

TermLife1



Product Guide

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Introduction

- This Product Guide provides detailed information regarding Term Life 1.

Product Overview

- Term Life 1 is a cost-effective product intended for clients with temporary insurance needs. The application process has been streamlined, with a reduced number of underwriting questions to provide a fast track approach to provide insurance to our clients.
- The product is annual renewable term that is available through an online platform for clients to access themselves, giving them the option to apply and receive approval within minutes from their home. Advisors can also lead a client through the online platform, starting in the Life & Wealth Tool Kit.
- All premiums for this plan are fully guaranteed and increase annually. Plan premiums are determined on an age last birthday basis.

Overview of Features

Death Benefit

- Upon the death of the Life Insured, the coverage amount is paid to the beneficiary and the policy is terminated.

Number of Lives

- Available on a single life basis only.

Policy Ownership

- An individual policy may be owned by a single individual.
- An individual policy may also have joint ownership between up to five individuals.
- In either of the above cases, the individual or group of individuals are considered to be a single "policyowner". At issue, the policyowner must be the insured, but this may be changed after issue.
- The policyowner (the individual or the entire group) must authorize any policy changes.

Issue Ages

- Minimum: 18
- Maximum: 49

Maturity Age

- Policy expires at the policy anniversary following the Life Insured's 85th birthday.

Coverage Amount

- Minimum: \$50,000
- Maximum: \$475,000

Premiums

- Premiums increase annually at each policy anniversary.
- All premiums are fully guaranteed, including renewal premiums.

Premium Mode

- Monthly Pre-Authorized Debit (PAD)
- Monthly credit card charge
- Annual billing (not available at issue; credit card payments not accepted)

Policy Fee

- The policy fee of \$3.15 is added to the monthly modal premium.

Modal Factor

- A modal factor of 0.09 applies to monthly premiums.

Premium Rate Bands

Band 1	\$50,000 to \$99,999
Band 2	\$100,000 to \$249,999
Band 3	\$250,000 to \$475,000

Premium Rate Classes

- N4 – Standard Non-Smoker
- S2 – Standard Smoker

Other Features

- Premium Deposit Fund
- Conversion option to permanent insurance product without evidence of insurability.

Additional details can be found in the Other Features section below.

Other Features

Premium Deposit Fund

- Clients can prepay their premiums. Any amount over the annual premium would go into the Premium Deposit Fund (PDF). Premium payments are deducted annually from the PDF. Any shortfall of the annual premium over the PDF will have to be paid in cash by the owner. The interest earned on funds in the PDF will be taxable. The PDF interest rate is not guaranteed and is subject to change at any time. The rate is published on LIFE Pages.

Conversion Privileges

- Within the conversion period, the policyowner may convert to a permanent life insurance product without evidence of insurability. The permanent product for conversion from Term Life 1 will be determined by Co-operators Life Insurance Company at the time of conversion.
- The conversion period begins at the later of:
 - The fifth policy anniversary, and
 - The policy anniversary following the Life Insured's 45th birthday.
- The conversion period ends at the policy anniversary following the Life Insured's 70th birthday.
- The premiums charged for the new insurance will be subject to then current rules governing rate classes and will be based on the Life Insured's attained age at the date of conversion.
- Benefits and Riders can be added to the new plan, subject to the rules governing them, with evidence of insurability.

Note: Partial conversion is available provided the balance of the Term Life 1 coverage to remain in force meets the Company's current minimum amount and minimum premium requirements.

Riders and Other Benefits

- No riders or other benefits are available on Term Life 1.

Issue and Underwriting Criteria

General

- To be eligible for this product, there is a 2-step qualifying process consisting of;
 - A health questionnaire within the online application; and
 - An MIB qualification check
- The health questionnaire within the online application includes all the required eligibility questions. Answers must meet underwriting criteria to move onto the next qualifying step.
- The MIB qualification check occurs behind the scenes after the client has e-signed and provided authorization to run MIB. A match may result in the client being ineligible for Term Life 1 coverage.
- Term Life 1 may not be issued with ratings. Only standard risks are permissible.
- Term Life 1 is not intended to replace existing life insurance coverage.
- Clients are currently limited to one Term Life 1 policy per person.

Notes:

- If within the last seven years a client was declined by any Life Insurance Company through the traditional channels, it is unlikely they will pass the MIB check (see Product Training Guide, Final Screen Messages – MIB). Depending on the nature of the code, they may not be eligible for the Term Life 1 product, even if they have answered the questions correctly. MIB Is part of the final risk assessment criteria. Once the client has e-signed, they will receive a message indicating that there is one more step and the MIB check is run. If results are acceptable, they will receive the acceptance email, otherwise, they are sent an ineligibility email.
- Clients who do not pass the eligibility questionnaire may still be eligible for one of our fully underwritten products and Advisors are encouraged to discuss these with them.

Policy Changes

Increases in Coverage Amounts

- Increases are not allowed.

Decreases in Coverage Amounts

- Decreases are allowed, subject to the allowable coverage amount minimum of \$50,000.

Change from Smoker (Regular) to Non-Smoker

- A change to the N4 Non-Smoker rate class will be effective as of the current date, but the original policy age and date will be retained.
- A change to the N4 rate class will require a non-smoking declaration.

Reinstatement without Re-Dating

- Allowed within 60 days with full arrears.
- After 60 days, a new application will be required and will be subject to completion of the eligibility questions.

Assignments

- The policyowner may assign the policy only after issue.
- Co-operators Life Insurance Company will not be responsible for any assignment until it is received in writing at Head Office.

Assuris Coverage

Assuris will guarantee up to \$200,000 or 85% of the promised death benefit, whichever is higher. Any benefits with the policy will continue. For information about policy benefits and rules combining coverages, refer to the Assuris website at www.assuris.ca.

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