

Versatile Term® Resource Guide

Versatile Term

About This Guide

Navigating the Guide

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Introduction

- The Versatile Term® Product Guide provides detailed information on the Versatile Term product.

Product Overview

- The Versatile Term plan is appropriate for clients with temporary needs or limited budgets and for those interested in more flexible term lengths. Clients can choose the term duration of their Versatile Term plan: 10, 15, 20, 25 or 30 years. This product is available on multiple lives, up to five individuals on one policy.
- All premiums for this plan are fully guaranteed and are available from the illustration system. The policy renewal premiums are also guaranteed, as shown on the illustration system and on the policy contract for the Life Insured's attained age (nearest birthday) at the current renewal date. Premiums increase each year after renewal.
- Note: Renewal premiums are higher than premiums for newly underwritten policyholders of the same attained age.

Overview of Features

Death Benefit

Single Life:	Upon the death of the Life Insured, the coverage amount is paid to the beneficiary and the policy is terminated.
Multiple Life:	Upon the death of any Life Insured, the coverage amount associated with that Life Insured is paid to the beneficiary. Provided premiums continue to be paid, the policy remains in force until the death of the last Life Insured under the policy, when the coverage amount associated with that Life Insured is paid to the beneficiary and the policy is terminated. After each death, the premium for the policy will be adjusted accordingly.

Number of Lives

Single Life:	Available
Multiple Life:	Available on up to five lives with each having their own: Coverage amount Expiry date Age and gender category Versatile Term rate class and rating (if any)

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 (this must be indicated on the E-App system).
- In either of the above cases, the individual or group of individuals are considered to be a single "policyowner".
- The policyowner (the individual or the entire group) must authorize any policy changes.

Issue Ages

- Insurance Age 16 to Insurance Age 85 (Less the level term duration)
Example: Versatile Term 10: The maximum issue age is 75 (85 less 10 years = 75)

Coverage Amount

- Minimum: \$25,000
- Maximum: \$10,000,000

Coverage Period

The term duration can be selected by the client:

- 10 Years
- 15 Years
- 20 Years
- 25 Years
- 30 Years

Premiums

- Premiums are level for the initial term and then increase annually during the renewal period.

Premium Sales Tax

- In some jurisdictions, sales tax on insurance premiums (including Riders and Other Benefits) applies.
- Please add sales tax to the illustrated premiums where applicable.

Premium Mode

- Annual
- Semi-annual
- Monthly Pre-Authorized Debit (PAD)

Policy Fee

The policy fee is added to the total modal premium. On Multi-Life cases, the coverage fee amount for the second and subsequent lives is the same as the policy fee on the first life:

Annual	\$35.00
Semi-annual	\$18.20
Monthly Pre-Authorized Debit (PAD)	\$3.15

Modal Factor

Semi-annual	0.52
Monthly Pre-Authorized Debit (PAD)	0.09

Premium Rate Bands

Band 1	\$25,000 to \$99,999
Band 2	\$100,000 to \$249,999
Band 3	\$250,000 to \$499,999
Band 4	\$500,000 to \$999,999
Band 5	\$1,000,000 to \$4,999,999
Band 6	\$5,000,000 plus

Premium Rate Classes

For amounts under \$500,000

- N4 (Non-Smoker 4)¹
- S2 (Smoker 2)

For amounts \$500,000 plus

- N1 (Non-Smoker 1)¹
- N2 (Non-Smoker 2)¹
- N3 (Non-Smoker 3)¹
- N4 (Non-Smoker 4)¹
- N5 (Non-Smoker 5)¹
- S1 (Smoker 1)
- S2 (Smoker 2)

For information about the preferred underwriting criteria, refer to the Field Risk Selection Guide.

¹ Rate classes N1, N2, N3, N4 and N5 are not available for ages 16 and 17.

Other Features

- Premium Deposit Fund (PDF)
- Conversion option to permanent insurance product without evidence of insurability

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

Optional Riders and Other Benefits

- Versatile Term Riders²
- Child Rider
- Disability Premium Waiver (DPW)
- Disability Premium Waiver (DPW) on Versatile Term Rider
- Disability Premium Waiver (DPW) on CA10 and CA25 Riders
- ADB
- GIO (Available only at issue)
- CA10 and CA25 Riders
- MDI Rider (24 or 60-month benefit)

² Only allowed if the term duration on the rider is different than the base.

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

- Conversion of a Versatile Term plan to any permanent insurance product is available without evidence of insurability.
- Under a Multi-Life plan, each Life Insured is free to convert their coverage, with the permission of the owner, to a single or, with another of the multiple Life Insured, to a Multi-Life insurance product.³
- Available at any time prior to the policy anniversary nearest the Life Insured's (or oldest Life Insured's, for Multi-Life policies) 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 nearest birthday 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.
- Any substandard rating will continue to apply.

Note: In the event of a partial conversion, the remaining Term coverage will revert to the available class for the remaining amount. If preferred underwriting is not available for that amount on the rate scale under which the policy was issued, the class will revert to N4 or S2.

³ Conversion to a Joint Last-to-Die plan is not available.

Riders and Other Benefits

Versatile Term Riders

General

- The Versatile Term (VT) Rider provides a level amount of insurance for a temporary period in addition to the insurance amount under the base plan.
- Coverage expires at the rider anniversary nearest age 85 and is convertible to Insurance Age 70.

Availability

- Versatile Term (VT) Riders may be added on any life to the base Versatile Term policy at issue only as long as the term duration of the rider is different than that of the base policy.
- Two or more coverages of the same Life Insured with the same term duration should never be issued at the same time.

Exchange Privilege

- The policyowner may, while the VT Rider is in force, cancel the rider and exchange it for a basic VT policy.
- The face amount of the VT base plan will be equal to the face amount of the rider.
- The Insurance Age on the rider will not change.
- The VT policy will expire on the policy anniversary nearest the Life Insured's 85th birthday.
- If the conversion privilege of the rider is cancelled, the VT policy will not contain a conversion privilege.

Note: All features are the same as those listed within this guide.

Child Rider

General

- The Child Rider provides for a level amount of insurance on the lives of the insured children for a temporary period.

Availability

- Issue ages are between Insurance Ages 0 to 20.
- There are no limits on the number of children eligible for coverage under this rider.⁴
- The Child Rider can be added to any individual life plan except children's plans, annuities and some joint products.
- For Multiple Life policies, the Child Rider is available only on two-life cases and the lives insured must be married or common-law.
- This rider is available on children of the Life Insured under the Versatile Term base plan. The "legal parent" of the children to be insured must be one of the policyowners.
- The rider is available when the Base Plan Insured is not the legal parent as long as he or she lives continuously with both the legal parent of the Children to be Insured under the Child Rider, as well as the Children to be Insured, for a minimum period of one year and has full knowledge of the children's state of health.
- The rider is available when the Base Plan Insured is the legal parent but the children do not reside on a permanent basis with him or her, as long as this parent sees the children on a regular basis

⁴ Most children subject to medical, occupation, aviation and avocation ratings will be excluded from coverage. Children whose mortality is assessed at greater than 200% will also be excluded from coverage. The name of any child so excluded will not appear on the rider page contained in the policy contract. Such exclusion will not result in a reduction of the rider premium if other children are still insured under the Child Rider.

and has full knowledge of the children's state of health; otherwise, a Non-Medical Declaration completed by the custodial parent will be required.

- Children born or legally adopted after the date of issue of the rider are insured automatically on the later of the following dates:
 - when they attain the age of 15 days; or
 - when they are released from hospital following birth.

Minimums and Maximums

- The minimum rider amount accepted is \$5,000.
- The maximum rider amount accepted is \$25,000.

Premiums

- The premium for the Child Rider is the basic premium rate per thousand times the number of \$1,000 units in the face amount.

Termination of Coverage

- Insurance coverage on a Child Insured will terminate on the earliest of the following dates:
 - on the termination of the Child Rider in accordance with the Termination provision; or
 - on the insured child's 21st birthday.
- This rider will automatically terminate on the earliest of the following dates:
 - termination of premiums under the basic policy to which this rider is attached;
 - the policy anniversary nearest the 65th birthday of the Parent Insured under the basic policy to which this rider is attached;
 - the policy anniversary nearest the 65th birthday of the younger of the two Parents Insured if the basic policy coverage is joint insurance on the two parents;
 - when the policy lapses, is surrendered, or is terminated for any other reason;⁵
 - the changing of the policy to Reduced Paid-Up life insurance; or
 - receipt of a written request to cancel this rider accompanied by the policy for amendment.

Conversion

- Coverage on each Child Insured may be converted to a new policy for an amount up to five times the original Child Rider coverage amount at the request of the Policyowner
- Conversion to any permanent plan of insurance we are then offering for the purposes of Conversion will be permitted, without evidence of insurability, on the earliest of the following dates:
 - the insured child's 21st birthday;
 - the policy anniversary nearest the 65th birthday of the Parent Insured if the basic policy coverage is individual insurance; or
 - the policy anniversary nearest the 65th birthday of the younger of the two Parents Insured if the basic policy coverage is joint insurance on the two parents.
- Conversion must be applied for within 60 days of termination of insurance on each child and is subject to the rules regarding minimum amounts.
- The premiums charged for the new plan of insurance will be those in effect at the date of conversion for the plan selected and will be based on the attained age (nearest birthday) of the child.

⁵ If the basic policy terminates due to the death of the basic plan Life Insured (the parent, or both of the Life Insureds on a Joint Last-to-Die policy), coverage under the rider will continue on each Child Insured until such child's 21st birthday at which time conversion to a permanent plan as per the conversion provision is available.

Disability Premium Waiver Benefits (DPW)

General

- Disability Premium Waiver (DPW) provides that after the Life Insured has been totally disabled for a period of not less than six consecutive months, premiums that have become due and are paid during the period of “total disability” will be reimbursed and/or future premiums falling due under the policy will be waived during the continuance of “total disability.”
- The total disability must have commenced prior to the policy anniversary nearest age 60.
- If the Versatile Term policy contains the Disability Premium Waiver benefit, this benefit will provide a waiver of premiums for the ADB (in full) and Child Rider (if either is included in the policy) at no additional Disability Premium Waiver premium.
- If the basic policy contains a Versatile Term Rider(s), a disability benefit premium is charged for both the basic plan and the rider(s).

Availability

- Available only at issue on a Single Life and Multi-Life.
 - Age at issue must be in the range of Insurance Age 16 to Insurance Age 55.
 - Up to five lives may purchase DPW coverage.
 - Each life will be charged a Single-Life rate and if one person becomes disabled, the premium for that coverage plus any ADB, DPW, GIO and Child Rider benefits associated with that life will be waived.
 - All others on the policy who bought DPW will continue to pay DPW premiums.
- The benefit is available provided all lives to be Insured are employed for compensation either on a full- or part-time basis or are attending a recognized institution of learning on a full-time basis, or are a homemaker.
- The benefit will not be offered to certain risks which may be granted insurance, but where there is an increased morbidity risk, such as applicants with a history of back problems or those currently on disability payments.
- To purchase DPW on a Versatile Term Rider or Critical Assist Rider, there must be DPW on the Versatile Term base plan.

Premiums

- Premiums are payable for the same term as the basic plan and/or rider or until the policy anniversary nearest the Life Insured's 60th birthday, whichever is the shorter term.
- The premium for DPW at each renewal date increases as the premium for the basic plan increases.

Exclusions

- Premiums will not be waived if total disability results directly or indirectly from, or is associated with:
 - self-inflicted injuries while sane or insane;
 - civil disorder, war or act of war whether declared or not;
 - aircraft accident unless the rider insured was traveling as a passenger having no duties on, or relating to, the aircraft for flight; or
 - service in the armed forces of any country, combination of countries or international organization at war, whether war is declared or not.

Automatic Conversion

- When a Disability Premium Waiver (DPW) benefit is included and total disability occurs, the policy will be automatically converted at the end of the conversion period to a permanent insurance plan including a DPW benefit provision.

Notice and Proof of Claim

- A written notice of claim must be received by Us prior to the expiry date of this provision. This must be done during the lifetime of the Life Insured and during continuance of total disability.
- The proof of total disability must be received by Us within 60 days of the written notice of claim. Otherwise, the notice of claim will be re-dated to exactly 60 days before the proof of claim was received, regardless of original date of submission.
- No claim will be allowed if the notice and proof of claim have not been given within one year after the expiry date of this benefit.

Proof of Continuance of Total Disability

- Proof of continuance of total disability may be required at least annually during the duration of any total disability.

Accidental Death Benefit (ADB)

General

- This benefit provides for the payment of an amount in addition to the basic coverage amount when death has resulted from an injury sustained by accidental means.
- The injury must have occurred prior to the policy anniversary nearest age 70 and death must have resulted within 90 days of the injury.

Availability

- Available both at issue and after on a Single Life or Multi-Life basis.
- Maximum issue age is Insurance Age 65.
- This benefit will not be offered to certain borderline risks that may be granted insurance, such as applicants with a poor driving record.
- The ADB is not available on business insurance cases.

Minimums and Maximums

- The minimum amount is \$10,000.
- The amount insured under this benefit cannot be greater than twice the basic plan amount of insurance (no credit may be given for riders).
- The maximum amount of this benefit that may be issued on any one life by The Company is \$150,000 for ages 16 and over.⁶

Premiums

- Premium are payable until expiry of the base plan or until the policy anniversary nearest age 70, whichever is the shorter term.

⁶ Included in the maximum are direct ADB amounts.

Exclusions

This benefit does not cover death arising from:

- disease, illness, bacterial/viral infection. Bodily or mental infirmity, or medical or surgical treatment;
- insurrection, war or armed conflict or armed aggression or an act or hazard of war or armed conflict or armed aggression;
- service in the naval, military or air force of any country, combination of countries or international organization at war, whether war be declared or not;
- travel or flight anywhere, (a) in any species of aircraft of any armed force except solely as a passenger having no duties on or relating to such aircraft of flight, or (b) as a student pilot, pilot or officer or other member of the crew in any species of aircraft, or (c) in any species of aircraft for training, testing or experimental purposes (descent from any species of aircraft in flight shall be deemed to be part of such flight);
- suicide or self-inflicted injuries, whether sane or insane;
- any drug, poison, gas or fumes, voluntarily or otherwise taken, administered, absorbed or inhaled, other than as a result of an accident arising from a hazard incident to the Life Insured's occupation;
- committing, attempting or provoking an assault or criminal offence; or
- driving a vehicle⁷ with alcohol in the blood in excess of 80 milligrams per 100 milliliters of blood.

Guaranteed Insurability Option (GIO)

General

- This benefit guarantees that a new individual life insurance policy on the Life Insured may be purchased, without evidence of insurability, on each of a series of option dates.
- The benefit and premium payments terminate upon the expiry of 30 days from and excluding the last of the regular option dates or upon lapse, surrender or termination of the basic policy.

Availability

- Issue age is Insurance Age 16 to Insurance Age 38.
- This benefit is available only at issue on a Single Life and Multi-Life basis.
- GIO is not available on Joint-Last-to-Die cases.
- GIO is not issued on rated policies, except on policies where an aviation, occupational and/or avocation rating of \$3.00 or less per thousand applies. Any ratings and/or exclusions on policies will carry forward to any new policies purchased under the GIO.

Option Dates and Alternative Option Dates

- The option dates are the policy anniversaries at which the Life Insured's attained age nearest birthday is 25, 28, 31, 34, 37, 40 and 43.
- The right to purchase a new policy must be exercised within 30 days from and excluding an option date.
- Under the GIO benefit, the Policyowner can also exercise a future option during the 90-day period following these events:
 - the marriage of the Life Insured;
 - the live birth of each child of the Life Insured; and
 - the legal adoption of each child adopted by the Life Insured.

⁷ "vehicle" means a vehicle that is drawn, propelled or driven by any means other than muscular power.

Minimums and Maximums

- The minimum option amount is \$10,000.
- The maximum option amount, whether issued as a benefit under one or more policies, is the lesser of \$50,000 or the basic plan amount under the policy. The option amount of \$50,000 is the maximum available on any one life under all policies.

DPW Claim with GIO

- In the event of a Disability Premium Waiver (DPW) claim, if the coverage to which the GIO is attached includes a DPW benefit, then the GIO portion of the premium will also be waived.

Application Process to Exercise a GIO Option

- Complete the electronic GIO application and collect the initial premium for the new policy or rider.
- If the application is in accordance with an alternative option date, legal evidence of the marriage, birth or adoption must be submitted.
- The new policy or rider may be on any of The Company's regular plans or Versatile Term Riders. If the new policy or rider is a Versatile Term product, the rate class for the new policy or rider will be determined by The Company's then governing rate classes (only N4 or S2 are available without full underwriting). The new policy or rider does not need to be identical to the original policy.
- The total coverage provided by the new policy or rider may not exceed the option amount.
- The new policy must meet minimum coverage amount rules for the plan or rider selected.
- The policy years under the new policy or rider will measure from the option date and the initial premium is due as of the option date. The premium for the new policy or rider will be those of The Company in effect at its date of issue at the then attained age (nearest birthday) of the Life Insured in accordance with the risk classification at the date of issue of this provision. The new policy or rider will contain all the restrictions included in the policy of which the GIO Rider is part. Payment of the first premium of the new policy or rider must be before the expiry of 30 days from and excluding the option date.
- On the issue of a new policy or rider, We reserve the right to require evidence of the Life Insured's date of birth.

Critical Assist Rider (CA)

General

- A Critical Assist Rider is appropriate for clients looking for a measure of financial security if struck by a critical illness.
- The Critical Assist product provides coverage for 29 diseases/conditions, four of which qualify for an Early Assist payment.
- Coverage is on an individual, fully underwritten basis.
- Coverage cannot be cancelled by Us; premium rates are guaranteed and significant underwriting is done at time of issue.
- In the event of an approved Critical Assist claim for one of the full payout conditions, the policyowner will receive a lump-sum payment equal to the coverage amount of the Rider. There is no restriction on how the benefit can be used.
- Should the policyowner receive a partial payout for one of the Early Assist conditions, the payment will be 10% of the face amount to a maximum of \$50,000 and the coverage will continue.

Availability

- Must be issued on the same life as the base policy.
- Available only at issue a Single Life basis in two forms:
 - 10 Year Renewals to Age 75; and
 - 25 Year with 20 Year Renewals to Age 75.
- The Proposed insured must:
 - meet the health qualifications; and
 - meet the following age qualifications:
 - CA10: from Insurance Age 18 to Insurance Age 65; and
 - CA25: from Insurance Age 18 to Insurance Age 50.

Expiry/Coverage Period

This coverage shall automatically terminate on the earliest of the following:

- 31 days after the due date of any premium which remains unpaid for this coverage;
- The coverage expiration date (coverage anniversary nearest the 75th birthday of the Life Insured);
- The date of death of the Life Insured;
- The date of payment of a full payout critical illness benefit under this coverage;
- The date We receive a written request to cancel this coverage; or
- If within the first 90 days following the later of:
 - the effective date of the coverage; or
 - the effective date of the last reinstatement of the coverage;
- the Life Insured has any of the following:
 - signs, symptoms or investigations that lead to a diagnosis of Cancer (covered or excluded under the policy), regardless of when the diagnosis is made; or
 - a diagnosis of Cancer (covered or excluded under the policy).
- If the cause for termination is due to the diagnosis, or symptoms leading to the diagnosis, if Cancer with the first 90 days as outlined above, We will refund to the Owner the premiums that have been paid for the coverage from the policy date to the date the coverage is terminated.

Premium Payback at Death (PPD)

- If the Life Insured dies while the Critical Assist Rider is in-force, or during the days of grace and no benefit has been paid (excluding a claim for a partial payout under one of the specified partial coverage conditions, which does not reduce or eliminate the PPD amount payable), We will pay to the beneficiary the following Premium Payback at Death (PPD) benefit:
 - The premiums, without interest or applicable sales tax, that have been paid for the Critical Assist Rider from the coverage effective date to the date of death, less any indebtedness (overdue premium and accrued interest) owed to Us by the Policyowner.
 - No Disability Premium Waiver Benefit premium will be refunded.
 - The rated portion of the premium is returned on CA Riders.
- This is an embedded benefit automatically issued with a Critical Assist Rider in all cases.
- We will require proof of death acceptable to Us, which must be provided at the cost of the claimant.

Counselling Benefit

- Available on all CA Riders (non-contractually).
- Upon diagnosis of a Covered Condition, the policyowner will receive access to up to 3 hours of over-the-phone counselling to be used by themselves or their family members.
- The policyowner will receive notice and access to this benefit at the time of the claim.

Conversion Privileges

- Policyowners may convert 10-year and 25-year term coverages for Level to Age 75 or Level 20-Pay with Coverage to Age 75 policies, We are then offering for purposes of conversion, without evidence of insurability.
- The premiums charged for the new insurance will be subject to the current rules governing rate classes and will be based on the Life Insured's attained age nearest birthday at the date of conversion.
- Available at any time prior to the policy anniversary nearest the Life Insured's 50th birthday.
- PPS or PPE can be added at this time, but premium payments prior to the conversion are not included in the PPS or PPE benefit.
- DPW can be added at this time, subject to the rules governing them, with evidence of insurability.
- The face amount of the policy taken can be less than or equal to the face amount of the original policy.
- Partial conversions will be allowed; however, the face amount remaining on the original policy must satisfy the minimum face amount requirement.
- Any substandard rating will continue to apply.

Note: The Benign Brain Tumour/Cancer/ Parkinson's Disease exclusion period would not re-start due to the conversion.

Optional Disability Premium Waiver (DPW)

- This optional benefit waives premiums on the Critical Assist Rider and on DPW after the Life Insured has been totally disabled for six consecutive months.
- All premiums falling due on the coverage while the Life Insured is totally disabled will be waived. This includes the premium for the Rider plan as well as the premiums for the DPW coverage. The rated portion of the premiums on any rated coverages is also waived (if applicable).
- The Life Insured must become totally disabled while this provision is in-force.
- All premiums are payable until the DPW claim is approved. Any premium paid and later waived will be refunded.
- The DPW benefit is only available at issue on a Single Life. It is available to persons who meet:
 - The health qualifications; and
 - Are from Insurance Age 18 years to Insurance Age 55.

- If there is a DPW Rider on the Versatile Term base policy, DPW must also be added on the Critical Assist Rider.
- To purchase DPW on a Critical Assist Rider, there must be DPW on the Versatile Term base policy.
- The DPW benefit terminates at the earlier of:
 - The benefit anniversary date nearest the Life Insured's 60th birthday;⁸
 - The lapse, surrender or termination of the Rider to which this additional benefit is attached;
or
 - Upon receipt of a written request from the Policyowner to cancel this coverage.

Refer to the Critical Assist Resource Guide for more information on the Critical Assist Rider.

⁸ *unless the Life Insured is on DPW claim.*

Mortgage Guard Disability Insurance Rider (MDI)

General

- A Mortgage Guard Disability Insurance (MDI) Rider is appropriate for a client with a mortgage and/or line of credit (secured by real property) to assist in meeting financial obligations in the event the client becomes disabled.
- Allowance is made for the claim payment to be up to 125% of the monthly mortgage and/or line of credit payments (including property taxes, if so desired). This excess is intended to allow for extra expenses such as life and home insurance premiums which the Rider Insured will want to provide for.
- If the Rider Insured is unemployed or a student at the date of disability he/she is still eligible for the benefit. However, the Rider Insured must be employed at the time of application and issue.
- While on MDI claim, MDI premiums are automatically waived once the Elimination Period has been satisfied.
- The claim amount may be reduced from the initial amount purchased if the mortgage and/or line of credit payment(s) have decreased.
- The MDI Rider functions more as an indemnity than as an income benefit, as payment is dependent on the existence and level of mortgage and/or line of credit payment(s).
- Unlike many creditor products, the coverage is on an individual, fully underwritten basis.
- Coverage cannot be cancelled; premium rates are guaranteed and significant underwriting is done at time of issue.

Availability

- The MDI Rider is available in either a 24- or 60-month benefit period form
- Not available as a stand-alone product
- Available on a Single Life and Multi-Life basis
 - Available on up to 5 lives
 - The MDI Rider claim eligibility applies only to the disabled life
 - MDI premiums would continue to be due on all other MDI Riders
- The MDI Rider is available to persons who:
 - are from Insurance Age 18 to Insurance Age 55;
 - meet the minimum annual income qualification;
 - are actively at work on the MDI Rider effective date;
 - are registered owners on a mortgage and/or line of credit type mortgage arrangement (secured by real property);
 - meet the health qualifications; and
 - are applying for Versatile Term coverage where the amount of coverage is \$100,000 or more (on a per life basis on Multi-Life cases)
- Full underwriting is required for MDI Riders added after issue of the Versatile Term base plan

Refer to the Mortgage Guard Product Guide for more information on this rider.

Issue and Underwriting Criteria

General

- Full underwriting, which will vary by age and amount, is required for Versatile Term life insurance. For all Term plans and riders \$500,000 or greater, there are now five Non-Smoker and two Smoker premium rate (underwriting) classes. This underwriting method is generally referred to within the life insurance industry as preferred underwriting.
- Medical, occupational, avocation, professional sports, aviation and military ratings may apply to all Lives to be Insured.

Note: Non-preferred rates are available for all base plans and riders under \$500,000.

Key Underwriting Indicators

- The following indicates the types of information required to determine a client's rate class.

Tobacco Use:	Types of products, date of last use
Health Status:	Blood pressure, cholesterol, etc.
Lifestyle:	Avocation, alcohol/drug use, driving record, foreign travel and aviation
Build:	Height and weight
Personal & Family Medical History:	Client's medical history, as well as his/her parents' and siblings' medical history

Note: N4, N5 and S2 are the only rateable classes.

Backdating/Age Conservation

- A policy can be issued with an effective date based on the date required to conserve the last age of the applicant. When the application is approved for issue, We will advise of the one-time payment amount required to pay premium arrears.
- Age conservation for these policies is subject to the following conditions:
 - The age conservation date is not more than 10 months ago.
 - The age conservation date is not prior to the introduction of a new product.
- The one-time payment is submitted prior to issue and does not form any part of the contract.
- The one-time payment is not included in the advisor's compensation.
- Backdating and age conservation is not allowed on policies with CA Riders or MDI Riders.

Temporary Insurance Agreement

- The Temporary Insurance Agreement (TIA) is not to be issued and no premium is to be accepted if:
 - any Life to be Insured answers yes to any of the questions on the Temporary Insurance Application;
 - the advisor has reason to believe any Life to be Insured is not a good risk for health or any other reason;
 - the total amount applied for with The Company on any Life to be Insured exceeds \$2,000,000; or
 - the Life to be Insured is age 66 or older.

Refer to the Field Risk Selection Guide for more information about underwriting.

Policy Changes

Increases in Coverage Amounts

- Increases are not allowed. A new application will be required that will be subject to full underwriting and evidence of insurability.

Decreases in Coverage Amounts

- Decreases are allowed, subject to the allowable coverage amount minimum of \$25,000.

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. This will necessitate the following requirements:

- For face amounts of \$500,000 or more a Urine Test is required.
- The Underwriting Department will review the evidence received and additional medical evidence may be required to assess the risk.
- Any additional evidence will be at the client's expense with reimbursement available only if Non-Smoker rates are approved.
- Completion of Sections 1, 3, 4, 5, 6 and 7 of the Application for Policy Change and/or Reinstatement of Life/Health Insurance Form (LSR005).

For changes to any other Non-Smoker rate class (N1, N2 or N3) or to a better Smoker class (i.e., S1), the change will be treated as a replacement of the existing policy and will necessitate the following requirements:

- New Electronic application;
- Electronic Application Signature Form for Adult or Child's Life/Health Insurance (LUR149) reviewed with applicant and signed as required;
- Full AARs; and
- Disclosure Forms.

These policies will be reissued with a current age and date.

Addition of Versatile Term Riders after Issue

- Requirements are:
 - An illustration using N4 or S2;
 - Age & Amount Requirements;
 - Sections 1, 3, 5, 6, 7 and 8 of the Application for Policy Change and/or Reinstatement of Life/Health Insurance Form (LSR005); and
 - Submitted premium based on Versatile Term rate class applied for
- Full commission is paid on the addition of riders, providing they are not replacements.

Reinstatements

Reinstatement with a Current Policy Effective Date

- Reinstatements with a current policy effective date will require a new application and full medical evidence.

Reinstatement without Re-Dating

- This method of reinstatement would normally apply only if there were three or fewer months of premium outstanding. If there were more than three months' premium outstanding, this method would require prior approval and would have to be to the policyholder's benefit.
- Requirements:
 - All outstanding premiums with interest and applicable sales tax, at a rate determined by Us, compounded yearly, would need to be paid.
 - Sections 1, 3, 5, 6 and 7 of the Application for Policy Change and/or Reinstatement of Life/Health Insurance (LSR005) would need to be completed.
 - Age & Amount Requirements with respect to each life under the lapsed policy will be automatically required (at the policyholder's expense if there has been more than one lapse), where such evidence would be required with respect to a new application.

Note: We reserve the right to request evidence (at the policyowner's expense if there has been more than one lapse) for any reinstatement.

Assignments

- The policyowner may assign the policy.
- We 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.

Produced by

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