

Inforce term options at a glance

Conversion, exchange, carryover and switch



Insurance

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	Exchange	Term Switch	Conversion	Term Partial Conversion and Carryover
	<p>Before the 5th policy year: Exchange Term 10 or RBC <i>YourTerm</i>™ 10 to RBC <i>YourTerm</i> 15, 20, 30.</p>	<p>On the 1st policy renewal: Eligible RBC Traditional Term 10 and Term 20 clients can switch to a new RBC <i>YourTerm</i> and receive a 10% savings (excluding policy fee).</p>	<p>Refer to policy contract (older contracts may vary with respect to the expiry of this option): Convert term insurance to a permanent insurance plan.</p>	<p>This option is non-contractual. It is available at any time prior to the conversion expiry date of the original term policy.</p>
	<p>Note: Exchange and Term Switch will NEVER be available at the same time.</p>			
What is it?	<p>Clients can exchange all or part of the RBC <i>YourTerm</i> 10 or Term 10 standalone or rider to RBC <i>YourTerm</i> 15, 20, 30 without evidence of insurability.</p>	<p>Term Switch is a contractual privilege for existing RBC Term 10 and RBC Term 20 clients. This feature allows an eligible client to switch their existing term for a new RBC <i>YourTerm</i> at specific times before their first renewal.</p> <p>Clients will be notified of the option to switch their policy for a new RBC <i>YourTerm</i> policy with the same face amount or less, at any term length for which they are eligible. Rates are based on their attained age, and evidence of insurability is required.</p>	<p>Clients may convert all or part of the term policy's death benefit to an RBC Growth Insurance™, RBC Growth Insurance Plus™, RBC Universal Life™ or Term 100 policy without evidence of insurability.</p>	<p>The Term Partial Conversion and Carryover option allows clients to partially convert their existing term coverage to an RBC Growth Insurance, RBC Growth Insurance Plus or Term 100 policy and carry over the remaining term coverage as a new rider without evidence of insurability.</p>
What's in it for the client?	<p>The client can use the exchange option instead of buying a new term policy. With the exchange option, they can purchase the longer term at the same new business rates and attained age without needing to go through underwriting.</p>	<p>Based on the attained age and the amount that they are applying for, the client will be eligible for either Simplified underwriting process or Fully Underwritten process. Clients will receive a 10% savings (excluding policy fee) on their premium when they exercise Term Switch regardless of the process:</p> <ol style="list-style-type: none"> 1. Time-saving with simplified underwriting process For those attained age 55 or under applying for a face amount of \$1,000,000 or less; or attained age 56 or over applying for a face amount of \$499,999 or less. 2. Fully underwritten process For those attained age 55 or under applying for a face amount of \$1,000,001 or more; or attained age 56 or over applying for a face amount of \$500,000 or more. <p>Effective Sept. 12, 2022: Clients who are eligible for the Term Switch Privilege can exercise Term Partial Conversion and Carryover, without evidence of insurability, and receive 10% savings (excluding policy fee) on the carryover term rider coverage when this option is exercised within the Term Switch Window. (Follow Term Partial Conversion and Carryover process)</p>	<p>In the event the client needs permanent coverage due to changes in their insurance needs, they can exercise this option to convert to a permanent policy without evidence of insurability.</p>	<p>In the event the client needs permanent coverage and wants to restart their term insurance, they can exercise this option without evidence of insurability.</p>

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<p>Eligibility</p>	<p>The exchange must occur prior to the earlier of:</p> <ol style="list-style-type: none"> 1. The fifth (5th) policy anniversary 2. The policy anniversary nearest the life insured's: <ul style="list-style-type: none"> ▪ Seventieth (70th) birthday to exchange to a Term 15 ▪ Sixty-fifth (65th) birthday to exchange to a Term 20 ▪ Fifty-fifth (55th) birthday to exchange to a Term 30 <p>For joint first-to-die policies, the exchange must occur prior to the earlier of:</p> <ol style="list-style-type: none"> 1. The fifth (5th) policy anniversary 2. The policy anniversary nearest the oldest life insured's: <ul style="list-style-type: none"> ▪ Seventieth (70th) birthday to exchange to a Term 15 ▪ Sixty-fifth (65th) birthday to exchange to a Term 20 ▪ Fifty-fifth (55th) birthday to exchange to a Term 30 <p>A joint first-to-die policy can be exchanged for either a new joint first-to-die policy or several single life policies. The death benefit under each new single life policy cannot exceed the death benefit of the original policy divided by the number of lives insured under the original policy.</p> <p>Riders:</p> <p>Any riders included in the original policy may be included in the new policy if we offer them as part of the new insurance plan. A rider may be included in the new policy only with our consent, and may be subject to evidence of insurability.</p> <p>Note: The exchange option is only available for contracts issued from Nov 2007.</p>	<p>Traditional Term 10 policies issued between Dec. 2011 and Dec. 31, 2015 and RBC Traditional Term 20 policies issued between Feb .1, 2005 and Dec. 31, 2015.</p> <p>Term Switch Window:</p> <p>Eligible RBC Term 10 clients can take advantage of this switch opportunity within 1 year of renewal or within 12 months post-renewal.</p> <p>Eligible RBC Term 20 clients can activate this offer within 3 years of renewal or within 12 months post-renewal.</p> <p>When exercising the Term Switch, the total face amount applied for must be equal to or less than the face amount of the original Term 10 or Term 20 base policy.</p> <p>If the client wants to decrease their face amount, they may be eligible for the simplified underwriting (depending on the age and face amount). The balance of the policy face amount will be cancelled.</p> <p>Joint first-to-die:</p> <p>If the client's coverage option is joint first-to-die, they can exercise the Switch Privilege for a new joint first-to-die policy or several single life policies subject to the Administrative Rules.</p> <p>Riders:</p> <p>Any riders (except term riders) included in the original policy may be included in the new policy if we offer them as part of the new insurance plan. A rider may be included in the new policy only with our consent, and will be subject to evidence of insurability.</p> <p>Note: Policies that are collaterally assigned or have an irrevocable beneficiary need to have those designations changed before Term Switch can be issued.</p>	<p>The eligibility and expiry age for conversion vary depending on the contracts. Please refer to the policy contract for details.</p> <p>Products available for conversion:</p> <ul style="list-style-type: none"> ▪ RBC Growth Insurance and RBC Growth Insurance Plus ▪ RBC Universal Life ▪ Term 100 <p>Riders:</p> <p>Any riders included in the original policy may be included in the new policy if we offer them as part of the new insurance plan. A rider may be included in the new policy only with our consent, and may be subject to evidence of insurability.</p> <p>Note: Conversion can be exercised before Term Switch but not the other way around. Once Term Switch is exercised, the remaining face amount (if any) will be cancelled.</p>	<p>This option is available for:</p> <ul style="list-style-type: none"> ▪ Inforce RBC <i>YourTerm</i> policy or rider ▪ Inforce RBC Term 10 or RBC Term 20 policy or rider issued on or after February 1, 2005 ▪ Single and joint first-to-die <p>It's available at any time prior to the conversion expiry of the original term policy.</p> <p>Products available for partial conversion:</p> <ul style="list-style-type: none"> ▪ RBC Growth Insurance and RBC Growth Insurance Plus ▪ Term 100 <p>The remaining coverage will be carried over to an RBC <i>YourTerm</i> as a new rider on the new permanent policy.</p> <ul style="list-style-type: none"> ▪ Available term lengths are based on the permanent plan selected and on the client's current age. ▪ The new term rider does not need to match the term length of the original policy; your client may select a longer term length if they want.

	Exchange	Term Switch	Conversion	Term Partial Conversion and Carryover
Partial	<p>Partial exchanges are allowed.</p> <p>The client has the option to cancel the balance or keep it in force, provided the balance is not below the minimum.</p> <p>Email ActuarialServices@rbc.com for a quote on the balance of the coverage from the existing policy.</p> <p>Older contracts may vary with respect to this option.</p>	No	<p>Partial conversions are allowed.</p> <p>The client has the option to cancel the balance or keep it in force, provided the balance is not below the minimum.</p> <p>Email ActuarialServices@rbc.com for a quote on the balance of the coverage from the existing policy.</p>	<p>A client can elect to partially convert and carry over an amount that is less than their current death benefit and keep their original policy in force. The amount remaining in the original term policy must meet minimum coverage requirements.</p>
Underwriting	No	<p>Yes</p> <p>Completed change forms are reviewed by our underwriters. If your client's health has changed since they applied for their current policy, the cost of a new policy, even with the 10% savings, may be higher than the cost to renew their existing policy. In this case, the client may choose to maintain their current policy.</p>	No	No
Other conditions	The policy must be in force and all premiums paid up to the effective date of the exchange.	The original policy must be in good standing and in force (premium paying) in order for the client to exercise the Term Switch; as it would be a continuation of coverage. No gap in coverage can exist due to non-payment.	The policy must be in force and all premiums paid up to the effective date of the conversion.	<p>The original policy must be in force and all premiums paid up to the effective date of the conversion and carryover.</p> <p>The new permanent policy with the term rider cannot exceed the face amount of the original term policy.</p>
When does this option expire?	The earlier of the 5th policy anniversary or age 70.	12 months post-renewal.	Contracts may vary with respect to the expiry of this option.	Upon the expiry of the Conversion Privilege of the original term policy.
Exclusions	The policy cannot be exchanged while premiums are being waived under a waiver of premium benefit rider. This Exchange Privilege cannot be extended should it expire while this policy is on waiver	<p>If the client is applying for a face amount higher than the original policy, the Term Switch Privilege will not be applicable. A New Business application and internal replacement forms should be completed.</p> <p>Note: 10% savings and simplified underwriting does not apply.</p> <p>Other exclusions:</p> <ul style="list-style-type: none"> ■ Clients who are 71 and older ■ Policies that were issued with a special quote ■ Clients residing outside of Canada when their Term Switch Privilege becomes effective ■ Policies that were issued with term riders ■ Policies on waiver 	<p>The policy cannot be converted while premiums are being waived under a waiver of premium benefit rider unless the conversion takes place on the date the Conversion Privilege ends. In this event, the new policy (only Term 100 is available) takes effect under the Conversion Privilege.</p> <p>Note: Contracts may vary with respect to this exclusion.</p>	<ul style="list-style-type: none"> ■ Term riders resulting from conversion and carryover will not be eligible to exercise the Conversion and Carryover options again. They can exercise the Conversion option and can also exercise the Exchange option if Term 10 is selected. ■ If the client submits a request to cancel the new permanent plan in the future, the RBC <i>YourTerm</i> rider will be terminated at the same time. <p>The policy cannot exercise Term Partial Conversion and Carryover while premiums are being waived under a waiver of premium benefit rider.</p>

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	Exchange	Term Switch	Conversion	Term Partial Conversion and Carryover
Do the 2-year Suicide & Incontestability Provisions restart?	No	Yes	No	No
First year commission	Exchange compensation	Additional first-year new business compensation on Term Switch Additional first-year carryover compensation on the term rider coverage when Term Partial Conversion and Carryover is exercised within the Term Switch Window	Same as New Business compensation	Term Partial Conversion and Carryover compensation
What form?	Application for Reinstatement or Policy Change (EN FR)	Term Switch Privilege Change Form (EN FR)	Request to Exercise a Term Conversion Privilege form (EN FR)	Request to Exercise a Term Conversion Privilege form (EN FR)
You can also locate forms under Sales Resource Centre > Individual Life > Forms				
Resources	Please refer to the policy contract for complete policy provisions.	RBC Insurance Sales Resource Centre https://www.rbcinsurance.com/sales-resource-centre/individual-life/term-switch.html	Please refer to the policy contract for complete policy provisions. Note: Older contracts may vary with respect to the expiry of this option. https://www.rbcinsurance.com/sales-resource-centre/individual-life/conversion.html	RBC Insurance Sales Resource Centre https://www.rbcinsurance.com/sales-resource-centre/individual-life/conversion.html Term Partial Conversion and Carryover – At A Glance

Note: If you submitted the wrong application (i.e. you completed a New business application instead of a Term Switch change form), you will need to resubmit with the correct application.

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