Start your year off strong with upcoming individual insurance changes

Rate decreases and premium reductions effective Jan. 27, 2014

Effective Jan. 27, you'll see rate decreases on term 10 and universal life insurance level cost of insurance as well as premium reductions for select critical illness and disability insurance products.

Now is a great time to reach out to clients with a need for insurance and talk to them about how you can develop a plan with their needs in mind.

Canada Life offers a comprehensive, effective and affordable range of life insurance and living benefits products to address the evolving needs of clients, their business and their family.
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Universal life insurance rate decrease

Effective Jan. 27, a rate decrease will take effect for universal life insurance level cost of insurance, with an average decrease of 1.9 per cent (2.4 per cent in cells where there was a reduction).

Universal life insurance level cost of insurance offers a cost-effective permanent insurance option for clients who want lifetime coverage but can't afford to pay participating life insurance premiums.
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Term life insurance rate decrease

Effective Jan. 27, a rate decrease will take effect for term 10 life insurance, with an average of 0.9 per cent (1.4 per cent in cells where there was a decrease).

Term life insurance is a great option for clients to consider as it's affordable and maximizes coverage over the short-term. Term life insurance also locks-in insurability* so when the time comes, a transition to permanent life insurance is seamless.
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Disability and critical illness insurance premium reduction

Effective Jan. 27, premium reductions will take effect for select critical illness and disability insurance products.

Clients may not realize that one of their most valuable assets is their ability to work and earn an income. If their ability to work were interrupted, the impact could be significant – investing, retirement planning or even paying bills could be at risk. Critical illness and disability insurance can protect their future earning potential.

Important: premium reductions for critical illness and disability insurance must be illustrated by advisors through the premium reduction option in the illustration software as these premium reductions are not included in software updates.

- The premium reduction will be illustrated by the “Head Office Approved” option within Zoom. The program to quote is “2014 premium reduction.”
- This short-term solutions responds to the need to provide a competitive product shelf for advisors and clients as quickly as possible until we are able to update rates on our systems later this year.

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Critical illness insurance premium reduction (issue ages 18-49)

Premium Reduction	Level premium term to 75	Permanent level premium paid up at 100	Permanent level premium, paid up in 15 years
Without return-of-premium at withdrawal (year 15, year 20, age 65) or return-of-premium at withdrawal or expiry (year 15, year 20, age 65) rider	0%	0%	10%
With return-of-premium at withdrawal (year 15, year 20, age 65) or return-of-premium at withdrawal or expiry (year 15, year 20, age 65) rider	10%	15%	15%

The premium reduction will be modified or removed if the return-of-premium at withdrawal (year 15, year 20, age 65) or return-of-premium at withdrawal or expiry (year 15, year 20, age 65) rider is terminated for any reason.

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Disability insurance

	Occupation class 4A	Occupation class 3A
Male	10%	5%
Female	5%	0%

- There will be no premium reduction offered on overhead expense plan, independence plan, buy/sell plan or key person plan.
- The premium reduction will not flow through to future insurability option (FIO) elections
- StartRight disability insurance grad program will qualify for this discount

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Transition rules

Transition rules for living benefits premium reductions, universal and term 10 life insurance rate decreases

If:	Then:	Then:
	Critical illness and disability insurance premium reductions	New term and universal life insurance rates
An application is received at head office on **Jan. 27, 2014 or later**	Premium reduction applies	New rates apply
An application is in pending status on **Jan. 27, 2014**	Premium reduction applies	New rates apply
If backdating to a date prior to **Jan. 27, 2014** to save age	Premium reduction will **not** apply	Old rates apply
A policy has been issued but not yet in force on **Jan. 27, 2014**	May request premium reduction to be applied. The policy will be current dated.	May request new rates. The policy will be current dated.

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Competitive comparisons

Competitive comparisons are currently in development. We'll let you know when these are available.

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Marketing material to support you:

The following material is available to help with client conversations.

- *Life insurance solutions to meet your needs* (46-6620)
- *How much can you earn over your lifetime*? (46-8479)
- *Millennium universal life insurance client guide* (556 CAN)
- *Simply Preferred™ term life insurance* (5433 CAN)
- Calculator: *Protect your RRSP with critical illness insurance*
- *Crucial conversations with your clients: Living benefit products* (46-9270)
- *A look at critical illness insurance claims* [233 CAN]

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Software

Updated illustration software, Jan. 27 – advisors can get their updated *Concourse* software via *RepNet*, Internet download or CD, starting Jan. 27. It includes new term 10 and universal life insurance rates. Remind advisors to watch their email for more details. **Please note:** premium reductions for critical illness and disability insurance will not be included in this software update.

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