

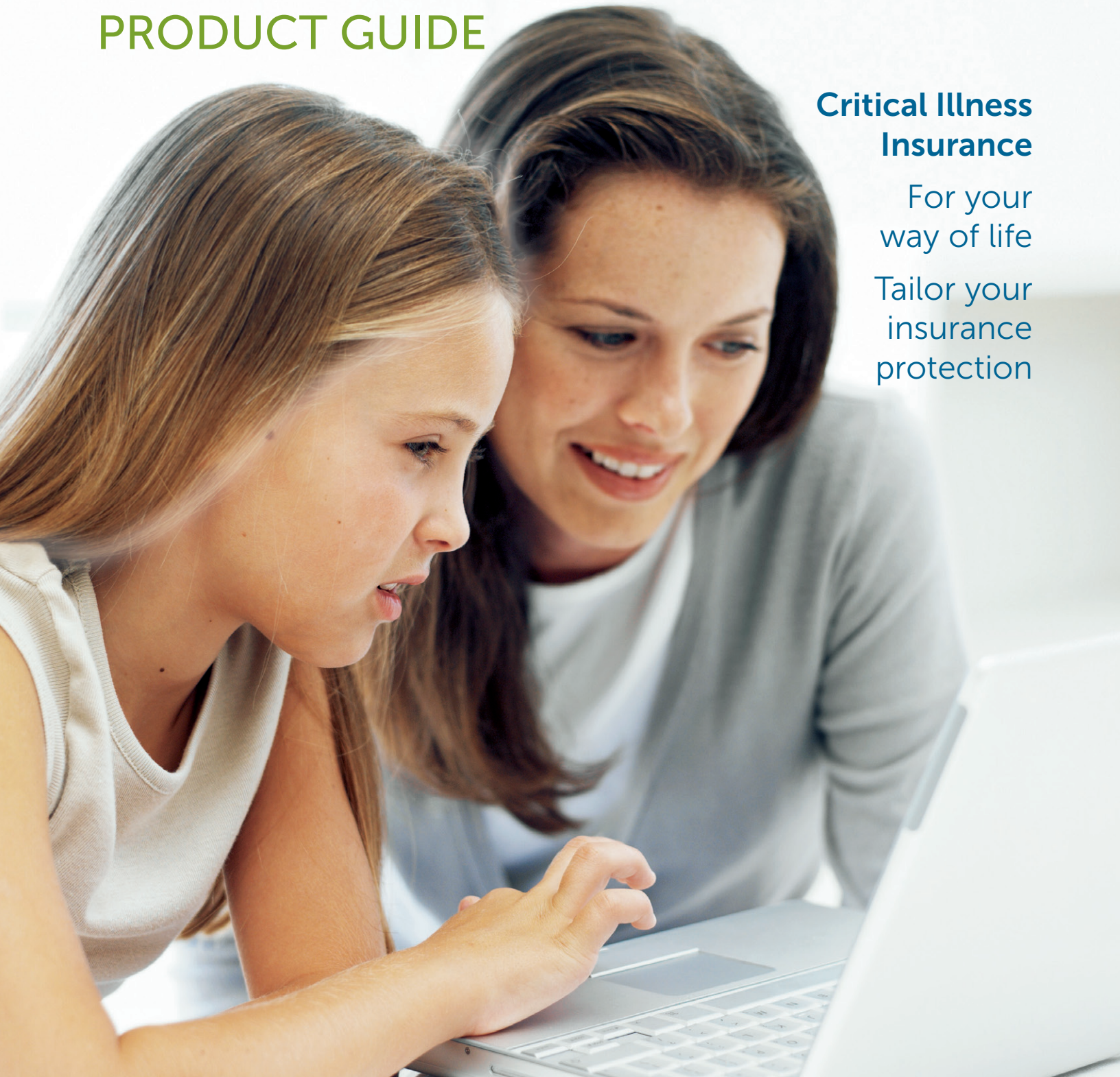
VITALLINK[®]

PRODUCT GUIDE

Critical Illness Insurance

For your
way of life

Tailor your
insurance
protection



FOR ADVISOR USE ONLY



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Vital Link Options

Vital Link offer one comprehensive coverage plan with 23 covered conditions including the most common illness such as Heart Attack, Stroke and Life-Threatening Cancer.

Covered Conditions

Vital Link	
Alzheimer's Disease	Loss of Limbs*
Aortic Surgery	Loss of speech*
Benign Brain Tumour	Major Organ Failure on Waiting List*
Blindness*	Major Organ Transplant*
Cancer (Life Threatening)	Motor Neuron Disease*
Coma*	Multiple Sclerosis*
Coronary Artery Bypass Surgery	Occupational HIV Infection*
Deafness*	Paralysis*
Heart Attack	Parkinson's Disease
Heart Valve Replacement	Severe Burns*
Kidney Failure*	Stroke*
Loss of Independent Existence	

* Indicates conditions that incorporate the industry-adopted benchmark definitions.

VITAL LINK IN ACTION

Having a heart attack is still one of the most predominant critical illnesses today with over 15% of all claims being attributed to this life-altering condition. Vital Link compliments its existing cardiac coverage by including Aorta Surgery and Heart Valve Replacement.

Premium options and insured conditions

Vital Link 10 — 10-Year Renewable Term (renewable to age 75) with coverage for 23 illnesses

Vital Link 75 — Level Term to age 75 with coverage for 23 illnesses

Vital Link 100 — Level to age 100 with coverage for 23 illnesses

Issue ages

Age nearest 18 to 65 years

Issue amounts

Minimum face amount: \$25,000

Maximum face amount: \$2,000,000

For business owners: 5 X salary, or 3 X salary plus annual bonus

Non-working spouse: 3 X spouse's income

University student: \$100,000 if not working; \$250,000 if working

Maximum face amount is limited to the sum of all critical illness insurance in-force with any company and is subject to financial needs underwriting guidelines for this product.

Premium guarantee

- Vital Link premium rates are fully guaranteed for the term of the coverage

Underwriting classifications

- Smoker and non-smoker premium rates



Premium bands

Band 1: \$25,000–\$99,999

Band 2: \$100,000–\$249,999

Band 3: \$250,000–\$2,000,000

Annual administration fees

- \$50 per policy
- \$0 if added as a rider to any eligible plan

Return of Premium at Death benefit (ROP)

ROP at Death benefit is included in all Vital Link Plans at no additional cost.

Death benefit payable to the beneficiary will be the sum of all Vital Link premiums paid including administration fees and substandard extras, but excluding premiums paid for other riders or additional benefits.

No administration fee is charged if Vital Link is a rider, therefore the administration fee is not included in the return of premium calculation.

Any reduction in the sum insured will reduce the benefit amount paid.

VITAL LINK IN ACTION

Multi-life coverage is a cost-effective way to cover a family, or up to two business partners under one policy. This means your clients could purchase critical illness insurance, and take advantage of paying only one policy fee.

Return of Premium at Expiry on Vital Link 100

The Return of Premium at Expiry (ROPE) benefit is included in the base plan of the Vital Link 100.

The ROPE will automatically return premiums paid to the Owner on the expiry date of the Vital Link 100 Critical Illness Coverage (age 100) for the Person Insured. The ROPE will be the sum of all Vital Link premiums paid including administration fees and substandard extras but excludes other riders or additional benefits.

No administration fee is charged if Vital Link is a rider, therefore the administration fee is not included in the return of premium calculation.

Any reduction in the sum insured will reduce the benefit amount paid.

Multi-life Coverage

- Up to 2 lives on the same policy
- ROP Riders may be applied to one or both coverages

Substandard extras

Substandard premiums can be applied as either table extras or flat extras.

Table extras are based on Band 2 premiums.



Conversion rights

- Vital Link 10 to Vital Link 75
- Vital Link 10 to Vital Link 100
- Vital Link 75 to Vital Link 100

The above conversion options are available up to age 65. The value of the Return of Premium (ROP) at Death benefit is carried over to the new coverage at time of conversion.

If the existing coverage has a Policy Anniversary ROP or a ROP on Surrender rider, the same ROP rider can be carried over to the new coverage up to age 55 and the ROP value on the original rider will be carried over to the new coverage. The wait period for the ROP rider on the new coverage will reset at conversion, meaning the new coverage must be in force for a minimum of 10 years from the date of conversion before a surrender of premiums is allowed.

A new or different ROP rider may be added at time of conversion up to age 55, subject to underwriting approval. Only premiums paid after the conversion date will be taken into account when calculating the value of the ROP rider and the new coverage must be in force for a minimum of 10 years before a surrender of premiums is allowed.

The new coverage will have the same covered conditions and definitions provided under the existing coverage at time of conversion.

Built-In Benefits

Non Life-Threatening Illness Benefit

Illnesses like Ductal Carcinoma in situ of the breast, Early (Stage T1a or T1b) Prostate Cancer, Angioplasty and HIV-related Cancer are not a fatal as they once were. Vital Link's Non Life-Threatening Illness Benefit pays 25% of the policy face amount up to \$25,000. This benefit will help your client deal with the financial strain of living with a critical illness.

VITAL LINK IN ACTION

When someone is affected by a critical illness, they want “the best of the best” knowledge available to help them recover. That’s why Vital Link includes medical concierge services. From ensuring the correct diagnosis, to finding the right specialist, to managing the details of care, providing the right information when it matters most.

The benefit will pay 25% of face amount to a maximum of \$25,000 for ALL Critical Illness Coverages in force. This benefit is in addition to the face amount and the sum insured is not reduced by this payout. The benefit covers the following:

- Ductal Carcinoma in situ of the breast
- Early (Stage T1a or T1b) Prostate Cancer
- Angioplasty to cover one occurrence to a maximum benefit of \$10,000.
- HIV-related Cancer

Following is a review of the conditions as stated in the contract. Note that the policy wording is the governing definition when it comes to determining the validity of a claim.

A Non Life-Threatening illness benefit payable on the first occurrence of each following conditions:

1. **Early (Stage T1a or T1b) Prostate Cancer**
2. **Ductal Carcinoma in situ of the breast** – diagnosis must be made by a pathologist and confirmed by a biopsy.
3. **Coronary Artery Blockage** – the undergoing of coronary angioplasty/stenting, which is a medically necessary non-surgical interventional procedure to unblock and widen a vessel to allow an uninterrupted flow of blood and oxygen to the heart.
4. **HIV related cancer** – Any tumour in the presence of any human immunodeficiency virus (HIV).

The insured person must:

- be diagnosed
- survive the waiting period, and
- meet the other terms of their contract.

This benefit is not available for cancers diagnosed in the first 90 days of the contract.

Medical Concierge Services

There are hundreds of different conditions, thousands of possible diagnoses, and different doctors may suggest different treatments. At a time of medical crisis, Vital Link will give you more than just your benefit money. Being diagnosed with a critical illness is devastating. It seems there is so much that you don't know. Empire Life offers their medical concierge services through MedExtra Inc. to help you:



- ✓ get the right diagnosis the first time
- ✓ answer your questions about your condition
- ✓ find the right physician to treat your condition
- ✓ determine the right care provider for your specific condition
- ✓ monitor your treatment process

Even if your doctor only suspects you have a covered condition, access to our concierge service at no additional cost is still available.

MedExtra is a physician lead Canadian organization which has been helping people to resolve their health problems and help Canadians get the care needed to overcome gaps in Canadian healthcare today. Three services available through MedExtra include Rule-Out Critical Illness, Remote Second Opinion and Critical Illness Care Management.

Information at the right time...

Rule-Out Critical Illness

Critical illnesses can take weeks, even months to diagnose. The waiting for appointments, specialists and tests can be the most difficult period for individuals and families to suffer through, waiting to know more. Rule-Out Critical Illness provides support, information and guidance to accelerate the definitive diagnosis of a covered condition. These pre-diagnosis services may include:

- Identify testing required to arrive at a diagnosis
- Coordinate with treating physician to obtain requisition for necessary testing
- Arrange diagnosis testing
- Obtain and discuss results with client
- Create a Medical Action Plan
- Arrange any available advanced testing[†] for diagnosis and staging
- Provide ongoing psycho-social and emotional support throughout the entire process.

[†]In some cases, private options may be available and can be accessed at the discretion of the user. Any fees for private services not covered by provincial health plans are not covered under this policy, and are the responsibility of the user. Please verify with your health plan to verify what may be covered or reimbursed.

Remote Second Opinion

Once a diagnosis is made, many questions and uncertainty can arise. Most Canadians do not want to go through the trouble of finding a different physician or travel to another country to start the whole process all over again. MedExtra's Remote Second Opinion allows each case to be thoroughly reviewed by top specialists in Canada, at US Centres of Excellence or Worldwide to confirm diagnosis and to suggest the most up to date treatment plan or alternate treatments. MedExtra's team works closely with each client and their medical team, as the client wishes. The review may include:

- Review of imaging studies by independent radiologist
- Retest pathology
- File review at top Canadian or U.S. institutions
- For highly specialized cases – work with world eminent specialists
- Provide report to the patient and their treating physician, at the client's discretion

Critical Illness Care Management

Knowing that there is support throughout the entire process from diagnosis to treatment is invaluable. Having high level professional assistance underpinned by robust administrative support gives that priceless piece-of-mind to help throughout the treatment and recovery period. These services which provide support throughout the different stages of a critical illness may include:

- Ongoing psycho-social support
- Assistance and healthcare navigation
- Crafting of additional questions for the client's treating physicians
- Liaison with treating physicians and other medical professionals throughout treatment, recovery and follow up
- Assistance with your health insurance carrier and Health Canada should you require non-formulary medications
- Booking of appointment and liaison with specialists locally, across Canada or abroad

Preferred Annuity Guarantee

Exclusive to
Empire Life

When your clients suffer a serious illness and are eligible for a critical illness benefit, the financial worry doesn't always stop there. When so much money is paid all at once, not all clients are financially responsible when it comes to budgets and creating an effective income with their money.

Empire Life offers an exclusive new benefit that guarantees your clients the ability to convert all or part of their critical illness benefit into a life annuity with a 5% income bonus - no questions or hassles.

Your client must be the annuitant, be eligible to receive the critical illness benefit and satisfy any limitations, restrictions and conditions applicable to the purchase of a life annuity from Empire Life.



Return of Premium Riders

If your client owns a Vital Link policy, and does not become ill, they could receive all of their premiums back by choosing to take advantage of one of two Return of Premium Options.

By selecting a Return of Premium option, your clients have made an excellent investment in both their financial independence and security. Here’s how they work:

Return of Premium (ROP) at Maturity/Surrender Rider for Vital Link 10, Vital Link 75 and Vital Link 100

Issue ages: age nearest 18 to 55 years

Maturity benefit is payable to the owner in the sum of all Vital Link premiums paid including premiums for the ROP rider, administration fees, substandard extras and waived premiums but does not include other riders or additional benefits.

No administration fee is charged if Vital Link is a rider, therefore rider cost only is included in the return of premium calculation.

Any reduction in the sum insured will reduce the benefit amount paid.

Must be selected at time of application.

Policy must be in force for a minimum of 10 years, with a minimum age of 60, in order to exercise this option.

Early payout options

- Optional return of premiums at surrender (see table)

ROP Early Payout Factors	
Age	% Premiums Returned
60 – 64	70%
65 – 69	80%
70 – 74	90%
75+	100%

VITAL LINK IN ACTION

Policy Anniversary return of Premium is ideal for clients who would like their plan to be on the fast track for a premium payback. Your client is eligible for 50% premium payback at 10 years growing proportionally to 100% after 15 years and every year thereafter for life.

Policy Anniversary Return of Premium for Vital Link 10, Vital Link 75 & Vital Link 100

Issue Ages: age nearest 18–55 years

Policy anniversary return of premium is payable to the owner in the sum of all Vital Link premiums paid, including all premiums paid for the Policy Anniversary Return of Premium, administration fees, substandard extras and waived premiums but excludes other riders or additional benefits.

No administration fee is charged if Vital Link is a rider, therefore rider cost only is included in the return of premium calculation.

Any reduction in the sum insured will reduce the benefit amount paid.

Must be purchased at time of application.

Option Dates (Policy Anniversary)	Premium Payback Benefit (% of eligible premium)
10 th +	50%
11 th +	60%
12 th +	70%
13 th +	80%
14 th +	90%
15 th +	100%



Reduction in Coverage Amount for:

Return of Premium at Maturity (Vital Link 10 and Vital Link 75) Return of Premium on Surrender (Vital Link 100)

If your client would like to reduce the amount of their Vital Link coverage the Policy Owner must submit a written request to Empire’s Head Office. If the request is made on or after the later of the Insured reaching Insurance Age 60, or the 10th policy anniversary of the Vital Link coverage, a partial Return of Premium Benefit will be paid to the Owner.

The benefit payable will be calculated based on the premiums paid for the amount of the reduced Sum Insured and the Percentage of Premiums Paid as outlined below:

Attained Insurance Age of Person Insured	Percentage of Premiums Paid
60 – 64	70%
65 – 69	80%
70 – 74	90%
75+	100%

The premiums paid portion of the Return of Premium Benefit will be reduced by the premiums attributable to any amounts of the Sum Insured that were previously reduced.

Policy Anniversary Return of Premium

If your client would like to reduce the amount of their Vital Link coverage the Policy Owner must submit a written request to Empire’s Head Office. If the request is made on or after the 10th policy anniversary of the Vital Link coverage, a partial Return of Premium Benefit will be paid to the Owner.

VITAL LINK IN ACTION

Owning your own business can be a rewarding experience. It can also be devastating if you become critically ill. If the business owner, or partner, is ill the business may suffer. Vital Link can play a valuable role in the survival of the company. If a key person becomes ill, Vital Link can satisfy creditors and cover the cost of hiring a replacement.

The benefit payable will be calculated based on the premiums paid for the amount of the reduced Sum Insured and the Percentage of Premiums Paid as outlined below:

Critical Illness Anniversary Year	Percentage of Premiums Paid
Less than 10	0%
Greater than or equal to 10 but less than 11	50%
Greater than or equal to 11 but less than 12	60%
Greater than or equal to 12 but less than 13	70%
Greater than or equal to 13 but less than 14	80%
Greater than or equal to 14 but less than 15	90%
Greater than or equal to 15	100%

The premiums paid portion of the Policy Anniversary Return of Premium Benefit will be reduced by the premiums attributable to any amounts of the Sum Insured that were previously reduced.

Reduction in coverage example for:

Return of Premium at Maturity/Surrender and Policy Anniversary Return of Premium

Current Face Amount.....	\$750,000.00
Annual Premium:.....	\$12,787.50
Total Premiums to Date	\$191,812.50
Policy Year	
(eligible for 100% return of premium)*	15
New Face Amount	\$500,000.00
Reduction in Face of:	\$250,000.00
Partial ROP Benefit Payout.....	\$63,937.50
Remaining balance of premiums paid	\$127,875.00

Note: policy fee is not proportioned and is paid out on full redemption.

*For Return of Premium at Maturity/Surrender: policy must be in force for a minimum of 10 years, with a minimum age of 60, in order to exercise the Return of Premium option. At 75 the insured is eligible for 100% of premiums paid.



Additional Benefits

Children’s Critical Illness Rider

Covers the following 15 illnesses:

Autism	Kidney Failure
Benign Brain Tumour	Life-Threatening Cancer
Blindness	Major Organ Failure On A Waiting List
Cerebral Palsy	Major Organ Transplant
Cystic Fibrosis	Muscular Dystrophy
Deafness	Paralysis
Type 1 Diabetes Mellitus	Specific Congenital Defects
Down’s Syndrome (Chromosome 21)	

- Family rider covers all eligible children to a maximum of \$50,000 per child.
- Eligible children include natural born children, adopted children and stepchildren. All living children will be underwritten at issue. Adopted children and stepchildren are underwritten when added to the rider.
- Any children born within 10 months of the effective date of the rider are fully excluded from coverage if any covered condition is diagnosed within 30 days of birth.
- Once the 10 months from issue has expired, all other natural born children are covered from birth without underwriting, at no additional cost.
- All contracts have a 30-day survival period following diagnosis of a critical illness. In addition, the child must survive for 30 days after birth in order to qualify for benefits.
- Coverage is provided to the child’s age 21 (age 25 in the case of a full time student who is wholly dependent on the parent for support).
- Rider expires at the policyholder’s (parent’s) age of 75, regardless of the age of any covered children.
- Definitions for these illnesses can be found on pg. 21 of this Product Guide.

VITAL LINK IN ACTION

A critically ill child is something none of us wants to consider. Taking time off work to care for a sick child may not be possible unless financial plans are in place. Vital Link's Children's Critical Illness Rider can help.

Children's Life Rider

Provides life insurance protection to each child in the family for one inclusive premium. Additional children are automatically covered, with no increase in premium, after they reach the age of 15 days.

- **Issue Ages:** 15 days to age 17
- Minimum coverage is \$1,000; maximum coverage \$25,000
- Coverage expires at age 21

Disability Waiver

If your client has a qualifying disability claim, their Vital Link premiums will be waived.

Issue ages: 16–55

Benefit Duration:

Prior to age 60 premiums are waived for the duration of the disability.

Between age 60 to 65 the premiums are waived during the disability to age 65 or two years, whichever is longer.

Premiums are waived if the payer is disabled due to sickness or accident for more than four months (120 days).

Premium payments made during the waiting period are refunded, including any eligible portion of an annual premium.

Premiums are based on payer's age at the time of issue and are a percentage of the total annual premium for the policy.

Accidental Death and Dismemberment (AD&D)

Accidental Death & Dismemberment (AD&D) insurance provides protection against financial hardships that accompany sudden accidental death or dismemberment. AD&D insurance is a special form of insurance offering an extra layer of protection at affordable rates to your client's Vital Link policy.

Issue ages: 16-55 with renewal to age 70.

Maximum is the total sum insured on the base policy up to \$250,000.



Covered Illnesses

Following is a review of the covered conditions as stated in the contract. **Note that the policy wording is the governing definition when it comes to determining the validity of a claim.**

Diagnosis shall mean the certified Diagnosis of a Critical Illness or a Non Life-Threatening Illness by a Physician. The Diagnosis must be based on a specific event occurring after the later of the effective date or the last reinstatement date of the Critical Illness Coverage or as noted for a Critical Illness;

Vital Link Critical Illness Definitions

The Critical Illness Sum Insured shall be payable on the first to occur of the following conditions:

Alzheimer's Disease shall mean the definite Diagnosis of a progressive degenerative disease of the brain. The Person Insured must exhibit the loss of intellectual capacity involving impairment of memory and judgement, which results in a significant reduction in mental and social functioning such that the Person Insured requires a minimum of eight (8) hours of daily supervision. The Diagnosis of Alzheimer's Disease must be made by a Specialist. All other dementing organic brain disorders and psychiatric illnesses are excluded from coverage;

Aortic Surgery shall mean the undergoing of Surgery for disease of the aorta, requiring excision and surgical replacement of the diseased aorta with a graft. Aorta refers to the thoracic and abdominal aorta but not its branches. The Surgery must be determined to be medically necessary by a Specialist;

Benign Brain Tumour shall mean the definite Diagnosis of a non-malignant tumour located in the cranial vault and limited to the brain, meninges, cranial nerves or pituitary gland. The tumour must require surgical or radiation treatment or cause irreversible objective neurological deficit(s). The Diagnosis of Benign Brain Tumour must be made by a Specialist.

Pituitary adenomas less than 10 mm are excluded from coverage.

VITAL LINK IN ACTION

LOSS OF INDEPENDENCE, Empire's answer to Long Term Care, is an important feature of Vital Link because it could provide critical illness coverage outside the parameters of most CI conditions. For example, someone who has Rheumatoid Arthritis or AIDS could be physically impaired to the point that they may qualify under Loss of Independence for benefits.

A Critical Illness Benefit will NOT be payable for this Insured Condition if a Diagnosis of Benign Brain Tumour is made within the first 90 days following the later of the effective date of the Critical Illness Coverage or the effective date of the last reinstatement of the Critical Illness Coverage. A Critical Illness Benefit will NOT be payable if, within the first ninety (90) days following the later of the effective date of the Critical Illness Coverage or the effective date of the last reinstatement of the Critical Illness Coverage the Person Insured has any signs, symptoms or investigations that lead to a Diagnosis of Benign Brain Tumour. Coverage for all other non-related Critical Illnesses will continue.

If the Critical Illness Coverage was issued as a result of exercising a conversion privilege on a previously issued Critical Illness Coverage, the effective date that will apply to the ninety (90) day exclusion period for Benign Brain Tumour will be within the first ninety (90) days following the later of the effective date of the Critical Illness Coverage or the effective date of the last reinstatement of the previously issued Critical Illness Coverage.

The Owner and all Persons Insured have an obligation to disclose any information to the Company about Benign Brain Tumours Diagnosed within the first ninety (90) days following the later of the effective date or the effective date of the last reinstatement of the Critical Illness Coverage. The Owner and all Persons Insured also have an obligation to disclose any information about signs, symptoms or investigations that lead to a Diagnosis of Benign Brain Tumour within the first ninety (90) days following the later of the effective date or the effective date of the last reinstatement of the Critical Illness Coverage.

The information must be disclosed to the Company, in writing, within six (6) months of Diagnosis. The Company has the right to deny ANY claim under the Critical Illness Coverage if there is a failure to disclose this information to the Company in the prescribed time and manner;

Blindness shall mean the definite Diagnosis of the total and irreversible loss of vision in both eyes, evidenced by:

- a) the corrected visual acuity being 20/200 or less in both eyes; or
- b) the field of vision being less than 20 degrees in both eyes.

The Diagnosis of Blindness must be made by a Specialist;

Cancer (Life Threatening) shall mean a definite Diagnosis of a tumour characterized by the uncontrolled growth and spread of malignant cells and the invasion of tissue. The Diagnosis of Cancer must be made by a Specialist.

The following forms of cancer are specifically excluded from coverage:

- a) carcinoma in situ;
- b) Stage 1A malignant melanoma (melanoma less than or equal to 1.0 mm in thickness, not ulcerated and without Clark level IV or level V invasion);
- c) any non-melanoma skin cancer that has not metastasized; or
- d) Stage A (T1a or T1b) prostate cancer;

A Critical Illness Benefit will NOT be payable for Cancer if a Diagnosis of Cancer for the Person Insured (whether covered or excluded) is made within the first ninety (90) days following the later of the effective date of the Critical Illness Coverage or the effective date of the last reinstatement of the Critical Illness Coverage. A Critical Illness Benefit will NOT be payable if, within the first ninety (90) days following the later of the effective date of the Critical Illness Coverage or the effective date of the last reinstatement of the Critical Illness Coverage, the Person Insured has any signs, symptoms or investigations that lead to a Diagnosis of Cancer (covered or excluded under the policy) regardless of when the Diagnosis is made. Coverage for all other non-related Critical Illnesses will continue.

If the Critical Illness Coverage was issued as a result of exercising a conversion privilege on a previously issued Critical Illness Coverage, the effective date that will apply for the ninety (90) day exclusion period for Cancer will be the first ninety (90) days following the later of the effective date of the previously issued Critical Illness Coverage or the effective date of the last reinstatement of the previously issued Critical Illness Coverage.

The Owner and all Persons Insured have an obligation to disclose any information to the Company about cancers Diagnosed within ninety (90) days following the later of the effective date of a Critical Illness Coverage or the effective date of the last reinstatement of a Critical Illness Coverage. The Owner and all Persons Insured also have an obligation to disclose any information about signs, symptoms or investigations that commenced within the first ninety (90) days following the later of the effective date of a Critical Illness Coverage or the effective date of the last reinstatement of a Critical Illness Coverage and results in the Diagnosis of any type of cancer.

The information must be disclosed to the Company, in writing, within six (6) months of Diagnosis. The Company has the right to deny ANY claim under the Critical Illness Coverage if there is a failure to disclose this information to the Company in the prescribed time and manner;

Coma shall mean the definite Diagnosis of a state of unconsciousness with no reaction to external stimuli or response to internal needs for a continuous period of at least 96 hours, and for which period the Glasgow coma score must be 4 or less. The Diagnosis of Coma must be made by a Specialist. Medically induced comas, a coma which results directly from alcohol or drug use or a Diagnosis of brain death is excluded from coverage;

Coronary Artery Bypass Surgery shall mean the undergoing of heart Surgery to correct narrowing or blockage of one or more coronary arteries with bypass graft(s) excluding any non-surgical or trans-catheter techniques such as balloon angioplasty or laser relief of an obstruction. The Surgery must be determined to be medically necessary by a Specialist;

Deafness shall mean the definite Diagnosis of the total and irreversible loss of hearing in both ears, with an auditory threshold of 90 decibels or greater within the speech threshold of 500 to 3,000 hertz. The Diagnosis of Deafness must be made by a Specialist;

Heart Attack shall mean the definite Diagnosis of the death of heart muscle due to obstruction of blood flow, that results in the rise and fall of biochemical cardiac markers to levels considered diagnostic of myocardial infarction, with at least one of the following:

- a) heart attack symptoms;
- b) new electrocardiogram (ECG) changes consistent with a heart attack;
- c) development of new Q waves during or immediately following an intra-arterial cardiac procedure including, but not limited to, coronary angiography and coronary angioplasty.

The Diagnosis of Heart Attack must be made by a Specialist.

Heart Attack does not include:

- a) ECG changes suggesting a prior myocardial infarction, which do not meet the Heart Attack definition as described above; or
- b) elevated biochemical cardiac markers as a result of an intra-arterial cardiac procedure including, but not limited to, coronary angioplasty and coronary angiography, in the absence of new Q waves.

Heart Valve Replacement shall mean the undergoing of Surgery to replace any heart valve with either a natural or mechanical valve. The Surgery must be determined to be medically necessary by a Specialist. Heart valve repair is excluded from coverage;

Kidney Failure shall mean the definite Diagnosis of chronic irreversible failure of both kidneys to function, as a result of which regular haemodialysis, peritoneal dialysis, or renal transplantation is initiated. The Diagnosis of Kidney Failure must be made by a Specialist;

Loss of Independent Existence shall mean the definite Diagnosis, of the total inability to perform, by oneself, at least two (2) of the Activities of Daily Living (as defined below) or Cognitive Impairment (as defined below) for a continuous period of at least 90 days with no reasonable chance of recovery. The Diagnosis of Loss of Independent Existence must be made by a Specialist.

"Cognitive Impairment" is defined as mental deterioration and loss of intellectual ability, evidenced by deterioration in memory, orientation and reasoning, which are measurable and result from demonstrable organic cause as Diagnosed by a Specialist. The degree of Cognitive Impairment must be sufficiently severe as to require a minimum of 8 hours of daily supervision. Determination of a Cognitive Impairment will be made on the basis of clinical data and valid standardized measures of such impairments.

Activities of Daily Living are:

- a) Dressing — the ability to put on and remove necessary clothing including braces, artificial limbs, or other surgical appliances;
- b) Transferring — the ability to move in and out of a bed, chair or wheelchair with or without the use of equipment;
- c) Feeding — the ability to consume food or drink that has already been prepared and made available, with or without the use of adaptive utensils;
- d) Toileting — the ability to get on and off the toilet, and maintain personal hygiene;
- e) Bladder and Bowel Continence — the ability to manage bowel and bladder function with or without protective undergarments or surgical appliances so that a reasonable level of hygiene is maintained;
- f) Bathing — the ability to wash oneself in a bathtub, shower or by sponge bath, with or without the aid of equipment.

A mental or nervous disorder without a demonstrable organic cause is excluded from coverage.

Loss of Limbs shall mean a definite Diagnosis of the complete severance of two or more limbs at or above the wrist or ankle joint as the result of an accident or medically required amputation. The Diagnosis of Loss of Limbs must be made by a Specialist;

Loss of speech shall mean the definite Diagnosis of the total and irreversible loss of the ability to speak as the result of physical injury or disease, for a period of at least one hundred and eighty (180) days. The Diagnosis of Loss of Speech must be made by a Specialist.

All psychiatric related causes are excluded from coverage;

Major Organ Failure on Waiting List shall mean a definite Diagnosis of the irreversible failure of the heart, both lungs, liver, both kidneys or bone marrow, and transplantation must be medically necessary. To qualify under Major Organ Failure on Waiting List, the Person Insured must become enrolled as the recipient in a recognized transplant centre in Canada or the United States that performs the required form of transplant Surgery. For purposes of the Waiting Period, the date of Diagnosis is the date of the Person Insured's enrolment in the transplant centre. The Diagnosis of the major organ failure must be made by a Specialist;

Major Organ Transplant shall mean the definite Diagnosis of the irreversible failure of the heart, both lungs, liver, both kidneys or bone marrow and transplantation must be medically necessary. To qualify under Major Organ Transplant, the Person Insured must undergo a transplantation procedure as the recipient of a heart, liver, lung, kidney, or bone marrow, and limited to these entities. The Diagnosis of the major organ failure must be made by a Specialist;

Motor Neuron Disease shall mean the definite Diagnosis of one of the following:

- a) Amyotrophic Lateral Sclerosis (ALS or Lou Gehrig's Disease);
- b) Primary Lateral Sclerosis;
- c) Progressive Spinal Muscular Atrophy;
- d) Progressive Bulbar Palsy; or
- e) Pseudo Bulbar Palsy,

and limited to these conditions.

The Diagnosis of Motor Neuron Disease must be made by a Specialist;

Multiple Sclerosis shall mean the definite Diagnosis of at least one of the following:

- a) Two or more separate clinical attacks, confirmed by magnetic resonance imaging (MRI) of the nervous system, showing multiple lesions of demyelination; or
- b) well-defined neurological abnormalities lasting more than six (6) months, confirmed by MRI imaging of the nervous system, showing multiple lesions of demyelination; or
- c) A single attack, confirmed by repeated MRI imaging of the nervous system, which shows multiple lesions of demyelination which have developed at intervals at least one month apart.

The Diagnosis of Multiple Sclerosis must be made by a Specialist;

Occupational HIV Infection shall mean the definite Diagnosis of infection with Human Immunodeficiency Virus (HIV) resulting from an accidental injury during the course of the Person Insured's normal occupation, which exposed the person to HIV contaminated body fluids.

The accidental injury leading to the infection must have occurred after the later of the effective date of the Critical Illness Coverage, or the effective date of the last reinstatement of the Critical Illness Coverage.

Payment under this Insured Condition requires satisfaction of ALL of the following:

- a) the accidental injury must be reported to the Company within 14 days of the accidental injury;
- b) A serum HIV test must be taken within 14 days of the accidental injury and the result must be negative;
- c) A serum HIV test must be taken between 90 and 180 days after the accidental injury and the result must be positive;
- d) All HIV tests must be performed by a duly licensed laboratory in Canada or the United States;
- e) The accidental injury must have been reported, investigated and documented in accordance with current Canadian or United States workplace guidelines.

The Diagnosis of Occupational HIV Infection must be made by a Specialist.

No Critical Illness Benefit will be payable if:

- a) the Person Insured has elected not to take any available licensed vaccine offering protection against HIV; or
- b) a licensed cure for HIV infection has become available prior to the accidental injury; or
- c) HIV infection has occurred as a result of non-accidental injury including, but not limited to, sexual transmission and intravenous (IV) drug use;

Paralysis shall mean the definite Diagnosis of the total loss of muscle function of two or more limbs as a result of injury or disease to the nerve supply of those limbs, for a period of at least ninety (90) days following the precipitating event. The Diagnosis of paralysis must be made by a Specialist;

Parkinson's Disease shall mean the Diagnosis by a Physician certified as a neurologist of primary idiopathic Parkinson's Disease and characterized by the clinical manifestation of two or more of the following:

- a) Rigidity;
- b) Tremor; and
- c) Bradykinesis

All other types of Parkinsonism are excluded from coverage;

Severe Burns shall mean the definite Diagnosis of third degree burns over at least 20% of the body surface. The Diagnosis of Severe Burns must be made by a Specialist;

Stroke (Cerebrovascular Accident) shall mean a definite Diagnosis of an acute cerebrovascular event caused by intra-cranial thrombosis or haemorrhage, or embolism from an extra-cranial source, with:

- a) acute onset of new neurological symptoms; and
- b) new objective neurological deficits on clinical examination,

persisting for more than thirty (30) days following the date of Diagnosis. These new symptoms and deficits must be corroborated by diagnostic imaging testing. The Diagnosis of Stroke must be made by a Specialist.

Specifically excluded from coverage are;

- a) Transient Ischemic Attacks (TIA); or
- b) Intracerebral vascular events due to trauma; or
- c) Lacunar infarcts that do not meet the definition of Stroke as described above;

Children’s Critical Illness Rider Definitions

For more information about this rider please refer to pg. 13 of this Product Guide.

Childhood Illnesses

The following 15 conditions are covered on the Children’s Critical Illness rider:

Autism	Kidney Failure *
Benign Brain Tumour	Life-Threatening Cancer
Blindness *	Major Organ Failure On A Waiting List *
Cerebral Palsy	Major Organ Transplant *
Cystic Fibrosis	Muscular Dystrophy
Deafness *	Paralysis *
Diabetes Type 1	Specific Congenital Defects
Down’s Syndrome (Chromosome 21)	

*Please refer to the adult plan for the definition

The conditions/definitions below are covered on the Children’s Critical Illness rider only and are not part of the adult plan.

Autism shall mean an organic defect in brain development characterised by failure to develop communicative language or other forms of social communication, with the Diagnosis confirmed by a specialist.

Benign Brain Tumour shall mean a benign tumour arising from the brain or meninges. The histologic nature of the tumour must be confirmed by examination of tissue (biopsy or surgical excision). Tumours of the bony cranium and pituitary microadenomas (less than 10 mm in diameter) are excluded from coverage.

A Critical Illness Benefit will NOT be payable for this Insured Condition if a Diagnosis of Benign Brain Tumour is made within ninety (90) days of the effective date or any reinstatement date of a Child’s Critical Illness Coverage. A Critical Illness Benefit will NOT be payable if, within ninety (90) days of the effective date or any reinstatement date of the Child’s Critical Illness Coverage, any signs or symptoms of medical problems, or medical consultations or tests commenced and resulted in the Diagnosis of Benign Brain Tumour. Coverage for all other non-related Critical Illnesses will continue.

The Owner and all Persons Insured have an obligation to disclose any information to the Company about Benign Brain Tumours Diagnosed within ninety (90) days of the effective date or any reinstatement date of the Children’s Critical Illness Rider. The Owner and all Persons Insured also have an obligation to disclose any information about:

- i) signs or symptoms of medical problems; and
- ii) medical consultations or tests

that commenced within ninety (90) days of the effective date or any reinstatement date of the Children’s Critical Illness Rider and results in the Diagnosis of Benign Brain Tumour.

The information must be disclosed to the Company, in writing, within six (6) months of Diagnosis. The Company has the right to deny ANY claim under the Children’s Critical Illness Rider for that Child if there is a failure to disclose this information to the Company in the prescribed time and manner.

Cerebral Palsy shall mean a definitive Diagnosis of definite Cerebral Palsy, a non-progressive neurological defect characterized by spasticity and incoordination of movements;

Cystic Fibrosis shall mean an unequivocal Diagnosis of Cystic Fibrosis which is a hereditary disorder affecting the exocrine glands, resulting in chronic lung disease and pancreatic insufficiency.

Down’s Syndrome shall mean an unequivocal Diagnosis of Down’s Syndrome supported by chromosomal evidence of Trisomy 21.

Life Threatening Cancer shall mean the Diagnosis of a tumour characterized by the uncontrolled growth and spread of malignant cells and the invasion of tissue. This includes leukemia, Hodgkin's disease, and non-melanoma skin cancer that has metastasized to distant organs.

The following forms of cancer are excluded from coverage:

- a) Carcinoma in situ;
- b) Pre-malignant lesions, benign tumours or polyps;
- c) Any skin cancer other than malignant melanoma into the dermis or deeper (greater than stage 1A);
- d) Any tumour in the presence of any Human Immunodeficiency Virus (HIV).

A Critical Illness Benefit will NOT be payable for Life Threatening Cancer or any Critical Illness related to cancer if a Diagnosis of any type of cancer (whether covered or excluded) is made within ninety (90) days of the effective date or any reinstatement date of a Child's Critical Illness Coverage. A Critical Illness Benefit will NOT be payable if, within ninety (90) days of the effective date or any reinstatement date of a Child's Critical Illness Coverage, any signs or symptoms of medical problems, or medical consultations or tests commenced and resulted in the Diagnosis of any type of cancer (whether covered or excluded). Coverage for all other non-related Critical Illnesses will continue.

The Owner and all Persons Insured have an obligation to disclose any information to the Company about cancers Diagnosed within ninety (90) days of the effective date or any reinstatement date of the Children's Critical Illness Rider. The Owner and all Person's Insured also have an obligation to disclose any information about:

- i) signs or symptoms of medical problems; and
- ii) medical consultations or tests

that commenced within ninety (90) days of the effective date or any reinstatement date of the Children's Critical Illness Rider and results in the Diagnosis of any type of cancer.

The information must be disclosed to the Company, in writing, within six (6) months of Diagnosis. The Company has the right to deny ANY claim under the Children's Critical Illness Rider for that Child if there is a failure to disclose this information to the Company in the prescribed time and manner;

Muscular Dystrophy shall mean an unequivocal Diagnosis of Muscular Dystrophy, characterised by well defined neurological abnormalities, confirmed by electromyography and muscle biopsy.

Specific Congenital Defects shall mean Diagnosis by a Physician certified as a pediatric cardiologist of specific congenital cardiac defects causing cyanosis (poor blood oxygenation) and diagnosed by the following conditions:

- a) atresias of the heart
- b) transposition of the great arteries
- c) truncus arteriosus
- d) total anomalous pulmonary venous drainage; or
- e) tetralogy of Fallot

All other congenital cardiac conditions are excluded.

Type 1 Diabetes Mellitus shall mean diagnosis of type 1 diabetes mellitus (formerly known as insulin dependant Diabetes Mellitus or "Brittle Diabetes") characterized by absolute insulin deficiency and continuous dependence on exogenous insulin for survival. The Diagnosis must be made by a qualified pediatrician or endocrinologist. Evidence of dependence on insulin for a minimum of three months will be required;

Underwriting Critical Illness Insurance

Your guide to understanding the process

Critical illness insurance is an important part of an overall financial solutions package. It can be frustrating, though, to go through the application process only to have it come back with a rating, or be declined altogether. Becoming familiar with the underwriting process can help you understand why some cases are rated, and others are declined. It will assist you in generating new business, and help you place rated business.

There is a distinct difference between the underwriting of critical illness insurance and life insurance because critical illness insurance pays out at diagnosis of the disease, and not at death from the disease. Because we’re talking about diagnosis rather than death, the incidence is higher than it is for life insurance, and that means the underwriting chart used for critical illness is more stringent than for life insurance. If the risk is different, that means the underwriting is different.

When an underwriter is considering the risk factor for a particular potential insured, they take things like family history, physical build, cholesterol and triglycerides, hypertension, ECG abnormalities and smoking into account. Let’s examine some of these risk factors.

Family history:

Family history means the number of parents and siblings diagnosed with a:

high-risk disease – like heart attack, stroke, or cancer. Underwriters also look at the age of the relative when they were diagnosed, especially illnesses such as breast cancer, colon cancer and heart attack.

The following case study will help illustrate the importance of family history in underwriting critical illness insurance:

Sex	Age	Smoking Status	General Health	Family History	Underwriting Decision
Male	37	NS	Good	Father diagnosed with colon cancer at age 52.	Critical Illness decision: rated at 150% Life Decision: standard

The reason for the critical illness rating is the client’s father contracted colon cancer prior to age 60. This means the client has an increased risk of also contracting the disease at an early age.

Ask your clients if their natural parents, brothers, or sisters (either living or dead) have ever suffered from any of the following conditions:

Alzheimer Disease	Kidney Disease
Cancer, specified by type	Mental illness or suicide
Diabetes	Multiple sclerosis
Heart disease	Stroke
High blood pressure	Any other inherited disease
Huntington’s Chorea	

The impact of family history will depend on the illness that the family members had, or suffer from currently.

Build

Build is another determining factor in underwriting. Let's look at another case study.

Sex	Age	Smoking Status	General Health	Build	Underwriting Decision
Male	42	NS	Good	5'10", 240 lbs.	Critical Illness decision: rated at 125% Life Decision: standard

This client is at a higher risk of heart attack, stroke or cancer because he's overweight. Remember that underwriting for critical illness insurance is more stringent because we're underwriting the potential for diagnosis of a disease.

It is important that you understand critical illness insurance and the covered illnesses before you sell the product. This can help you prepare your client for a rating and explain a rating, if it happens.

Pre-underwriting checklist

This is a quick *Pre-underwriting Checklist*. Use it to quickly determine if your client would not qualify for Vital Link.

If your client suffers from any of the following illnesses or conditions, he or she will not qualify for critical illness coverage:

Alzheimer's Disease	Insulin dependent diabetes
ALS (Lou Gehrig's Disease)	Kidney Disease
Any AIDs-related condition	Multiple Sclerosis
Any diabetic under age 35	Organ transplant
Cancers (most)	Paralysis
Coronary Artery Disease	Parkinson's Disease (onset under age 35)
Cystic Fibrosis	Pulmonary Fibrosis
Heart attack	Recent alcohol or drug abuse
Heart disease	Sickle Cell Disease
Hemophilia	Stroke (or CVA)
Huntington's Chorea	Suicide attempt (within two year)

How can Empire Life help?

Your underwriter can help you pre-screen your clients for critical illness coverage. If you have questions regarding the medical history or family history of your client, please email us at insuranceinquiry@empire.ca.

If you receive a rating you don't understand, you should question it. Please contact your underwriter for clarification. If there is a possible reconsideration, make sure to advise your client.

Electronic Pre-screening tool

Empire has developed an electronic pre-screening underwriting tool that is available on your Envision software.

Take the mystery out of CI pre-screening

Use this tool, with your client, to help you determine if they are eligible for critical illness insurance coverage. It will assist you in the preliminary pre-screening of your clients, based on their significant medical histories, build and personal family histories.

Why you should use this tool

If you haven't written a lot of CI business, you may be unaware that underwriting for CI is very different from underwriting life insurance. The main distinction between the two is risk factor analysis.

Risk factors such as family history, build, and medical history are key to the analysis that an underwriter goes through in reviewing a potential insured for CI insurance.

Critical Illness Needs Analysis

An interactive electronic needs analysis has been designed to help your clients better determine their critical illness insurance requirements. The CI Needs Analysis has been integrated into Envision and will launch from a menu button found on the Vital Link. After an analysis has been completed, the information will be seeded to the illustration-input screen so the illustration will be ready to run.

Taxation of Vital Link

The Income Tax Act contains rules that govern accident and sickness insurance, but doesn't specifically define critical illness insurance. When the Income Tax Act does not define a term, it becomes necessary to examine the most common use of that term. The insurance statutes that govern insurance companies contain definitions for both **Accident Insurance** and **Sickness Insurance**.

Accident insurance is typically defined as insurance by which the insurer undertakes to pay insurance money in the event of an accident to the person insured. Sickness insurance typically means insurance by which the insurer undertakes to pay insurance money in the event of sickness of the person insured.

Critical illness insurance provides a benefit when a serious, life-altering condition is diagnosed. Based on this, critical illness insurance is treated as Accident and Sickness Insurance under the Income Tax Act. We suggest that advisors assume the following in reference to the tax treatment of Vital Link. Please have your clients contact their own tax advisor for any tax advice regarding Vital Link.

Taxation and Ownership

Individual Ownership Where an individual owns and pays for a Vital Link policy, the premiums paid are considered personal living expenses, which are not deductible from income. An individual's premiums for a Vital Link policy are not expenditures incurred for the purpose of gaining or producing income.

Employer-Sponsored Plans

For employer-sponsored plans, the taxation of benefits to the employee, either on the premiums or on the proceeds at the time of a claim, is largely determined by who, in fact, paid the premiums and who received the benefits.

Where the benefits are payable directly to the employee and the employer pays the premiums on behalf of the employee, reporting them as additional income to the employee, the premiums are deductible to the employer and taxable to the employee. All policy proceeds will be tax-free to the employee.

Corporate Plans

In the case of Vital Link plans owned by a corporation with benefits payable to the corporation, the premiums are not deductible for tax purposes. Proceeds paid to the corporation are tax-free, but cannot be credited to the company's Capital Dividend Account (CDA). Proceeds are credited to the corporation's retained earnings and can be used within the corporation to reduce bank loans, replace key people, etc., without any adverse tax consequences. Any payment to a shareholder as a dividend or a deemed dividend through redemption of shares will be treated as a taxable dividend to the shareholder.

Partner Ownership

Where a Vital Link policy is owned by a partnership and benefits are payable to the partnership, premiums are not deductible and the proceeds are not included in the partners' income for tax purposes. Partners can withdraw this money without immediate tax consequences, although the withdrawals will reduce the adjusted cost base of their interest. There is no provision in the Act to increase the adjusted cost base by the amount of the benefits received, which might produce a taxable capital gain in the future. To avoid unwanted tax consequences, it is recommended that partners own their VITAL LINK policies personally and not through the partnership.

Useful Information

These web sites are excellent resources for up-to-date information you may need when discussing critical illness insurance with your clients.

Alzheimer Society Canada	www.alzheimer.ca
Canadian Cancer Society and National Cancer Institute	www.cancer.ca
Breast Cancer Society of Canada	www.bcsc.ca
The Heart & Stroke Foundation of Canada	www.heartandstroke.ca
Canadian Paraplegic Association	www.canparaplegic.org
Multiple Sclerosis Society of Canada	www.mssociety.ca
The Kidney Foundation of Canada	www.kidney.ca
The Canadian National Institute for the Blind	www.cnib.ca
The ALS Society of Canada	www.als.ca
The Parkinson Foundation of Canada	www.parkinson.ca
Statistics about organ donation	www.givelife.ca
Health Canada-general health information and statistics	www.hc-sc.gc.ca
Canadian Institute for Health Information	www.cihi.ca
The Canadian Association of Transplantation	www.transplant.ca
Canadian AIDS Society	www.cdnaids.ca
Canadian Hearing Society	www.chs.ca
MedExtra®	www.medextra.com
Ontario Federation of Cerebral Palsy	www.ofcp.on.ca
Canadian Cystic Fibrosis Foundation	www.cysticfibrosis.ca
National Association for Downe Syndrome	www.nads.org
Muscular Dystrophy Canada	www.muscle.ca
Canadian Diabetes Association	www.diabetes.ca

Investing in our future People, products, technology

The Empire Life Insurance Company (Empire Life) offers competitive individual and group life and health insurance, investment and retirement products to help you build wealth and protect your financial security.

Empire Life is among the top 10 life insurance companies in Canada¹ and is rated A (Excellent) by A.M. Best Company². Our vision is to be known for simplicity, being easy to do business with and having a personal touch.

¹ *The Globe and Mail Report on Business*, June 2014, based on revenue

² As at May 19, 2015

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