

Large Case Underwriting at RBC Life Insurance



Insurance

FOR ADVISOR USE ONLY

For use in cases \$10,000,000 and above or any amount where the policy will be used as collateral to borrow funds.

As part of your submission a cover letter must be included, and contain the following information:

1. A description of the purpose of insurance. Sales concepts, such as Immediate Financing Arrangements or other asset-backed lending to potentially obtain tax benefits, cannot be the main purpose for buying an insurance policy or justification of the face amount.
2. The relationship between the owner and beneficiary to the proposed insured(s). If the policy owner and/or beneficiary is not overtly related to the proposed insured(s), *such as a nominee company*, provide the details/rationale for this structure and interested parties involved.
3. If the policy covers a business need, provide an organization chart or the relationship between all companies involved in the insurance need as well as the proposed insured(s) ownership share in all companies involved in determining the face amount.
4. The source of the funds to pay the premium. The applicant must be able to afford the premium in absence of any lending against policy values.

Premium Suitability:

	Maximum Premium Ratio
Gross Annual Income (all sources)	20-30% of annual premium
-OR-	
Net Worth	30% of total premium for the first 5 years

5. A breakdown of Income (employment income, passive income, dividends, etc.) and Net Worth including the types and amounts of liquid and non-liquid assets.

Financial Underwriting Requirements:

Corporate financial statements (all holding and operating companies) for the last 2 years if the face amount has been determined using a business need
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6. The purpose and amounts of all existing and pending life insurance as well as the identification of any that will be replaced or abandoned by the current request.
7. The intended lending institution, if the applicant intends to borrow funds using the policy as collateral.

If a single lending institution has not been decided on, provide all those in consideration.

Acceptable lending institutions for RBC Life Insurance:

Canadian Schedule One Banks (see cba.ca/member-banks)
Provincially Regulated Credit Unions

8. Will any collateral/absolute assignments (movable hypothec in Quebec) or changes of ownership/ beneficiary occur during the underwriting process or after issue?
Note: RBC Life Insurance tracks and monitors post issue policy assignments and changes to the owner or beneficiary.
9. If borrowing against the policy, provide details on any addition collateral requirements (or indicate that none are required).
10. If the policy is to be used as collateral for borrowing funds, indicate how will the borrowed funds will be used?

Please include any other relevant supporting documentation.

Providing the above information will help us assess your case quicker.