

# Product Guide

## Alternative and Perspective

For exclusive use by  
Financial Advisors



A partner you can trust.

[www.inalco.com](http://www.inalco.com)



# Table of Contents

---

- LIFE INSURANCE WITHOUT MEDICAL EXAMINATION – INTRODUCTION ..... 2**
- 1. ALTERNATIVE LIFE INSURANCE ..... 2**
  - 1.1 Market ..... 2
  - 1.2 Sales Approaches..... 2
- 2. MAIN PRODUCT FEATURES ..... 3**
- 3. ALTERNATIVE – PERMANENT INSURANCE ..... 3**
  - 3.1 Choice of Coverage ..... 3
  - 3.2 Initial Face Amount ..... 4
  - 3.3 Limitation of Face Amount ..... 4
  - 3.4 Type of Insurance ..... 4
  - 3.5 Type of Face Amount ..... 4
  - 3.6 Age at Issue and Period of Payment ..... 4
  - 3.7 Multiple Insured Coverage..... 4
  - 3.8 Rates ..... 5
  - 3.9 Premium Payments ..... 5
  - 3.10 Indexed Coverage ..... 5
  - 3.11 Surrender Value..... 5
  - 3.12 Paid-Up Insurance ..... 5
  - 3.13 Medical Requirements ..... 5
- 4. ALTERNATIVE – TERM INSURANCE ..... 6**
  - 4.1 Choice of Coverage ..... 6
  - 4.2 Face Amount ..... 6
  - 4.3 Limitation of Face Amount ..... 6
  - 4.4 Type of Insurance ..... 6
  - 4.5 Type of Face Amount ..... 6
  - 4.6 Age at Issue..... 7
  - 4.7 Rates ..... 7
  - 4.8 Premium Payments ..... 7
  - 4.9 Renewal ..... 7
  - 4.10 Conversion..... 7
  - 4.11 Complementary Coverages ..... 7
  - 4.12 Surrender Value..... 7
  - 4.13 Paid-Up Insurance ..... 7
  - 4.14 Medical Requirements ..... 7
- 5. PERSPECTIVE – PERMANENT INSURANCE ..... 8**
  - 5.1 Choice of Coverage ..... 8
  - 5.2 Initial Face Amount ..... 8
  - 5.3 Limitation of Face Amount ..... 8
  - 5.4 Type of Insurance ..... 8
  - 5.5 Type of Face Amount ..... 8
  - 5.6 Period of Payment ..... 9

5.7 Age at Issue.....	9
5.8 Multiple Insured Coverage.....	9
5.9 Rates .....	9
5.10 Premium Payments .....	9
5.11 Indexed Coverage .....	9
5.12 Surrender Value.....	9
5.13 Paid-up Insurance.....	9
5.14 Medical Requirements .....	9
6. <b>EXCLUSIONS</b> .....	10
7. <b>TERMINATION</b> .....	10
8. <b>POLICY FEES</b> .....	10
9. <b>TRANSACTION FEES</b> .....	10

# LIFE INSURANCE WITHOUT MEDICAL EXAMINATION – Introduction

The Alternative and Perspective life insurance products offer coverage **without a medical examination or blood test**. This type of insurance is intended for people who, for medical or other reasons, have difficulty getting insurance or simply refuse to undergo medical tests.

We have designed two different insurance products without medical examination: Alternative and Perspective, to better meet these specific needs.

## 1. Alternative Life Insurance

### 1.1 Market

This product is intended for middle-aged individuals who do not wish to be subjected to the numerous medical requirements required for a regular life insurance policy. They want life insurance with a low face amount that is simple to obtain, even if they have to spend a little more.

Alternative is particularly intended for people who have difficulty qualifying for regular life insurance. Their health does not meet the criteria established for standard life insurance.

### 1.2 Sales Approaches

#### ***Children:***

- Disease does not only occur in adults. Unfortunately, too many children fall victim to an illness that excludes them from life insurance with the regular selection criteria. Alternative provides a solution for parents who would like to purchase insurance coverage for these children. Furthermore, coverage may be declined or postponed due to some of the more common medical problems, such as asthma. Consider Alternative for these children!

#### ***Client's application declined:***

- For your clients who do not meet the selection criteria, Alternative offers you a solution for your client.

#### ***Adults:***

- Clients aged 45 and over who do not want to be subjected to the medical tests and host of health questions. They are looking for a product with a low face amount that is easy to obtain. Clients who prefer to pay a little more to avoid the complexity of the regular life insurance application process.

***Clients who want insurance to provide for final expenses:***

- Many people want to take care of their final expenses before they pass away. Although most funeral homes offer pre-arrangements, nothing is better than a life insurance policy that will primarily cover these expenses and leave an inheritance for the family.

## **2. Main Product Features**

- No medical examination.
- Only a few questions on the applicant's current health.
- Alternative: The death benefit is paid out if the non-accidental death occurs after two years. If the non-accidental death occurs within the first two years, the benefit equals the accumulated premiums paid, including a compound annual interest rate of 5%. Perspective: No two-year waiting period.
- Death benefit **doubles** in the case of accidental death no matter what the insured's age at the time of death. Applicable on permanent protection only.
- Guaranteed fixed premiums.
- The face amount cannot be increased on an in force Alternative or Perspective policy. Therefore, a new contract has to be issued.
- An Alternative policy cannot have both permanent and term coverage.

## **3. Alternative – Permanent Insurance**

Whole life insurance offers financial coverage for the insured's entire life. The death benefit is paid out on the insured's death, except in the first two years of the policy.

Alternative is insurance for people between the ages of 6 months and 80 years.

### **3.1 Choice of Coverage**

- **Option 1 – Level:** simple and affordable coverage that meets the basic life insurance needs.
- **Option 2 – Indexed** This option is perfectly suited to those who would like insurance to cover their final expenses. It allows insureds to index their original coverage amount by 3% annually (until the initial sum insured doubles).
- **Option 3 – Payable for 20 years:** This option allows insureds to pay premiums over a variable period up to 20 years based on age at issue.

### 3.2 Initial Face Amount

- Option 1, 2 and 3: \$5,000 to \$50,000
- Maximum of \$10,000 if the insured is under the age of 25
- Special rates are available for coverage under \$5,000

### 3.3 Limitation of Face Amount

- A maximum of \$150,000 applies to all permanent Alternative, term Alternative and Perspective policies for a single insured with IA Group.
- The sum of all permanent Alternative policies for a single insured cannot exceed \$50,000.
- A single insured may own more than one permanent Alternative, term Alternative and Perspective policy.

In the event of an **accidental death**, the death benefit is doubled, as soon as the coverage is in force.

If the death is other than accidental, in the first two years of the policy, the death benefit equals the accumulated premiums paid, including a compound annual interest rate of 5%. After the two-year waiting period, the death benefit is paid out in full, regardless of the cause of death.

### 3.4 Type of Insurance

- Individual

### 3.5 Type of Face Amount

- Option 1 and option 3: Level
- Option 2: Indexed (3% – max. 2X the initial face amount)

### 3.6 Age at Issue and Period of Payment

#### Option 1:

- 6 months to 80 years: premiums payable up to age 100

#### Option 2:

- 6 months to 80 years: premiums payable up to age 100

#### Option 3:

- 6 months to 65 years: premiums payable for 20 years
- 66 to 74 years: premiums payable up to age 85
- 75 to 80 years: premiums payable for 10 years

### 3.7 Multiple Insured Coverage

- Not available

### **3.8 Rates**

- Premium rates are established based on age, sex and tobacco use, for each policy. The rates are available in the application.

### **3.9 Premium Payments**

- Annually
- Monthly (pre-authorized cheques – PAC)  
The monthly payment factor is 0.09.

### **3.10 Indexed Coverage**

- Compound rate of indexation of 3%
- The face amount cannot exceed 2X the initial face amount
- Indexation ends when the insured turns 100 years old

### **3.11 Surrender Value**

Option 3 – Payable for 20 years includes guaranteed surrender values, starting in the 4<sup>th</sup> policy year. This is an important advantage for your clients!

**Note:** The insurance coverage for the insured terminates if the insured collects the full surrender value.

### **3.12 Paid-Up Insurance**

Option 3 – Payable for 20 years also includes paid-up insurance values. The policyowner may stop payment of premiums on the policy and keep a reduced face amount for the life of the insured. As with the surrender value, the paid-up insurance is guaranteed starting in the 4<sup>th</sup> policy year.

For options 1 and 2, the insurance is paid-up at age 100 for the full face amount. At that time, the face amount is maintained to be collected by the beneficiary, tax-free, on the insured's death.

### **3.13 Medical Requirements**

- Evidence of insurability statement only

## 4. Alternative – Term Insurance

Alternative insurance – 20-year term coverage is **simplified issue** life insurance for which the insured must fill out a short medical questionnaire rather than an evidence of insurability statement, as in the case of permanent insurance.

This new term policy can be used to cover the mortgage insurance needs of your clients who do not qualify for regular term insurance. The term Alternative policy is also suitable for your business clients to finance their buy-sell agreements.

A single insured may own a permanent Alternative policy and a term Alternative policy to maximize the face amount.

### 4.1 Choice of Coverage

- **T20 – Simplified Issue**
  - Non-renewable and non-convertible
  - Guaranteed level premiums for the entire term

### 4.2 Face Amount

- \$10,000 to \$100,000

### 4.3 Limitation of Face Amount

- A maximum of \$150,000 applies to all permanent Alternative, term Alternative and Perspective policies for a single insured with IA Group.
- The sum of all term Alternative policies for a single insured cannot exceed \$100,000.
- A single insured may own more than one permanent Alternative, term Alternative and Perspective policy.
- If a death, **other than accidental**, occurs within the first two years of the policy, the death benefit will equal the accumulated premiums paid, including a compound annual interest rate of 5%.
- If an **accidental death** occurs within the first two years of the policy, the death benefit will be paid out in full.
- After the two-year waiting period, the death benefit is paid out in full, regardless of the cause of death.

### 4.4 Type of Insurance

- Individual

### 4.5 Type of Face Amount

- Level



#### **4.6 Age at Issue**

- 20 to 70 years

#### **4.7 Rates**

Premium rates are established based on age, sex, tobacco use and the volume of insurance, for each policy.

#### **4.8 Premium Payments**

- Annually
- Monthly (pre-authorized cheques – PAC)  
The monthly payment factor is 0.09.

#### **4.9 Renewal**

- None

#### **4.10 Conversion**

- None

#### **4.11 Additional Benefits**

- None

#### **4.12 Surrender Value**

- None

#### **4.13 Paid-Up Insurance**

- None

#### **4.14 Medical Requirements**

- Short questionnaire on the insured's general health

## 5. Perspective – Permanent Insurance

Perspective is a simplified issue permanent life insurance product that does not require a medical exam or blood test. This product is a non-participating whole life product that offers guaranteed premiums for life, surrender values and paid-up insurance values. Whole life insurance provides financial coverage for the insured's entire life. The death benefit is paid out on the death of the insured.

Perspective is for people between the ages of 35 and 75. Premiums are payable up to the age of 100.

### 5.1 Choice of Coverage

- **Option 1 – Level:** simple and affordable coverage that meets the basic life insurance needs.
- **Option 2 – Indexed:** This option is perfectly suited to those who would like insurance to cover their final expenses. It allows insureds to index their original coverage amount by 3% annually (until the initial sum insured doubles).

### 5.2 Initial Face Amount

- \$5,000 to \$50,000
- Special rates are available for coverage under \$5,000

### 5.3 Limitation of Face Amount

- A maximum of \$150,000 applies to all permanent Alternative, term Alternative and Perspective for a single insured with IA Group.
- The sum of all the Perspective policies for a single insured cannot exceed \$50,000.
- A single insured may own more than one Perspective, permanent Alternative and term Alternative policy.

In the event of an **accidental death**, the death benefit is doubled, as soon as the coverage is in force.

If the death is **other than accidental**, the death benefit is automatically paid out no matter what the cause of death, as soon as the coverage is in force.

### 5.4 Type of Insurance

- Individual

### 5.5 Type of Face Amount

- Level
- Indexed (3% – max. 2X the initial face amount)

## 5.6 Period of Payment

- Premiums are payable up to the age of 100.

## 5.7 Age at Issue

- 35 to 75 years
- Rates available for 76 to 80 years of age. See document entitled *Unpublished Premiums* in the Financial Advisor Library or on the extranet.

## 5.8 Multiple Insured Coverage

- Two people may be covered under the same policy: the primary insured and the spouse.

## 5.9 Rates

- Premium rates are established based on age, sex and tobacco use, for each policy.

## 5.10 Premium Payments

- Annually
- Monthly (pre-authorized cheques – PAC)  
The monthly payment factor is 0.09.

## 5.11 Indexed Coverage

- 3% annual indexation rate
- Coverage may not exceed 2X the initial face amount
- Indexation stops at age 100

## 5.12 Surrender Value

The Perspective whole life insurance includes guaranteed surrender values, starting in the 3<sup>rd</sup> policy year. This is an important advantage for your clients!

**Note:** The insurance coverage for the insured terminates if the insured collects the full surrender value.

## 5.13 Paid-up Insurance

Thanks to paid-up insurance, the policyowner can stop premium payments and maintain a reduced face amount for the life of the insured. As with the surrender value, the paid-up insurance is guaranteed starting in the 3<sup>rd</sup> policy year.

At age 100, the full face amount of the insurance is paid-up. The face amount is maintained to be transferred to the beneficiary, tax-free, on the insured's death.

## 5.14 Medical Requirements

No medical requirement is required for this type of life insurance, other than the short questionnaire contained in the application.

## 6. EXCLUSIONS

The following exclusions apply to the Alternative permanent and term products as well as to Perspective.

### Exclusions

No benefit is paid if the insured's condition:

- Results from self-inflicted injuries or an attempt to commit suicide, whether or not the insured was conscious of his or her actions;
- Results from voluntary absorption of medications, drugs, steroids, narcotics or toxic substances, unless taken as prescribed by a licensed physician;
- Results from wars, armed conflicts, riots, insurrections or public demonstrations, regardless of whether or not the insured was an active participant;
- Results from service in the armed forces, engaged in surveillance, training, peacekeeping duties or war, whether war be declared or not;
- Occurs while committing, attempting to commit or provoking a criminal offence;
- Occurs while driving a vehicle under the influence of narcotics or with a proportion of alcohol in the insured's blood higher than 80 milligrams per 100 millilitres of blood;
- Occurs while taking part in the following sports: mountaineering, parachuting, freeflying, scuba diving, hang gliding, sail-flying, snowkiting, motor vehicle racing; or while taking part in professional sports.

## 7. Termination

Coverage terminates upon the first of the following dates:

- The death of the insured;
- The policy surrender date;
- The policy termination date.

## 8. Policy Fees

- 1 insured: \$60 (Alternative and Perspective)
- 2 insureds: \$90 (Perspective only)

If an insured is covered under two Alternative policies (e.g. a permanent insurance Alternative policy and a term insurance Alternative policy), two policy fees apply.

The fees are guaranteed and are charged as long as the policy includes non-paid-up insurance coverage.

## 9. Transaction Fees

You can find the service charges on the extranet under: *Individual Insurance/Administration and forms/Policies and procedures guide/Transaction Fees section.*



The elephant,  
symbol of our 100 years  
of strength and longevity.