



Understanding Living Benefits Underwriting

Applying for non-cancellable disability and critical illness insurance with Canada Life

Canada Life – an industry leader in living benefits (disability and critical illness insurance)

Canada Life is a leading provider of living benefits for Canadians. Canada Life issued its first disability insurance policy in Canada over 40 years ago and was among the first companies to offer critical illness insurance in Canada in 1996.

Canada Life is committed to paying legitimate claims in a timely and accurate fashion.

What happens when you apply for a policy?

Your application must first be underwritten. Underwriting is the process of risk assessment based on information provided about your individual circumstances such as your health, lifestyle, family history, finances and occupation. This information will help the underwriter to evaluate the level of risk associated with the coverage requested. The underwriting process is essential to determining whether or not coverage can be provided.

Why is underwriting important?

Once issued, a non-cancellable disability or critical illness insurance policy cannot be cancelled or modified and the premium cannot be increased by Canada Life (except in accordance with the terms of the policy), prior to the policy expiry date. This is provided that premium is paid when due. Because policies are issued on such a basis, Canada Life must determine whether the insurance risk is manageable for the potential life of the contract. Doing so is in the best interests of all Canada Life's policyholders.

Why are there so many questions on the application?

The underwriter must gain a good understanding of many factors, such as: your health, family history, occupation, lifestyle and finances. There are many conditions covered under a critical illness contract. Disabilities may arise from many different accidents and illnesses. Determining your relative likelihood of suffering a critical illness or a disability requires comprehensive information.

What will we need from you?

In addition to a properly completed application, Canada Life may need the following to determine if you are insurable:

- A statement from your attending physician. If needed, we will request this statement directly from your physician or specialist.
- Additional medical tests or evidence depending on the coverage you are applying for or your health history, for example, blood work, urinalysis or an ECG.
- Further clarification depending on the details you provide us. For example, if you have had any medical investigations, we may need to review the results, including any specialist reports.
- Appropriate financial documentation for disability insurance coverage to determine maximum benefit eligibility. Your financial advisor can provide guidance on what, if anything, will be required.

What are the possible outcomes?

Through the underwriting process, Canada Life may determine any one of the following:

- **you are insurable** and can be offered a contract as applied for with no premium ratings, modifications or exclusions.
- **you are insurable** but can only be offered a contract with modification(s) such as a higher premium, a shorter benefit period or exclusion(s) for particular condition(s).
- **you are uninsurable** and cannot be offered this type of coverage.

How long will the underwriting process take?

This varies depending on how comprehensive an investigation is required. In particular, when reports from physicians are needed, delays in receiving this information may add to the amount of time necessary to complete the underwriting process.

How can you help?

- Provide as much detail as possible and fully answer all questions on the application. This may save time by reducing the need for additional information.
- Remember that full disclosure is necessary. Failure to disclose relevant information may result in rescission of a policy or denial of a claim.
- Make sure you keep the appointment with the paramedical nurse to complete medical information requirements such as blood tests, urinalysis or ECG.
- Notify your doctor if he or she will be receiving a request for a report. This may help speed the process.

For more information about Canada Life and its products, visit www.canadalife.ca. For more information about how disability or critical illness insurance may fit your needs ask your financial advisor for an illustration.

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