



Insurance Advisor Guide

RBC *Simplified*® Term Life Insurance



Insurance

RBC *Simplified* Term life insurance

Give your clients access to guaranteed renewable and convertible term life insurance. They can feel confident knowing their coverage will stay level and all premiums are guaranteed. RBC *Simplified* Term life insurance provides clients with flexible, affordable coverage that's easy to purchase – and it's from a brand they know and trust.

Issue ages	<ul style="list-style-type: none"> ■ Term 10 – Term 15: 18 – 70 ■ Term 16 – Term 40: 85 less the selected term For example, if a Term 25 is desired, the max issue age is 60 (85 – 25).
Issue limits	<ul style="list-style-type: none"> ■ Minimum: \$50,000 ■ Maximum: If life insured is 18 to 55 – \$1,000,000 If life insured is 56 or older – \$499,999
Lifestyle classes	<ul style="list-style-type: none"> ■ Standard non-smoker ■ Standard smoker
Premium payment method	<ul style="list-style-type: none"> ■ Annual ■ Monthly PAD or credit card (annual x 0.09)
Policy fee	<ul style="list-style-type: none"> ■ \$40 per year or \$3.60 per month
Renewals	<ul style="list-style-type: none"> ■ Premiums increase at every renewal date and renewals increase yearly after the initial term is complete. Renewal rates are guaranteed. ■ Coverage is considered fully paid on the anniversary nearest the insured's 100th birthday, and coverage continues until death.
Conversion privilege	<ul style="list-style-type: none"> ■ Convertible until insurance age 71 to any permanent life plan offered for conversion by RBC Insurance® at the time of conversion
RBC <i>Simplified</i> Term rider	<ul style="list-style-type: none"> ■ Instead of being issued as stand-alone coverage, Term 10 to Term 40 can be added as a single-life rider to RBC <i>Simplified</i> Term plans without a policy fee. Coverage under the term rider ends when the base plan terminates.
Riders	<ul style="list-style-type: none"> ■ RBC <i>Simplified</i> Term rider ■ Children's term rider



RBC Insurance® is one of the only life insurance providers that has simplified the application process for clients. And, we are the only life insurance provider in Canada to provide a simplified life insurance product that offers terms of 10 to 40 years, which can provide clients the

flexibility they need from a brand they can trust. Our 12 questions make the application process extremely convenient. Plus, clients can choose how they want to purchase this flexible and affordable coverage – through the advice centre or in-store with one of our advisors.

RBC *Simplified* Term life insurance

Our Term 10 to Term 40 premiums increase at every renewal date, and renewal rates are guaranteed. Coverage is considered fully paid on the anniversary nearest the insured's 100th birthday, and coverage continues until death.

Issue limits

T10 – T40	Minimum Face Amount*	Maximum Face Amount
Age 18 to 55	\$50,000	\$1,000,000
Age 56 or older	\$50,000	\$499,999

*The minimum for RBC *Simplified* Term riders is \$50,000.

Issue ages (calculated using age nearest)

T10 – T15	18 – 70
T16 – T40	85 less the selected term – e.g. the issue age for a Term 25 plan is 60 (85 – 25)

Rate bands and combined banding

Term 10 to Term 40	
Band 1	\$50,000 – \$99,999
Band 2	\$100,000 – \$249,999
Band 3	\$250,000 – \$499,999
Band 4	\$500,000 – \$999,999
Band 5	\$1,000,000

Combined banding applies at issue, taking into account the combined coverage amount the insured life was underwritten for. The applicable band is determined by grouping together all individual coverage amounts with the same coverage date on the life insured, including any term rider coverage on the life.

For example

An RBC *Simplified* T15 is issued for \$200,000 on the life of Jack, with a \$100,000 RBC *Simplified* Term rider on the life of Jack. The base coverage will be underwritten and issued using band 3 because that's the closest band to the \$300,000 Jack was underwritten for.

If a policy owner reduces their coverage amount after a policy has been issued with combined banding, we will adjust the applicable rate band accordingly. Similarly, if a policy owner cancels or reduces the amount of a term rider on the same life before the fifth policy anniversary, we will adjust the applicable rate band accordingly. However, if the policy owner cancels or reduces the amount of their term rider after the fifth anniversary, we will maintain the discounted rate band.

For example

Jack buys a \$100,000 base plan with a \$150,000 term rider on his own life; he is eligible for a \$350,000 rate band for both the base plan and the rider. In policy year 3, he requests that we decrease the amount of this term rider to \$50,000. We must then adjust the applicable rate band for both the base plan and the rider to \$150,000. Had Jack waited until after the fifth policy anniversary to reduce the amount of his rider, he could have preserved the discounted rate available to him under the \$350,000 rate band.

Combined banding does not apply to coverage increases underwritten and issued on a different coverage date, or to coverage purchased in combination with other stand-alone plans.

Changes to a coverage amount

Changes to a coverage amount can be applied for at any time, subject to our administrative rules.

Coverage amount increases

For each increase the insured must submit evidence of insurability satisfactory to us. Coverage amount increases cannot be less than \$50,000. The premium for the new coverage will be calculated using premium rates available at the time of the increase, the insured's attained age and the risk classification as determined by us at the time of the increase. Coverage amount increases will be effective on the monthly processing day following our approval.

Coverage amount decreases

The minimum coverage amount decrease is \$10,000; however the remaining coverage amount cannot be less than the minimum issue limit allowed for the base plan. The new premium will be calculated using the band that corresponds to the coverage amount after the decrease.

If a coverage amount increase was previously approved and then a decrease is requested, the death benefit will be reduced sequentially starting with the most recently added coverage.

Coverage amount decreases will be effective on the monthly processing day following the request.

Premium payment method

Your client may select either an annual payment made directly to RBC Insurance or a monthly pre-authorized deduction from a bank account or credit card.

For monthly premiums, multiply the annual premium by 0.09.

Policy fee (per policy)

	Annual	Monthly
T10 – 40	\$40	\$3.60

Conversions

Term 10 to Term 40 plans are convertible until insurance age 71 to any permanent life plan offered for conversion by RBC Insurance at the time of conversion.

When a partial conversion is requested and a portion of the term coverage is retained, the premium rates for the remaining term coverage will be those of the applicable band.

Riders and benefits

RBC *Simplified* Term rider

Instead of being issued as stand-alone coverage, RBC *Simplified* Term can be added as a single-life rider on RBC *Simplified* Term plans without a policy fee.

Coverage under the term rider ends when the base plan terminates.

Children's term rider

The children's term rider provides term life insurance protection for each natural or legally adopted child of a life insured named in the application and approved by underwriting. Any child born or legally adopted after the children's term rider is issued is automatically covered from the age of 14 days upon written receipt by RBC Insurance of the child's name and date of birth. The premium for the rider does not change when additional children are insured.

Each insured child may convert their term rider policy to a new permanent policy, without evidence of insurability, for an amount of up to 10 times the term rider coverage, up to a maximum of \$150,000. The conversion may be applied for in writing at any time after each insured child's 20th birthday, but no later than the coverage expiry date. Coverage under this rider expires 31 days past the policy anniversary nearest the insured child's 25th birthday.

If the designated life insured under the base policy dies while this rider is in force, insurance under the rider will end and each insured child will receive a paid-up insurance policy for the amount of insurance provided by this rider. The paid-up insurance policy will continue until the policy anniversary nearest the child's 25th birthday.

Issue ages	14 days to 20 years (age nearest)
Minimum benefit	\$5,000
Rate per \$1,000	\$6
Maximum benefit	\$30,000 per child

For more information please contact your team manager.



Insurance