antibody.
- **PSA (prostate specific antigen)** — identifies possible prostate cancer.

All tests involve drawing blood from a vein by syringe.

A urinalysis test is used to check for a residue of nicotine (indicating recent smoking), cocaine or medication for blood pressure. The urine is also analyzed for the presence of albumin, sugar, blood and pus or bacteria. Such findings could indicate infection or disease of the genito-urinary tract or diabetes. If the initial specimen shows an abnormality, Canada Life may ask for two additional samples.

Blood and urine analysis kits are available through our approved paramedical companies and in our Product Solutions Centres. There is an authorization inside the kit that must be signed by the client and provides some information on what tests the lab will perform.

Note: Blood profile tests for critical illness vary slightly from those performed for life and disability insurance. Therefore, it's very important to make sure that whoever draws the blood (doctor or paramedic) is aware that it's for a critical illness product. (This should be clearly indicated on the blood kit authorization form.)

Reports from attending physicians

The head office underwriter uses, amongst other things, age/amount limits for determining the need for reports from attending physicians (APS). Factors such as reason for consultation, recency of consultation, and other risk factors are also used in determining the need for a report. All reports are requested from head office.

Medical examinations

Paramedical

Only paramedical companies approved by head office are to be used. These companies maintain a supply of blood profile kits.

Medical

Where a medical exam is required for age and amount, Canada Life doesn't allow family members, business associates or the applicant's family doctor to be used.

Modifications

The medical underwriting of critical illness insurance focuses on the risk factors which might increase the incidence of a critical illness insured condition. When it comes to the medically impaired risk, which doesn't qualify for standard coverage but is insurable, Canada Life has a number of options. These include:

- Issuing coverage with an extra premium
- Excluding a covered critical illness insured condition
- Excluding a specific risk or medical condition
- Declining certain optional benefits
- Possibly using a combination of these depending on the number and nature of the medical impairments

Extra premium

The most common method of handling a medical impairment is to issue the policy with an extra premium. This provides the insured person with coverage for all covered critical illness insured conditions.

As with life insurance, the use of extra premium will be more common than the use of exclusion riders. The maximum extra rating used is 150%.

Exclusion riders

Exclusion riders will not be used on the following covered critical illness insured conditions in the basic adult policy — heart attack, stroke, life-threatening cancer.

Exclusions may be used in one of two ways.

To exclude a covered critical illness insured condition. For example, in the case of a blind person Canada Life could exclude blindness.
To exclude a specific medical condition or other risk. This is used only in the case of a specific, isolated medical condition that may contribute to one or more of the covered critical illness insured conditions. It may also be used to exclude sports or avocations that would carry a higher than acceptable risk of injury.

Disability waiver-of-premium rider — The underwriting of the disability waiver-of-premium rider will focus on the risk of disability rather than the risk of developing a covered critical illness insured condition. For example, a back problem that is of no significance to the covered critical conditions may result in a rated or declined disability waiver-of-premium rider. No exclusions will be used on the disability waiver-of-premium rider.

Return-of-premium at death rider — The underwriting of the return-of-premium at death rider will focus on the risk of mortality rather than the risk of developing a covered critical illness insured condition. In some instances, this may result in the return-of-premium at death rider being declined. No exclusions will be used on return-of-premium at death rider.

Second event rider — Any rating on the basic policy will apply to the second event rider.

Loss of independent existence — The underwriting of the loss of independent existence rider will focus on the risk of activities of daily living. In some instances, this may result in the loss of independent existence rider being declined or rated. No exclusions will be used on loss of independent existence rider alone.

Prepare your clients for modifications

Critical illness insurance policies can be issued standard, with exclusions or ratings and/or other modifications. You will find it easier to place critical illness insurance policies if you prepare your clients for the possibility of an exclusion or a rating at time of sale.

The head office underwriter will make every attempt to provide you with as much detail as possible to explain the basis upon which the policy will be issued to assist you in placing these policies.

Family history

A strong positive family history of cardiovascular-renal disease, diabetes mellitus, cancer or neurological disorder, among other conditions, may significantly increase the likelihood of such disease manifesting themselves in immediate family members.

Underwriting will take into account the nature of the disease involved and its frequency among parents and siblings. It's the age of onset and not the age of death, which is important in assessing family history for critical illness insurance. Please properly complete the appropriate family history question in the application. The insured person's own medical history, along with family history, are taken into consideration in assessing the overall risk for critical illness insurance.

Other cardiovascular risk factors

In addition to smoking, build and family history, elevated lipids, hypertension or diabetes present an increased risk of cardiovascular-renal disease or stroke and are underwritten carefully for this product.

Cancer/tumours

Tumours are commonly described as being either benign or malignant, although there are some benign types which exhibit a tendency to undergo malignant change.

While poorly documented cases need to be treated with particular caution, applicants with well-documented benign tumours (except benign brain tumour) may be considered for critical illness coverage. By contrast, a history of a malignant tumour will, in the majority of cases, warrant a decline — even long after apparently successful treatment, the risk of recurrence remains unacceptably high. Some exceptions may apply and the specific type of cancer should be discussed with an underwriter before submitting an application.

Build

Obesity may exist as an independent finding but is frequently associated with, if not always directly responsible for, diabetes mellitus, hypertension and cardiovascular-renal disease. It's, therefore, a major critical illness risk factor.

Underweight is generally of less significance but can be connected with malignancy or other health problems. Any marked short-term weight loss will be carefully investigated.

Build table

Please submit a paramedical exam as indicated below based on the applicant's stated height and weight. A change in weight due to voluntary dieting must also be taken into consideration. One half the weight loss within one year should be added to the present weight in determining probable action. A paramedical exam may also be requested at the discretion of the underwriter. Underweight is generally of less significance but may be related with malignancy or other health concerns. Any marked short-term weight loss will be carefully investigated.

Risk assessment (Weight in pounds)		Risk assessment (Weight in kilograms)		Maximum acceptable weight for standard (in the absence of any other risk factors)	
Height (feet/inches)	Paramedical Required	Height (centimetres)	Paramedical required	Pounds	Kilograms
4' 10"	155 - 210	147	70 - 95	173	78
4' 11"	159 - 215	151	73 - 97	177	80
5' 0"	162 - 220	153	74 - 99	181	82
5' 1"	166 - 225	156	76 - 102	185	84
5' 2"	170 - 230	158	78 - 104	189	85
5' 3"	175 - 237	161	80 - 107	195	88
5' 4"	180 - 244	163	82 - 109	201	91
5' 5"	185 - 251	166	84 - 113	206	93

5' 6”	190 - 257	168	86 - 116	212	96
5' 7”	194 - 263	171	88 - 119	216	98
5' 8”	199 - 269	173	90 - 122	222	100
5' 9”	204 - 276	176	93 - 125	227	103
5' 10”	210 - 285	179	96 - 129	234	106
5' 11”	215 - 291	180	98 - 131	240	109
6' 0”	221 - 301	184	102 - 135	247	112
6' 1”	226 - 307	186	104 - 139	252	114
6' 2”	232 - 315	189	107 - 142	259	117
6' 3”	239 - 324	191	109 - 146	266	120
6' 4”	246 - 334	194	113 - 151	275	124
6' 5”	254 - 344	196	115 - 156	283	128
6' 6”	261 - 354	199	120 - 160	292	132

Note: For applicants whose weight is below the paramedical limit, submit normal age and amount requirements. People who are within the paramedical exam limits may have coverage that is standard or may require changes such as an extra rating. Coverage might also include other changes such a limited benefit period, declination of an optional benefit rider or may be uninsurable.

More weight affects morbidity experience. It plays an independent factor in increasing morbidity risk factors such as cardiovascular disease, diabetes or hypertension and may potentially lengthen the normal recovery period following a disability. The final outcome may also be influenced by things like smoker status, waist circumference, family history, lifestyle concerns and the presence of other impairments.

Special underwriting consideration

Recent immigrants, foreign residence and travel

Persons applying for critical illness insurance must reside in Canada. Canada Life is able to consider applications for critical illness insurance for individuals living in Canada for less than one year. Please consult the underwriting guidelines for people new to Canada as well as the *Individual life, critical illness and disability insurance questionnaire for people new to Canada* form (46-8525).

Individuals who intend to reside outside of Canada permanently or for indefinite period of time are ineligible. The main reason for this is the difficulty of claims administration in a foreign country. Individuals who are in Canada for short duration and don’t intend to apply for permanent resident status or citizenship aren’t eligible for coverage.

Canada Life may be able to consider applicants where temporary foreign residence or travel (outside Canada or the United States) is anticipated. Full details must be provided regarding the frequency, purpose and duration of the trips, type of transportation, cities and countries to be visited, duties while abroad, etc. Individuals travelling to remote areas or politically unstable countries are ineligible for critical illness coverage. Depending on country of origin and travel history, foreign travel exclusion may apply. The conditional insurance agreement shouldn’t be given to the insured person on cases involving pending foreign travel (outside Canada or the United States).

Knowledge of English, French or other languages

For critical illness insurance, Canada Life is prepared to consider applications on individuals who don’t speak or read English or French. The advisor who has sold the policy must be able to speak and read the language known to the insured person. A special declaration signed by the advisor will be required, along with the regular application. A second declaration will be required when the contract is delivered.

Alcohol, drugs and criminal activity

Alcohol and drug abuse can result in end organ damage to the heart, lungs, kidneys, brain and liver with serious implications for the critical illness risk. Also, well publicized is the connection between excessive drinking and accidents (leading to an increased risk for covered conditions such as loss of limbs, coma, paralysis, blindness, burns).

Clients admitting to a history of alcoholism, non-medical drug use or criminal activity may be uninsurable for critical illness insurance. Additional investigation will likely be required if the head office underwriter is able to proceed at all upon review of the complete application. The additional investigations may include an alcohol and/or drug use questionnaire, blood tests, inspection reports and attending physician statements. If able to proceed once all information is received, restrictions and/or a rating may apply.

Driving

Motor vehicle accidents are well known as causes of death and disability, but they also increase the risk for critical illness conditions such as loss of limbs, coma, paralysis, blindness and burns. Because of this, the head office underwriter may require a motor vehicle record and an inspection report to properly assess the risk. If able to proceed once all information is received, restrictions and/or a rating may apply.

Sports and avocations

As in life insurance many sports and avocations will be acceptable for critical illness insurance at standard rates.

Those who participate in sports such as the following may require an exclusion rider or a rating with respect to such sport. The activity should be reported in detail in the agent's report or in the appropriate questionnaire in the application.

Automobile racing	Motorcycle racing
Boxing	Mountain climbing
Hang gliding	Rock climbing
Bungee jumping	Scuba diving
Martial arts	Sky diving

Other sports not listed above, subjecting the insured person to a higher risk of injury, may also require an exclusion rider or rating.

Your head office underwriter needs to know the following about these sports:

- Qualifications (certified, etc.).
- Frequency of activity (past/present/future).
- Other relevant details where applicable, such as whether the sport is practiced alone, height or depth, speeds reached, etc.

Aviation

Ordinary passenger flying on commercial airlines is considered a normal hazard of everyday life and is covered. If the insured person has flown as a licensed pilot or crew member within the last three years, contemplates doing so or is a student pilot and if there appears to be an aviation hazard arising from these activities, an aviation exclusion or a rating may be used.

For private pilots, availability of standard coverage will generally depend on the insured person's age, solo experience and annual flying time.

Occupations

As with life insurance, most occupations will be acceptable for critical illness insurance at standard rates. Individuals whose jobs expose them to an increased risk of injury or unusual health hazards, such as working at heights or underground, working with chemicals or possible carcinogens, working with explosives, etc. will require careful consideration. Restrictions or a rating may be required.

Members of the armed services are eligible for critical illness insurance, unless on orders, alerted or contemplating orders to any hazardous areas. There may be additional occupational concerns for some personnel, specifically those with special hazardous duties.

Smoking status is of particular importance to critical illness coverage due to its relationship to cardiovascular disease and cancer. To qualify for non-smoker rates, applicants must have not smoked or used cigarettes, cigars, pipe, cigarillos, chewing tobacco, nicotine patch and/or gum, betel nuts, tobacco or nicotine in any other form within the past 12 months with an exception of an occasional cigar. An occasional cigar is defined as one large cigar or less, per week. In addition, the insured person must test negative for cotinine.

Non-smoker

Smoking status is of particular importance to critical illness coverage due to its relationship to cardiovascular disease and cancer. To qualify for non-smoker rates, applicants must have not smoked or used cigarettes, cigars, pipe, cigarillos, chewing tobacco, nicotine patch and/or gum, betel nuts, tobacco or nicotine in any other form within the past 12 months with an exception of an occasional cigar. An occasional cigar is defined as one large cigar or less, per week. In addition, the insured person must test negative for cotinine.

Misrepresentation of smoking status is significant. If misrepresentation is discovered, Canada Life will cancel (void) the policy, whether the misrepresentation is discovered within the first two years or thereafter and will not agree to adjust the premium or benefit amount. Misrepresentation of smoking habits will be presumed to be fraudulent misrepresentation, in the absence of any other information.

Financial underwriting guidelines

Minimum and maximum allowable coverage

Minimum:

- $10,000 and a minimum annual premium of $100 (including optional riders)

Maximum:

The **maximum amount** of critical illness Canada Life will issue on any one life, and the **overall issue and participation limit**, is **$3 million**. The $3 million can be personal, business or any combination of personal and business protection. The overall issue and participation limit include coverage in-force with all other companies and is also limited by the following.

Personal insurance

Maximum amount of personal insurance available – is based on the insured person's nearest age and earned income:

Issue age	Maximum available
18 - 55	(9 x earned income) + mortgage balance on any real estate property (e.g. personal residence or cottage)
56 - 60	(7 x earned income) + mortgage balance on any real estate property (e.g. personal residence or cottage)

61 - 65	**(5 x earned income) + mortgage balance on any real estate property (e.g. personal residence or cottage)**

Note: Sources of earned income generally don't include rental, interest, pension or investment income.

High-net-worth applicants – will be considered on an individual basis. Factors Canada Life will consider include:

- The applicant must have attained permanent resident status with the intention to remain in Canada
- The applicant has purchased property or a business in Canada
- The spouse and/or children are residing in Canada
- Children are attending school in Canada

If the applicant is retired – will consider the total unearned income (pension, RRSPs, etc.), instead of earned income. The amount of coverage available is the lesser of:

- $250,000
- 4x the combined income of the two spouses
  An amount greater than $250,000 will be considered on an individual consideration basis. Please consult head office.

Non-income earning spouse – the amount of coverage Canada Life will consider is the lesser of:

- Half the earned income multiple for personal insurance for the income earning spouse, plus mortgage balance on any real estate property (for example, personal residence or cottage)
- The amount of critical illness insurance benefit on the income earning spouse
  If the income earning spouse doesn't qualify for critical illness insurance, individual consideration will be given for an amount up to $250,000. Please consult head office.

University or college students and recent graduates – may apply for $250,000, regardless of earned income. An amount up to $500,000 will be considered on an individual consideration basis for certain professional studies (occupations). Please consult head office.

Farm owners – will consider up to 10 times net income.

Individuals on social assistance — aren't eligible for coverage.

Business insurance

Key person – may apply for five times annual salary and bonus up to age 60. All key persons in the firm must be insured person. An amount of up to seven times annual salary and bonus will be considered on an individual consideration basis. Please consult head office.

Business loan insurance – may apply for the insured person's share of the loan amount. All owners must be insured person for their proportionate share. Full details including reason for loan, amount, name of lender and terms are required.

Buy-sell insurance – may apply for term 100% of the insured person's share of the business value of the firm. All owners with more than term 10% ownership must be insured person for their proportionate share.

Financial evidence

Financial evidence isn't routinely required for personal or business insurance; it may be requested as deemed necessary by Underwriting. All applicable financial questions in the application must be completed.

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Delivery of policies

Examine the policy carefully to see that the name of the insured person, the premium, the benefit amount and optional benefits are correct. If any error is found, return the policy immediately so that the necessary corrections can be made by the Living Benefits Issue Department at head office.

Deliver each policy as quickly as possible. The insurance doesn't become effective until the policy is delivered to the owner and full settlement is received, unless, of course, the conditional insurance agreement was given to the owner at the time the application was taken and full settlement was received then. Full settlement of the premium payment must be forwarded to Canada Life immediately.

Review the policy in detail with the owner and place emphasis upon the importance of maintaining premium payments as they come due. If it's clearly demonstrated that the insurance helps to fulfill a specified need, the payment of future premium will be more certain.

Change of insurability

When delivering the policy, be satisfied that insurability hasn't changed since the application was taken. If there has been such a change, don't deliver the policy without authorization from the living benefits underwriting department at head office, even though the conditional insurance agreement was properly issued. If the insured person's health or occupation has changed, or if there has been a declination or a less favorable assessment by another company, or if insurability has changed in any way, return the policy with a report giving full particulars. If the conditional insurance agreement was given to the applicant and investigation shows there is an entitlement to the insurance, in accordance with its terms, head office will authorize delivery of the policy. In other instances, head office will determine whether the policy for which the owner applied, or a modified policy can be offered.

Amendments

Where completion of an amendment is requested, don't deliver the policy until the amendment has been signed without alteration. If the amendment cannot be signed without alteration, the policy isn't to be delivered and Living Benefits Underwriting Department at head office is to be informed as soon as possible of the reason.

Return of not taken policies

Policies not delivered by the final placement date must be returned to head office.

Rescission rights

Owners are given a 10-day period from the day they receive the policy to examine it and make sure it's satisfactory to them. If they are dissatisfied and return the policy within this 10-day period, all the money they paid will be refunded.

Critical illness insurance claims

A discussion of the claims process is an important part of every review you do with your clients when delivering a critical illness policy. Discussing the claims procedures before an insured person becomes critically ill is the best way to help reduce the apprehension an insured person might otherwise feel at claim time.

LifeAdvance advisor guide

Claims procedures

Below is Canada Life's commitment to critical illness claim assessment:

Description	Action by: Insured person/advisor	Action by: Canada Life
Requirements	Complete claim forms (See section: About critical illness claim forms for details)	
Submitting a claim	Claim forms are available on Canada Life RepNet, or through the call centre. Notification of a pending claim should be submitted to head office within 30 days of the date of diagnosis or surgery. Completed claim forms with satisfactory proof of covered diagnosis must be submitted within 90 days of the date of diagnosis or surgery.	Upon receipt of fully completed claim forms: • A letter is sent to the insured person acknowledging receipt of the claim. This includes the name of the claims examiner and their contact information. • The insured person may be contacted to confirm information or to provide additional information needed to adjudicate the claim. • Written requests for additional medical information are usually sent directly to the physician.
Decision		There are three possible decisions: 1. Approve the claim based on evidence 2. submitted. 3. Request additional information before considering acceptance of the claim. 4. Claim denied. 5. Claim denied and policy rescinded. *

* This occurs if the validity of the information provided in the application or during the underwriting process, including medical and financial information, misrepresents any fact material to the risk assumed. If the policy has been in-force for more than two years, the validity of the policy cannot be contested except in the case of fraud.

Incontestability

The insured person and the owner (if other than the insured person) are required to disclose to Canada Life in any application, on any medical examination and in any written statements or answers furnished as evidence of insurability for this policy, every known fact that is material to the insurance. A failure to disclose, or a misrepresentation of such a fact, may render the contract voidable by Canada Life.

The incontestability provision within the contract stipulates that the validity of the policy will not be contested more than two years from the latest of the policy date, date of issue and the last date of reinstatement, except in the case of fraud, or a claim for an insured condition which arises before the end of this two-year period. In conducting a contestable investigation, Canada Life is specifically focusing on disclosure at the time of the application.

If it's determined that the insured person or the owner (if other than the insured person) failed to disclose something material to the insurance risk, then the policy allows Canada Life to rescind the insurance coverage and refund premiums paid.

About critical illness insurance claim forms

Two sections of the claim form must be completed with every new claim, the proof of claim - claimant's statement, and critical illness insurance - confidential physician's report.

All claim forms should be forwarded to:
The Canada Life Assurance Company
Living Benefits Claims
P.O. Box 6000
Winnipeg, MB R3C 3A5

Claims payment

Any benefit payable under the policy will be paid to the owner (or to the owner's estate if the owner is deceased).

Exclusions

General exclusions

No critical illness benefit, illness assist benefit or surgery advance will be payable if the insured condition results, directly or indirectly, from any of the causes described below:

a) The insured person's attempt to take their own life, or intentionally inflict injuries on their own person, whether or not the insured person has a mental illness or understands or intends the consequences of their action(s).
b) The insured person's attempt to commit, or commission of, any assault, battery or criminal offence whether or not the insured person has been charged with that offence.
c) The insured person's use or intake of any drug, poisonous substance, intoxicant or narcotic, other than as prescribed and taken in accordance with the instruction of a licensed medical doctor.
d) War, whether such war is declared or undeclared, or hostile action of the armed forces of any country, insurrection or civil commotion, whether or not the insured person was a participant.
e) The insured person's operation or control of any motorized vehicle, while their blood alcohol concentration is in excess of 80 milligrams of alcohol per 100 millilitres of blood.
f) The insured person's operation or control of any motorized vehicle if, while the insured person operates or controls such vehicle or within a period of two hours after ceasing to operate or control said vehicle:
    i. The insured person's blood drug concentration is equal to or in excess of the prescribed amounts under the Blood Drug Concentration Regulation, as may be amended or replaced from time to time, under the Criminal Code of Canada.
    ii. The combination of the insured person's blood alcohol concentration and your blood drug concentration is equal to or in excess of the prescribed amounts under the Blood Drug Concentration Regulation, as may be amended or replaced from time to time, under the Criminal Code of Canada.

Exclusion for certain insured conditions

Certain insured condition means benign brain tumour, Parkinson's disease, specified atypical Parkinsonian disorders, life-threatening cancer or any forms of cancer set out in the illness assist insured conditions.

No benefit will be payable for a certain insured condition if:

a) For benign brain tumour, life-threatening cancer or any forms of cancer set out in the illness assist insured conditions, within the first 90 days following the latest of the policy date, date of issue and the last date of reinstatement of the policy
b) For Parkinson's disease or specified atypical Parkinsonian disorders, within the first year following the latest of the policy date, date of issue and the last date of reinstatement of the policy

The insured person has any of the following:

a) Signs, symptoms or investigations that lead to a diagnosis of a certain insured condition or any other type of cancer (covered or excluded under the policy) or parkinsonism, regardless of when the diagnosis is made
b) A diagnosis of a certain insured condition or any other type of cancer (covered or excluded under the policy or parkinsonism

Medical information about the diagnosis and any signs, symptoms or investigations leading to the diagnosis must be reported to Canada Life within six months of the date of diagnosis. If this information isn't provided within this period, Canada Life has the right to deny any claim for the certain insured condition or any critical illness insured condition caused by such certain insured condition or its treatment.

Upon receipt, Canada Life will provide confirmation to the owner that the exclusion for certain insured conditions provision applies. The owner may, by written request, elect to maintain the policy in-force provided the written request is received by Canada Life within 30 days of the date of the confirmation to the owner. Otherwise, the policy will terminate and any premium paid from the latest of the policy date, date of issue and the last date of reinstatement of the policy will be refunded.

If the owner elects to maintain the policy in-force and the insured person is diagnosed with:

a) Benign brain tumour, life-threatening cancer or any forms of cancer set out in the illness assist insured conditions, benefits aren't payable under the policy for:
   i. Benign brain tumour
   ii. Life-threatening cancer
   iii. Any form of cancer within the illness assist insured conditions
   iv. Any other critical illness insured condition caused by such certain insured conditions for which the insured person was diagnosed with or its treatment
   v. Any other type of cancer (covered or excluded under the policy)
b) Parkinson's disease or atypical Parkinsonian disorders, benefits aren't payable under the policy for:
   i. Parkinson's disease
   ii. Specified atypical Parkinsonian disorders
   iii. Any other critical illness insured condition caused by such certain insured condition for which the insured person was diagnosed with or its treatment

In all other respects, Canada Life's rights and the rights of the owner will remain the same under the policy.

Insured conditions definitions

Any illness, disorder or surgery not specifically defined under the insured conditions of the policy will not be insured under the policy and no benefit will be payable. Payment is limited to only the first insured condition to occur as defined in the provisions of the policy, unless the second-event rider has been added to the policy.

Canada Life reserves the right to require examination of the insured person and confirmation of the diagnosis or surgery for an insured condition by any doctor determined by Canada Life.

This is specimen policy wording only and isn't binding. In the event of a discrepancy between this specimen and the actual policy, the policy will prevail.

Acquired brain injury

Acquired brain injury means new damage to brain tissue caused by a traumatic injury, anoxia, hypoxia or encephalitis resulting in signs and symptoms of neurological impairment that:

- Are present and verifiable on clinical examination or neuro-psychological testing
- Are corroborated by magnetic resonance imaging (MRI) or computerized tomography (CT) studies of the brain showing changes that are consistent in character, location and timing with the new damage
- Persist for a period of at least 180 days from the date of the new damage

For greater certainty, no benefit will be payable under acquired brain injury for:

- An abnormality seen on imaging studies of the brain without definite related signs and symptoms
- Neurological signs occurring without symptoms or imaging abnormalities

Aortic surgery

Aortic surgery means the undergoing of surgery for disease of the aorta requiring excision and surgical replacement of any part of the diseased aorta with a graft. Aorta means to the thoracic and abdominal aorta but not its branches.

The waiting period for aortic surgery is 30 days.

Exclusion: No benefit will be payable under aortic surgery for angioplasty, intra-arterial procedures, percutaneous trans-catheter procedures or non-surgical procedures.

Aplastic anemia

Aplastic anaemia means chronic persistent bone marrow failure, confirmed by biopsy, which results in anaemia, neutropenia and thrombocytopenia requiring blood product transfusion, and treatment with at least one of the following:

- Marrow stimulating agents
- Immunosuppressive agents
- Bone marrow transplantation

Bacterial meningitis

Bacterial meningitis means meningitis, confirmed by cerebrospinal fluid showing growth of pathogenic bacteria in culture, resulting in neurological deficit documented for at least 90 days from the date of diagnosis.

Exclusion: No benefit will be payable under bacterial meningitis for viral meningitis.

Benign brain tumour

Benign brain tumour means a non-malignant tumour located in the cranial vault and limited to the brain, meninges, cranial nerves or pituitary gland. The tumour must require surgery or radiation treatment or cause irreversible objective neurological deficits.

Exclusion: No benefit will be payable under benign brain tumour for pituitary adenomas less than 10 mm.

Benefits for benign brain tumour are subject to the exclusion for certain insured conditions provision of the policy.

Blindness

Blindness means the total and irreversible loss of vision in both eyes, evidenced by:

- The corrected visual acuity being 20/200 or less in both eyes
- The field of vision being less than 20 degrees in both eyes

Coma

Coma means a state of unconsciousness with no reaction to external stimuli or response to internal needs for a continuous period of at least 96 hours, and for which period the Glasgow coma score must be four or less.

Exclusion: No benefit will be payable under coma for a medically induced coma.

Coronary artery bypass surgery

Coronary artery bypass surgery means the undergoing of heart surgery to correct narrowing or blockage of one or more coronary arteries with bypass grafts.

The waiting period for coronary artery bypass surgery is 30 days.

Exclusion: No benefit will be payable under coronary artery bypass surgery for angioplasty, intra-arterial procedures, percutaneous trans-catheter procedures or non-surgical procedures.

Deafness

Deafness means the total and irreversible loss of hearing in both ears, with an auditory threshold of 90 decibels or greater within the speech threshold of 500 to 3,000 hertz.

Dementia, including Alzheimer's disease

Dementia, including Alzheimer's disease, which must be characterized by a progressive deterioration of memory and at least one of the following areas of cognitive function:

- Aphasia (a disorder of speech)
- Apraxia (difficulty performing familiar tasks)
- Agnosia (difficulty recognizing objects)
- Disturbance in executive functioning (e.g. inability to think abstractly and to plan, initiate, sequence, monitor, and stop complex behaviour), which is affecting daily life.

The insured person must exhibit:

- Dementia of at least moderate severity, which must be evidenced by a Mini Mental State Exam of 20/30 or less, or equivalent score on another generally medically accepted test or tests of cognitive function
- Evidence of progressive worsening in cognitive and daily functioning either by serial cognitive tests or by history over at least a six-month period

Exclusion: No benefit will be payable under dementia, including Alzheimer's disease for affective or schizophrenic disorders, or delirium.

For purposes of this critical illness insured condition, reference to the Mini Mental State Exam is to Folstein MF, Folstein SE, McHugh PR, J Psychiatr Res. 1975;12(3):189.

Heart attack

Heart attack means the death of heart muscle due to obstruction of blood flow that results in the rise and fall of biochemical cardiac markers to levels considered diagnostic of myocardial infarction, with at least one of the following:

- Heart attack symptoms
- New electrocardiogram (ECG) changes consistent with a heart attack
- Development of new Q waves during or immediately following an intra-arterial cardiac procedure including, but not limited to, coronary angiography and coronary angioplasty

The waiting period for heart attack is 30 days.

Exclusion: No benefit will be payable under heart attack for elevated biochemical cardiac markers after an intra-arterial cardiac procedure including, but not limited to, coronary angiography and coronary angioplasty, in the absence of new Q waves.

For greater certainty, ECG changes suggesting a prior myocardial infarction doesn't satisfy the above definition of heart attack.

Heart valve replacement or repair

Heart valve replacement or repair means the undergoing of surgery to replace any heart valve with either a natural or mechanical valve or to repair heart valve defects or abnormalities.

The waiting period for heart valve replacement or repair is 30 days.

Exclusion: No benefit will be payable under heart valve replacement or repair for angioplasty, intra-arterial procedures, percutaneous trans-catheter procedures or non-surgical procedures.

Kidney failure

Kidney failure means chronic irreversible failure of both kidneys to function, as a result of which regular haemodialysis, peritoneal dialysis or renal transplantation is initiated.

Life-threatening cancer

Life-threatening cancer means a tumour, which must be characterized by the uncontrolled growth and spread of malignant cells and the invasion of tissue. Types of cancer include carcinoma, melanoma, leukemia, lymphoma, and sarcoma.

Exclusion

No benefit will be payable under life-threatening cancer for the following:

- Lesions described as benign, pre-malignant, uncertain, borderline, non-invasive, carcinoma in situ (Tis), or tumours classified as Ta.
- Malignant melanoma skin cancer that is less than or equal to 1.0 mm in thickness unless it's ulcerated or is accompanied by lymph node or distant metastasis.
- Any non-melanoma skin cancer, without lymph node or distant metastasis.
- Prostate cancer classified as T1a or T1b, without lymph node or distant metastasis.
- Papillary thyroid cancer or follicular thyroid cancer, or both, that is less than or equal to 2.0 cm in greatest diameter and classified as T1, without lymph node or distant metastasis.
- Chronic lymphocytic leukemia classified less than Rai stage 1.
- Malignant gastrointestinal stromal tumours (GIST) and malignant carcinoid tumours, classified less than AJCC Stage 2.

For purposes of life-threatening cancer, the terms:

- Tis, Ta, T1a, T1b, T1 and AJCC Stage 2 are to be applied as defined in the American Joint Committee on Cancer (AJCC) cancer staging manual, 7th Edition, 2010.
- Rai staging is to be applied as set out in KR Rai, A Sawitsky, EP Cronkite, AD Chanana, RN Levy and BS Pasternack: Clinical staging of chronic lymphocytic leukemia. Blood 46:219, 1975.

Benefits for life-threatening cancer are subject to the exclusion for certain insured conditions provision of the policy.

Loss of limbs

Loss of limbs means the complete severance of two or more limbs at or above the wrist or ankle joint as the result of an accident or medically required amputation.

Loss of speech

Loss of speech means the total and irreversible loss of the ability to speak as the result of physical injury or disease for a period of at least 180 days.

Exclusion: No benefit will be payable under loss of speech for all psychiatric related causes.

Major organ failure on waiting list

Major organ failure on waiting list means irreversible failure of the heart, both lungs, liver, both kidneys or bone marrow, and transplantation must be medically necessary. To qualify under major organ failure on waiting list, the insured person must become enrolled as the recipient in a recognized transplant centre in Canada or the United States that performs the required form of transplant. For greater certainty, the date of diagnosis is the date of the insured person's enrollment in the transplant centre.

Major organ transplant

Major organ transplant means irreversible failure of the heart, both lungs, liver, both kidneys or bone marrow, and transplantation must be medically necessary. To qualify under major organ transplant, the insured person must undergo a transplantation procedure as the recipient of a heart, lung, liver, kidney or bone marrow, and limited to these entities.

Motor neuron disease

Motor neuron disease means one of the following: amyotrophic lateral sclerosis (ALS or Lou Gehrig's disease), primary lateral sclerosis, progressive spinal muscular atrophy, progressive bulbar palsy, or pseudo bulbar palsy, and limited to these conditions.

Multiple sclerosis

Multiple sclerosis means at least one of the following:

- Two or more separate clinical attacks, confirmed by magnetic resonance imaging (MRI) of the nervous system, showing multiple lesions of demyelination.
- Well-defined neurological abnormalities lasting more than six months, confirmed by MRI imaging of the nervous system, showing multiple lesions of demyelination.
- A single attack, confirmed by repeated MRI imaging of the nervous system, which shows multiple lesions of demyelination which have developed at intervals at least one month apart.

Occupational HIV infection

Occupational HIV infection means infection with human immunodeficiency virus (HIV) resulting from accidental injury during the course of the insured person's normal occupation, which exposed the person to HIV contaminated body fluids.

The accidental injury leading to the infection must have occurred following the later of the date of issue of the policy or the effective date of last reinstatement of the policy.

Payment under occupational HIV infection requires satisfaction of all of the following:

- The accidental injury must be reported to us within 14 days of the accidental injury
- A serum HIV test must be taken within 14 days of the accidental injury and the result must be negative
- A serum HIV test must be taken between 90 days and 180 days after the accidental injury and the result must be positive
- All HIV tests must be performed by a duly licensed laboratory in Canada or the United States
- The accidental injury must have been reported, investigated and documented in accordance with current Canadian or United States workplace guidelines

Exclusions: No benefit will be payable under occupational HIV infection if:

- Client has elected not to take any available licensed vaccine offering protection against HIV; or
- A licensed cure for HIV infection has become available before the accidental injury.

For greater certainty, non-accidental injury including, but not limited to, sexual transmission or intravenous (IV) drug use doesn't satisfy the definition of occupational HIV infection.

Paralysis

Paralysis means total loss of muscle function of two or more limbs as a result of injury or disease to the nerve supply of those limbs, for a period of at least 90 days following the precipitating event.

Parkinson's disease and specified atypical Parkinsonian disorders

Parkinson's disease means primary Parkinson's disease, a permanent neurologic condition which must be characterized by bradykinesia (slowness of movement) and at least one of: muscular rigidity or rest tremor. The insured person must exhibit objective signs of progressive deterioration in function for at least one year, for which the treating neurologist has recommended dopaminergic medication or other generally medically accepted equivalent treatment for Parkinson's disease.

Specified atypical Parkinsonian disorders mean progressive supranuclear palsy, corticobasal degeneration, or multiple system atrophy.

Exception: No benefit will be payable under Parkinson's disease and specified atypical Parkinsonian disorders for any other type of parkinsonism.

Benefits for Parkinson's disease and specified atypical Parkinsonian disorders are subject to the exclusion for certain insured conditions provision of the policy.

Severe burns

Severe burns mean third degree burns over at least 20% of the body surface.

Stroke

Stroke means an acute cerebrovascular event caused by intra-cranial thrombosis or haemorrhage, or embolism from an extra-cranial source, with:

- Acute onset of new neurological symptoms.
- New objective neurological deficits on clinical examination, persisting for more than 30 days following the date of diagnosis. These new symptoms and deficits must be corroborated by diagnostic imaging testing.

The waiting period for stroke is 30 days.

Exclusion: No benefit will be payable under stroke for:

- Transient ischaemic attacks
- Intracerebral vascular events due to trauma

For greater certainty, lacunar infarcts which don't have the neurological symptoms and deficits set out above, persisting for more than 30 days, don't satisfy the definition of stroke.

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Illness assist insured conditions definitions

Definitions

- Coronary angioplasty means the undergoing of an interventional procedure to unblock or widen a coronary artery that supplies blood to the heart to allow an uninterrupted flow of blood.
- The waiting period for coronary angioplasty is 30 days.
- Ductal breast cancer in-situ means ductal carcinoma in-situ of the breast, as confirmed by biopsy.
- Early chronic lymphocytic leukemia means chronic lymphocytic leukemia classified less than Rai stage 1, as confirmed by biopsy.
- Early prostate cancer means prostate cancer classified as T1a or T1b, without lymph node or distant metastasis, as confirmed by biopsy.
- Early thyroid cancer means papillary thyroid cancer or follicular thyroid cancer, or both, that is less than or equal to 2.0 cm in greatest diameter and classified as T1, without lymph node or distant metastasis, as confirmed by biopsy.
- Gastrointestinal stromal tumours mean tumours classified as AJCC Stage 1.
- Grade 1 neuroendocrine tumours (carcinoid) means tumours confined to the affected organ, treated with surgery alone and requiring no additional treatment, other than perioperative medication to counteract the effects from hormonal over secretion by the tumour.
- Superficial malignant melanoma means skin cancer that is less than or equal to 1.0 mm in thickness, unless it's ulcerated or is accompanied by lymph node or distant metastasis, as confirmed by biopsy.

For purposes of the illness assist insured conditions, the terms:

a) Tis, Ta, T1a, T1b, T1, Grade 1 and AJCC Stage 1 are to be applied as defined in the American Joint Committee on Cancer (AJCC) cancer staging manual, 7th Edition, 2010; and

b) Rai staging is to be applied as set out in KR Rai, A Sawitsky, EP Cronkite, AD Chanana, RN Levy and BS Pasternack: Clinical staging of chronic lymphocytic leukemia. Blood 46:219, 1975.

Loss of independent existence

Loss of independent existence means the total inability to perform, by oneself, at least 2 of the following 6 activities of daily living for a continuous period of at least 90 days with no reasonable chance of recovery.

Activities of daily living are:

- Bathing – the ability to wash oneself in a bathtub, shower or by sponge bath, with or without the aid of assistive devices.
- Dressing – the ability to put on and remove necessary clothing, braces, artificial limbs or other surgical appliances with or without the aid of assistive devices.
- Toileting – the ability to get on and off the toilet and maintain personal hygiene with or without the aid of assistive devices.
- Bladder and bowel continence – the ability to manage bowel and bladder function with or without protective undergarments or surgical appliances so that a reasonable level of hygiene is maintained.
- Transferring – the ability to move in and out of a bed, chair or wheelchair, with or without the aid of assistive devices.
- Feeding – the ability to consume food or drink that already have been prepared and made available, with or without the use of assistive devices.

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Some other important definitions

Below are some other important definitions for the LifeAdvance policy.

This is specimen policy wording only and isn't binding. In the event of a discrepancy between this specimen and the actual policy, the policy will prevail.

Diagnosis

Diagnosis means the written confirmation of the existence of an insured condition that is covered under the policy by a specialist. The diagnosis must be supported by objective medical evidence. At the time of diagnosis, the insured person must be alive and must not have experienced irreversible cessation of all functions of the brain.

In the absence or unavailability of a specialist, and as approved by Canada Life, an insured condition may be diagnosed by a doctor other than a specialist.

Doctor

Doctor means a licensed medical doctor, practicing within the scope of the medical doctor's licensed authority, who:

- Isn't related by blood or marriage to the insured person or the owner
- Isn't in a business relationship with the insured person or the owner
- Is practising medicine in Canada, the United States or in such other jurisdiction as Canada Life may approve

Irreversible

Irreversible means the condition cannot be improved by medical or surgical treatment at the time of diagnosis. The medical or surgical treatment need not be undertaken if it would involve an undue risk to the insured person's health.

Specialist

Specialist means a licensed medical doctor who has been trained in the specific area of medicine relevant to the insured condition for which benefit is being claimed, and who has been certified by a specialty examining board. In the absence or unavailability of a specialist, and as approved by Canada Life, a condition may be diagnosed by a qualified doctor.

Specialist includes, but isn't limited to, cardiologist, neurologist, nephrologist, oncologist, ophthalmologist, burn specialist and internist. The specialist must:

- not be related by blood or marriage to the insured person or the owner
- not be in a business relationship with the insured person or the owner
- be practicing medicine in Canada, the United States or in such other jurisdiction as Canada Life may approve

Surgery

Surgery means that the insured person undergoes medically necessary surgery performed on the written advice of a doctor. The surgery must be performed by a doctor, in Canada, the United States or in such other jurisdiction as Canada Life may approve.

Charitable donation

Once a critical illness insurance benefit becomes payable, Canada Life will make a $500 donation to an approved charitable organization (as directed by the owner). The donation doesn't result in any change to the lump-sum critical illness benefit payable to the owner. The charitable donation will be made only once.

Note: The critical illness charitable donation doesn't form part of the LifeAdvance policy. Canada Life isn't obligated to make the donation and may cancel this feature at any time without notice.

A tax receipt will not be issued to the owner.

LifeAdvance and Teladoc Medical Experts

Under a LifeAdvance policy, the insured person and their eligible dependents will get contact information for Teladoc Health, Inc. so they can access a range of services, support and expert medical specialists who can help them get an accurate diagnosis and better understand medical conditions and treatment options.

During the life of the policy, the insured person and their eligible dependents can use these services at any time for any medical condition, not just for conditions included as part of the policy. Eligible dependents include spouse, parents, parents in-law, children under the age of 21 and children up to the age of 25 if full-time students.

Services from Teladoc Health

- **Expert Medical Opinion**[SM] – offers more than a second opinion. Top medical specialists analyze the insured person's medical records. This may include x-rays, test results, imaging scans and pathology samples. The insured person can share these findings with their physician to help determine the best treatment.
- **Find a Doctor**[SM] – searches for specialists within Canada. It looks at the insured person's medical history, location and condition. The insured person gets a report with physicians' biographies and credentials.
- **Care Finder**[SM] – searches for physicians outside Canada. It covers more than 450 specialties and sub-specialties of medicine around the world. The insured person gets up to three recommendations of experts best suited to their needs.
- **Personal Health Navigator**[SM] – helps the insured person navigate the Canadian healthcare system if they have health questions. They get a personalized report with resources and information they need. For example:
  - articles about their condition, and;
  - websites and contact information for care providers and facilities in their community.
- **Ask the Expert**[SM] – sends the insured person's questions to a specialist in their condition. They get the answers in a written report to help them make well-informed decisions.

Access for each service will be provided by a Member Advocate (registered nurse) who'll work directly with the insured person and the physician reviewing the insured person's case. They'll provide up-to-date progress of the insured person's case and support the process.

About Teladoc Medical Experts

For over 30 years the Teladoc Medical Experts service, formerly Best Doctors, has offered a personalized approach which focuses on clinical quality and medical accuracy via a network of medical experts covering over 450 specialties and subspecialties of medicine. Whether a member is questioning the accuracy of a diagnosis, trying to decide if surgery is the right treatment or seeking answers to medical questions, Teladoc Medical Experts provides personalized advice and recommendations from leading experts in their specialties so members have the confidence to make the most-informed decisions regarding their care.

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Additional Information

Canada Life isn't obligated to provide the services of Teladoc Medical Experts described above and may change or cancel access to these services at any time without notice.

Teladoc Medical Experts will not charge for the services described above. Teladoc Medical Experts doesn't make referrals or appointments for members. The costs of any travel, lodging and treatment associated with the Find a Doctor and Care Finder services are the responsibility of the insured person. Provisions of these services are conditional on a demonstrated ability to pay for all such costs. Canada Life recommends that the insured person informs the treating physician that these services are available.

The critical illness insured condition definitions in the LifeAdvance contract may be more restrictive than those for which Teladoc Medical Experts provides services. Any representations or warranties concerning these services are those of Teladoc Medical Experts and not Canada Life.

Teladoc Medical Experts, Expert Medical Opinion, Find a Doctor, Care Finder, Ask the Expert, and Personal Health Navigator are service marks or registered trademarks of Teladoc Health, Inc.

LifeAdvance and LifeWorks

When faced with a critical illness diagnosis, the insured person, their spouse or dependents can benefit from professional counselling to deal with the emotional effects of a critical illness. LifeWorks™ can also help address concerns like recommended dietary changes or where to start finding home care. These are just a few areas that the team at LifeWorks can help with.

Under a LifeAdvance policy, the insured person will get contact numbers for LifeWorks so they can access a range of support and services. The services provided by LifeWorks are available for LifeAdvance policies beginning with the May 2006 policy series and onward.

LifeWorks offers professional counselling, family support services, registered dietitians, and more, to help the insured person and their immediate family deal with emotional impact of the condition.

For up to one year after diagnosis, the insured person and the primary caregiver can access the following counselling and support services.

Counselling and support services from LifeWorks

Professional counselling services — confidential support from professional counsellors for personal or emotional issues. This includes up to 12 sessions for the insured person and their immediate family members.

Family support services — consultants research locations, availability, fees, and options for child or elder care and can assist in seeking home care should it be required. They also provide one-on-one telephone consultation with parenting information for day-to-day challenges one may face when dealing with a critical illness.

Legal and financial consultation — financial advice to help with day to day budgeting given possible changes in employment or financial situation, as well as general legal consultation.

Registered dieticians — consultation and advice from registered dieticians to help answer questions about changes to the diet resulting from the insured person's condition or its treatment.

Wellness website — informative online tool that can help the insured person and their family discover practical solutions for the issues most affecting work, health or life.

Online smoking cessation services — support and guidance to help the insured person quit and get on the path to a smoke-free healthy lifestyle.

Online stress management tool — an interactive program to help the insured person deal with the symptoms and management of stress associated with a critical illness.

Additional Information

Canada Life isn't obligated to provide the services of LifeWorks described above and may change or cancel access to these services at any time without notice.

LifeWorks will not charge the insured person for these services. The costs of any medical or other services aren't included in these services.

The critical illness insured condition definitions in the LifeAdvance contract may be more restrictive than those for which LifeWorks provides services. In some cases, these services may be provided even though the insured person may not be entitled to benefits under the LifeAdvance policy. Any representations or warranties concerning these services are those of LifeWorks and not Canada Life.

LifeWorks is a trade name of LifeWorks Inc.

For more information about our products, visit **Canada Life RepNet™** or contact your MGA branch office or talk to your insurance sales partners nearest you.

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