

Accelerated underwriting for life insurance

We simplified our underwriting requirements by expanding the limits on accelerated underwriting. This means more clients will get the coverage they need faster. SimpleProtect™ and Webapp were updated on March 7, 2022.

What's new?

More exciting enhancements and updates take effect on May 30, 2022:

- Simplified eligibility for preferred risk classes
- Illustration software v4.8 now reflects the accelerated underwriting enhancements. Updates were made to:
 - The *Life insurance underwriting requirements (age and amount)*
 - Risk class for Canada Life My Term™, term riders, participating life and universal life
- New transition rules

A streamlined underwriting process helps clients get coverage faster.

Accelerated underwriting uses predictive models to assist in risk assessment. It fast-tracks the underwriting process by reducing the number of clients who need to provide medical evidence.

Eligibility and what this means for medical evidence – fewer tests, faster results

- All life insurance products are eligible
- Non-fluid underwriting has expanded for:
 - Age nearest 18-45 from \$2 million to \$5 million
 - Age nearest 46-50 from \$1 million to \$3 million
 - Age nearest 51-55 from \$250,000 to \$1 million
 - Age nearest 56-60 from \$100,000 to \$1 million

Requirements for medical evidence remain the same for applicants aged 0-17 and 61 and older. **Please check the updated [Life insurance underwriting requirements \(age and amount\)](#) before talking with your clients about these requirements.**

Although we've streamlined medical evidence requirements, clients may still be selected for additional medical evidence.

Simplified eligibility for preferred risk classes

Preferred rates may be applied for where:

- The application is for any Canada Life My Term™ or term riders;
- The proposed life insured is age 18+;
- Coverage amount applied for is \$250,000+, and;
- Labs and vitals are completed.

Important information about providing medical evidence for preferred rates consideration

- If your client is eligible for accelerated underwriting, they have an option to provide additional medical evidence for preferred rate consideration.
 - Your client may not be eligible for preferred rates based on their personal history, medical history or lab results.

- **By choosing to provide medical evidence, your client will not be eligible for accelerated underwriting. If the results are unfavourable, they may not be eligible for standard rates or for the requested coverage.**
- **Do not order medical evidence until your client's application has been reviewed.** A preliminary review may reveal that they are not eligible for preferred rates and that there is no reason to provide medical evidence.
- To apply for preferred rates:
 - In SimpleProtect and the Webapp, a button appears when an eligible My Term product or term rider is selected, which requires a Yes or No response to proceed. We also require the completion of labs and vitals. Refer to the Q&As for more details.
 - On a paper application, the advisor must add a note in the advisor's section of the application if the client wishes to apply for preferred rates.
- If your client is eligible for accelerated underwriting and chooses not to provide medical evidence, they won't be considered for preferred rates.
- If our random or targeted sampling requires additional medical evidence, Canada Life will review eligibility for preferred rates.

Additional information

- Check out the updated [Q&A](#) for more details.

Transition rules

New business applications:

If:	Then:
Web and SimpleProtect applications are submitted before 11:59 p.m. CST on May 29, 2022. <p style="text-align: center;">OR</p> Paper applications are received at head office before May 30.	Will be issued standard/rated – “Preferred” decision available upon request (based on additional evidence provided).
Web and SimpleProtect applications submitted on <p style="text-align: center;">OR</p> Paper applications received at head office on or	Will be issued with a decision based on evidence
Backdating to save age.	Regular backdating rules apply and will be issued with a decision based on evidence requested.

Pending applications:

If:	Then:
An application is in pending status on May 30.	Will be issued standard/rated – “Preferred” decision available upon request (based on additional evidence provided).

Issued cases:

If:	Then:
A policy has been issued but not placed on or after May 30.	“Preferred” decision available upon request (based on additional evidence provided). The policy will be current dated unless backdating to save age.

	May request changes to the original contract issued (subject to additional evidence if required).
A policy is in force on or after May 30.	May request to be re-considered for a preferred decision (based on additional evidence provided) and will be handled as a policy replacement.

Closed cases:

If:	Then:
A policy application is re-opened.	<p>“Preferred” decision available upon request (based on additional evidence provided).</p> <p>The policy will be current dated unless backdating to save age.</p> <p>May request changes to the original application or contract issued (subject to additional evidence if required).</p>

Policy change applications:

Term conversions with existing preferred rates

If:	Then:
A term-to-term conversion application is received by head office before May 30.	Clients may retain existing preferred rates in areas where those rates were available in 2021.
A term-to-term conversion is received by head office on or after May 30.	May retain preferred rates on the new term policy where preferred rates are now offered (e.g., the age is 18+ and the coverage amount is \$250,000+).

“Preferred” decision/reclassification is not available on 12-month exchange.

Notes

- New Business will not accept faxed or scanned applications.
- Backdating to save age doesn’t impact the transition rules. The transition rules are based on the submitted/received date of the application.

Supporting documents

Updated: [Q&A](#) – helps you understand our accelerated underwriting requirements and simplified eligibility for preferred rates.

Updated: [Life insurance underwriting requirements](#) – tables on life insurance underwriting requirements based on age and coverage amount.

[Life insurance underwriting advisor guide](#) – helps you and your insurance sales partners set expectations for clients who are interested in life insurance.

[New Business essentials](#) – resources on application information, guidelines and underwriting.