



Rating reduction program

Help meet the life insurance needs of clients

The rating reduction program enables Great-West Life to potentially provide clients with reductions to their individual ratings. Clients with substandard ratings on permanent life insurance coverage could be eligible to qualify for the rating reduction program.

Through the underwriting process, an underwriter may determine the company needs to charge more for a particular person due to specific health issues or lifestyle choices. In such cases, the underwriter will typically apply a rating reduction. A standard risk individual has a 100 per cent mortality rating.

Sample rating reductions

Pre-rating reduction (determined by underwriting)	Rating reduction	Post- rating reduction
125%	25% reduction	100%
150%		125%
175%		150%
200%	50% reduction	150%
225%		175%
250%	75% reduction	175%
275%		200%
300%	100% reduction	200%
325%		225%
350%	125% reduction	225%
375%		250%
400%	150% reduction	250%
425%		275%
450%	175% reduction	275%
475%		300%
500%	200% reduction	300%



Rating reduction program specifications

How rating reduction works with Great-West Life products

Product type	Available at issue	Available at conversion
Universal life insurance	Yes	N/A
Participating life insurance	Yes	N/A
Term 10 life insurance	No	Yes*
Term 20 life insurance	No	Yes*

* For term policies issued after Jan. 21, 2013, the rating reduction program won't be available upon conversion if the original term policy was 100 per cent reinsured. All other inforce, convertible term life insurance policies and enhancement are eligible to qualify for rating reduction at time of conversion, provided the program is still in effect at time of conversion. The terms of the rating reduction program in effect at the time of conversion will be used to determine any rating reduction.

Term life insurance conversions

- Conversion occurs at the attained age using the original rating at time of issue.
- The rating reduction rules do not apply to policies that are 100 per cent reinsured.
- Convertible term life insurance policies and enhancement are eligible to qualify for rating reduction at the time of conversion, provided the program is still in effect.
- The terms of the rating reduction program in effect at the time of conversion will be used to determine any rating reduction.

Rating reduction general program details

- Only applies to permanent medical table ratings.
- Doesn't apply to flat or temporary extras.
- Doesn't apply to term life insurance riders. For example, if rating reduction is applied to a permanent life insurance base plan and a term life insurance rider is illustrated, Great-West Life will issue the term life insurance rider with the original rating.
- Availability of riders and benefits will be based on the original rating.
- Where the reinsurer retains 100 per cent of the risk, rating reduction is not available. This may occur when a case is rated substandard and a reinsurer provides a more



favourable rating.

- There are no age restrictions other than age limits in place for each individual product.

Coverage amounts

- There is no minimum face amount or minimum premium amount for eligibility.

Each individual life on any of the following permanent coverage options is eligible:

- Single-life coverage
- Joint first-to-die coverage
- Joint last-to-die coverage