

## NEW & IMPROVED Preferred Term Upsell

### Frequently Asked Questions

<b>Q</b>	What is the Preferred Term Upsell?
<b>A</b>	Term clients who apply for standard smoker or non-smoker rates with a minimum face amount of \$250,000 and are approved for preferred rates can choose to receive more insurance for the same premium as a standard policy, with no additional evidence.
<b>Q</b>	Approximately how many term applications are approved with a preferred risk class?
<b>A</b>	Close to 40% of stand-alone term applications are approved for preferred rates.
<b>Q</b>	Which applications are eligible for the Preferred Term Upsell?
<b>A</b>	<ul style="list-style-type: none"> <li>• Any single life, multiple-life and joint stand-alone term application with a minimum face amount of \$250,000.</li> <li>• The applicant must have applied for standard smoker or non-smoker rates and have been approved as a preferred risk class (Preferred smoker, Preferred non-smoker, Preferred Plus non-smoker).</li> </ul>
<b>Q</b>	Which applications are <u>not eligible</u> for the Preferred Term Upsell?
<b>A</b>	<p>Preferred Term Upsell is not available on:</p> <ul style="list-style-type: none"> <li>• Stand-alone term applications with a face amount of:           <ul style="list-style-type: none"> <li>• Less than \$250,000</li> <li>• \$2,000,000 or more</li> </ul> </li> <li>• Joint life applications if:           <ul style="list-style-type: none"> <li>• Either of the lives insured are rated</li> <li>• Only one life is approved as a preferred risk class with only one class improvement. For example:               <ul style="list-style-type: none"> <li>○ A change from Standard to Preferred is only a one class improvement and would not be eligible</li> <li>○ A change from Standard to Preferred Plus is a two class improvement and would be eligible</li> </ul> </li> </ul> </li> <li>• Business coverage (creditor, buy-sell, key person)</li> <li>• Term Riders</li> </ul>

Q

How does the NEW & IMPROVED Preferred Term Upsell work?

A

- Term clients who apply for standard smoker or non-smoker rates with a minimum face amount of \$250,000 and are approved for preferred rates can choose to receive more insurance for the same premium as a standard policy, with no additional evidence.
- Section 9 of the application form (350) has been updated to include this option.
- If your clients would like to increase the face amount if approved for preferred rates, simply tick the box under Section 9, RIDERS AND ADDITIONAL BENEFITS.

**SECTION 9 - 10 AND 20 YEAR TERM PLAN INFORMATION**  
ATTACH A PLAN ILLUSTRATION

If applying for a 10 or 20 Year Term plan complete the following for Life 1 and Life 2 (where applicable):

20 YRCT \$ \_\_\_\_\_  20 YRCT \$ \_\_\_\_\_

**RIDERS AND ADDITIONAL BENEFITS**

Disability Waiver of Premium      **LIFE 1**  **LIFE 2**

Applicant/Payor Waiver of Premium\*\*

Additional Accidental Death Benefit \$ \_\_\_\_\_

Children's Protection Rider \$ \_\_\_\_\_

Guaranteed Insurability \$ \_\_\_\_\_

If approved at Preferred Term Class, increase the face amount to maintain the agreed upon premium.

**NOTE:** If you are using an old version of the application form 350 (2012 Version) or Short Form Application form 351 (2010 Version), write the following under Special Instructions: *"If approved at Preferred Term Class, increase the face amount to maintain the agreed upon premium."*

**SECTION 13 - SPECIAL INSTRUCTIONS FROM APPLICANT/OWNER**

"If approved at Preferred Term Class, increase the face amount to maintain the agreed upon premium."

- During the underwriting process, if the application is approved for preferred rates, we will automatically increase the face amount in increments of \$5,000 to a new amount with a premium equal or slightly less than the premium commitment for the original standard policy:
  - Up to a maximum face amount of \$2,000,000
  - Based on the same evidence requirements applicable to the original application as outlined in the Evidence of Insurability Schedule [\(1343\)](#)

- For example:
  - Applicant is age 51 and applies for \$950,000 of insurance at standard rates.
  - Your client would like to increase the face amount if approved for preferred rates so you indicated that intention on the application form as outlined above.
  - During the underwriting process, the application is approved for preferred rates. The original premium amount can now purchase \$1,000,000 of insurance.
  - However we will only increase the face amount to \$995,000. Why? Because based on the Evidence of Insurability Schedule, increasing the face amount higher would require additional evidence (an ECG) based on age and amount. (see chart below)

Amount		Age						
From	To	18-40	41-45	46-50	51-55	56-60	61-65	66+
\$ -	\$ 99,999	NM	NM	NM	NM	PM	PM	PM
\$ 100,000	\$ 150,000	NM	NM	NM U	PM U	PM U	PM U	PM U ECG
\$ 150,001	\$ 249,999	NM	NM	NM U	PM U	PM U	PM U	PM U ECG
\$ 250,000	\$ 250,000	PM BP	PM BP	PM BP	PM BP	PM BP	PM BP ECG	PM BP ECG
\$ 250,001	\$ 499,999	PM BP	PM BP	PM BP	PM BP	PM BP	PM BP ECG	PM BP ECG
\$ 500,000	\$ 500,000	PM BP	PM BP	PM BP	PM BP	PM BP ECG	PM BP ECG	PM BP ECG
\$ 500,001	\$ 999,999	PM BP	PM BP	PM BP	PM BP	PM BP ECG	PM BP ECG	PM BP ECG
\$ 1,000,000	\$ 1,000,000	PM BP	PM BP	PM BP	PM BP ECG	PM BP ECG	PM BP ECG	PM BP ECG
\$ 1,000,001	\$ 2,000,000	PM BP CFQ	PM BP ECG CFQ	PM BP ECG CFQ	PM BP ECG CFQ	PM BP ECG CFQ	PM BP ECG CFQ	M BP ECG CFQ
\$ 2,000,001	\$ 3,000,000	PM BP CFQ	PM BP ECG CFQ	PM BP ECG CFQ	PM BP ECG CFQ	PM BP ECG CFQ	PM BP ECG CFQ	M BP ECG CFQ
\$ 3,000,001	\$ 5,000,000	PM BP IR	PM BP ECG IR	PM BP ECG IR MVR	M BP ECG IR MVR	M BP ECG IR MVR	M BP TMT IR MVR	M BP TMT IR MVR
\$ 5,000,001	\$ 9,999,999	M BP IR MVR	M BP ECG IR MVR	M BP ECG IR MVR	M BP TMT IR MVR	M BP TMT IR MVR	M BP TMT IR MVR	M BP TMT IR MVR
\$ 10,000,000	and up	M BP IR MVR	M BP TMT IR, MVR	M BP TMT IR MVR	M BP TMT IR MVR	M BP TMT IR MVR	M BP TMT IR MVR	M BP TMT IR MVR

- Before we increase the coverage, the application will be reviewed to ensure there is financial justification for the increased face amount based on household income.
- If the client is eligible for the preferred term upsell, you will receive an email informing you of the new face amount and any premium adjustment.

Q	How does the client participate in the Preferred Term Upsell?
A	<p>Their intention to participate should be indicated directly on the application form.</p> <ul style="list-style-type: none"> <li>If using the new Application form 350 (2013 Version), tick the appropriate box in Section 9:           <div data-bbox="391 401 1312 779" style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p><b>SECTION 9 - 10 AND 20 YEAR TERM PLAN INFORMATION</b>  <b>ATTACH A PLAN ILLUSTRATION</b></p> <p>If applying for a 10 or 20 Year Term plan complete the following for Life 1 and Life 2 (where applicable):</p> <p><input type="checkbox"/> 20 YRCT \$ _____ <input type="checkbox"/> 20 YRCT \$ _____</p> <p><b>RIDERS AND ADDITIONAL BENEFITS</b></p> <p><input type="checkbox"/> Disability Waiver of Premium      <b>LIFE 1</b> <input type="checkbox"/> <b>LIFE 2</b> <input type="checkbox"/></p> <p><input type="checkbox"/> Applicant/Payor Waiver of Premium**</p> <p><input type="checkbox"/> Additional Accidental Death Benefit \$ _____</p> <p><input type="checkbox"/> Children's Protection Rider \$ _____</p> <p><input type="checkbox"/> Guaranteed Insurability \$ _____</p> <p><input checked="" type="checkbox"/> If approved at Preferred Term Class, increase the face amount to maintain the agreed upon premium.</p> </div> </li> <li>If using an old Application form 350 (2012 Version) or Short Form Application form 351(2010 Version), write the following under Special Instructions in Section 13:           <div data-bbox="370 898 1382 1073" style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p><b>SECTION 13 - SPECIAL INSTRUCTIONS FROM APPLICANT/OWNER</b></p> <hr/> <p>"If approved at Preferred Term Class, increase the face amount to maintain the agreed upon premium."</p> <hr/> <hr/> </div> </li> </ul>
Q	How does the increase in face amount work on multiple-life applications?
A	Each individual applicant in a multiple-life policy will be assessed separately to determine if they qualify for the Preferred Term Upsell. An increase in face amount will only be done for those applicants who qualify.

<p><b>Q</b></p>	<p>How does the Preferred Term Upsell work with the Critical Illness Insurance Special Offer?</p>												
<p><b>A</b></p>	<p>Equitable Life is rewarding your clients for their healthy lifestyle. Term clients approved for preferred rates can now take advantage of two opportunities to tailor their insurance to meet their unique needs.</p> <ul style="list-style-type: none"> <li>• <b>Preferred Term Upsell</b><sup>1</sup> Clients can receive a larger amount of term insurance for the same premium commitment as a standard policy.</li> <li>• <b>Critical Illness Insurance Special Offer</b><sup>2</sup> Clients can purchase a Critical Illness Insurance policy with no additional paperwork or evidence required.</li> </ul> <p>The choice is theirs! Increase their life insurance protection...add CI coverage... select a Term/CI combo to protect their total life and health needs ...or maintain the original amount of term insurance applied for at the reduced, preferred premium.</p> <p><sup>1</sup> Clients must indicate on the application. <sup>2</sup> Clients have 45 business days to accept the CI Special Offer. Some restrictions apply. See <a href="#">CI flyer</a> for details.</p>												
<p><b>Q</b></p>	<p>Who can you contact for more information?</p>												
<p><b>A</b></p>	<p>To learn more, contact the Equitable Life Regional Service Representative nearest you.</p> <table border="1" data-bbox="207 982 1487 1329"> <tr> <td>British Columbia - 1.888.939.7788</td> <td>Calgary – Southern Alberta 1.888.747.7418</td> </tr> <tr> <td>Edmonton – Northern Alberta 1.888.741.7416</td> <td>Saskatchewan - 1.888.747.7418</td> </tr> <tr> <td>Manitoba &amp; Northwestern Ontario - 1.888.741.7416</td> <td>Northern &amp; Central Ontario 1.888.707.2110</td> </tr> <tr> <td>Southwestern Ontario - 1.888.707.2109</td> <td>Greater Toronto Area 1.888.707.2110</td> </tr> <tr> <td>Ottawa – Eastern Ontario 1.888.707.2110</td> <td>Quebec – 1.888.408.5966</td> </tr> <tr> <td>Atlantic Canada 1.888.707.2109</td> <td></td> </tr> </table>	British Columbia - 1.888.939.7788	Calgary – Southern Alberta 1.888.747.7418	Edmonton – Northern Alberta 1.888.741.7416	Saskatchewan - 1.888.747.7418	Manitoba & Northwestern Ontario - 1.888.741.7416	Northern & Central Ontario 1.888.707.2110	Southwestern Ontario - 1.888.707.2109	Greater Toronto Area 1.888.707.2110	Ottawa – Eastern Ontario 1.888.707.2110	Quebec – 1.888.408.5966	Atlantic Canada 1.888.707.2109	
British Columbia - 1.888.939.7788	Calgary – Southern Alberta 1.888.747.7418												
Edmonton – Northern Alberta 1.888.741.7416	Saskatchewan - 1.888.747.7418												
Manitoba & Northwestern Ontario - 1.888.741.7416	Northern & Central Ontario 1.888.707.2110												
Southwestern Ontario - 1.888.707.2109	Greater Toronto Area 1.888.707.2110												
Ottawa – Eastern Ontario 1.888.707.2110	Quebec – 1.888.408.5966												
Atlantic Canada 1.888.707.2109													