

Canada Life My Term Insurance

Advisor guide

Information current as of April 2022

Not for use with clients

The information in this guide is for advisors only and is not intended for use with clients.

While reasonable effort has been made to ensure the accuracy of the information in this guide, some errors and omissions may occur. This guide is intended to provide a general overview for advisors' information and education purposes only. For more detailed information please see the policy contract. In the event of a discrepancy between this guide and the contract, the terms of the policy contract prevail.

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Canada Life My Term life insurance advisor guide

Term life insurance at a glance

Canada Life My Term™ life insurance provides temporary insurance for the option of five to 50 years (inclusive) as decided by the client. Whether your client’s needs are short-term, like debt protection, or long-term, like mortgage protection, you can help them decide the term life insurance length that’s best for them.

Benefits of Canada Life My Term life insurance coverage

Term life insurance is an affordable life insurance solution **at the lowest** cost for the initial term.

- Competitive pricing
- Premiums are guaranteed to remain the same for the term length selected¹
- Guaranteed premiums for renewal period, that increase yearly
- When the term is up, renewal is automatic on a yearly basis, and no medical evidence is required
- Convertible to any permanent life insurance policy offered by Canada Life at the time of conversion
 - Term conversion with reset feature allows an eligible amount of the Canada Life My Term life insurance policy to be converted to a term rider on a new permanent life insurance policy
- Availability of preferred underwriting

Product and features

Summary

Policy types	Five to 50 years (inclusive)		
Coverage options	Single-life: Pays the death benefit on the death of the insured person Joint first-to-die: Pays the death benefit on the death of the first insured person to die		
Issue ages (at insured’s nearest birthday)	Single-life	Minimum	Maximum
	<ul style="list-style-type: none"> • Non-smoker • Smoker 	18 15	85 minus the term length chosen by client 85 minus the term length chosen by client
	Joint first-to-die		
	<ul style="list-style-type: none"> • Non-smoker • Smoker 	18* 15*	85 minus the term length chosen by client** 85 minus the term length chosen by client**
		* Minimum issue age of youngest insured person	
Minimum issue limits	<ul style="list-style-type: none"> • \$100,000* 		
Renewals	Premium rates for renewals are guaranteed, provided the coverage hasn’t changed.		

¹ The premiums for your base coverage stay level from year to year. However, if your policy is rated, premiums may be higher in some years.

<p>Convertibility</p>	<ul style="list-style-type: none"> • Canada Life My Term policies may be converted to permanent insurance up to age 70 without medical evidence of insurability. • For Canada Life My Term policies with an issue age of 69 and older, conversions to permanent insurance are available for the first two years after the contract date. • Term conversion with reset feature allows an eligible amount of the Canada Life My Term life insurance policy to be converted to a term rider on a new permanent life insurance policy. <p>Term-to-term conversion may be available under the condition that the term will be converted to at least 10 years longer than the term length of the original policy, and conversion is requested after the first policy anniversary and before the earliest of:</p> <ul style="list-style-type: none"> • The end of the initial term, • The seventh policy anniversary, and • The policy anniversary closest to the date the insured person reaches the maximum age eligible for the new policy. <p>Amending your policy to be a participating plan (Original age conversion) is detailed in the section below.</p>	
<p>Premium bands</p>	<p>Band</p> <p>1 2 3 4 5 6</p>	<p>Coverage</p> <p>Under \$250,000 \$250,000 - \$499,999 \$500,000 - \$999,999 \$1,000,000 - \$4,999,999 \$5,000,000 - \$9,999,999 \$10,000,000 +</p>
<p>Additional benefits and riders</p>	<p>Available on single-life policies</p> <ul style="list-style-type: none"> • Waiver of premium benefit • Accidental death benefit • Guaranteed insurability rider • Business growth protection rider (10 or 15 years) • Child's term life insurance rider 	<p>Available on joint first-to-die policies</p> <ul style="list-style-type: none"> • Business growth protection rider (10 or 15 years) • Child's term life insurance rider
<p>*If face amount is less than \$100,000, base coverage needs to have an annual premium of \$500 or more. For additional details on this product and its features, refer to the Canada Life My Term life insurance contract</p>		

Coverage options

Single-life policy

The policy insures the life of one person. The death benefit is payable when the insured person dies.

Joint-life policies

These policies insure two lives (or possibly more, as an exception) on a joint coverage, first-to-die basis only. A death benefit is paid on the death of the first life insured to die. A survivor benefit and the exchange option are features on joint first-to-die term policies.

Joint first-to-die policies use an equivalent single age (ESA). Term ESA calculation changes are now available in the term sales illustrations.

Issue limits

Minimum

- \$100,000 (If face amount is less than \$100,000, base coverage needs to have an annual premium of \$500 or more).

Maximum

There is no maximum face amount. However, a special quote is required if the coverage exceeds \$20 million. Contact your Regional Sales Manager for this special quote.

Issue ages (age nearest birthday)

Issue ages are based on the insured person's age at his or her birthday nearest to the policy date. Joint first-to-die policies use an ESA, and each insured must still meet the minimum and maximum age requirements.

Minimum Issue Age	Maximum Issue Age	Expiry
18 Non-smoker	85 minus x*	Single-life: coverage ceases at the policy anniversary nearest the insured's age of 85
15 Smoker		Joint first-to-die: coverage ceases at the policy anniversary nearest to the ESA 85

*x is equal to the term length chosen by the client

For joint first-to-die policies:

- Minimum issue age:
 - Smoker 15
 - Non-smoker 18 for the youngest insured
- Maximum issue age:
 - 85 – term length chosen by client
 - ESA must be less than or equal to 85 – term length chosen by client

Backdating

A policy issue date may be backdated to save age up to 11 months from the date of underwriting approval.

Premium bands

Band	Premium
1	Under \$250,000
2	\$250,000-\$499,999
3	\$500,000-\$999,999
4	\$1 million-\$4,999,999
5	\$5 million-\$9,999,999
6	\$10 million +

Premium rates and automatic renewals

Coverage for the Canada Life My Term product will renew automatically at the end of the initial term period, based on the term length chosen by the client. Premiums in the renewal period will increase annually until expiry at the policy anniversary nearest the life insured's age 85 (or ESA 85).

Temporary insurance

Preferred underwriting allows reduced premium rates to those who qualify. At application, you may not have all the information required to accurately determine the appropriate preferred underwriting class for your clients. Therefore, it's necessary to use the gold rate for non-smokers and the silver rate for smokers when accepting premium to bind coverage at the time of application. If not, the temporary insurance, if otherwise qualified for, will not be in place. Once underwriting has determined the rate class of the applicant, any excess premium will be refunded or applied to future premiums.

Note: Temporary life insurance is available for applications up to \$5 million where the insured is under age 71. The temporary life insurance coverage is limited to \$1 million. Do not take an initial premium for applications over \$5 million.

Conversion options

Term to permanent

The attained age conversion provision to permanent plans is available for the Canada Life My Term product. That is, the Canada Life My Term product is convertible to any permanent plan available at the time of conversion without medical evidence of insurability, up to age 70. Premiums at conversion are based on age nearest to the new policy date. For any term policy with an issue age of 69 or older, conversions will be available for the first two years after the contract policy date.

Riders and benefits on the original term policy at the time of conversion can be carried over to the new policy, where an equivalent rider or benefit is available, subject to our then current administrative rules. The riders and benefits will be carried over at the insured person's then current age and original risk class. This includes guaranteed insurability, accidental death benefit, waiver of premium and child life insurance riders, but does not include the business growth protection rider. If the client's policy includes a benefit that waives payment of premiums if the insured person becomes disabled, provisions apply for conversions. For more information see details on disability waiver of premium benefit below.

The suicide and incontestability clauses will continue to be based on the original policy provided there has been no increase in coverage, reinstatement, or a change in risk class.

Term conversion with reset feature on conversion to permanent policy

Term conversion with reset feature allows an eligible amount of the Canada Life My Term life insurance policy to be converted to a term rider on a new permanent life insurance policy. The new term rider gets issue age pricing, just like the new permanent policy, at new issue rates without underwriting. The new term rider matches the issue age and issue date of the new permanent base policy.

- Conversion with term reset feature is available on existing term coverage issued Jan. 1, 2005 or later (in-force term policies, and Par and UL term riders from Canada Life, London Life or Great-West Life).
- Conversion with term reset feature is available on policies with a term length of 30 years or less.
- The term reset option is not available for original age conversions.
- The term reset option and term to term conversion are not available for term riders on permanent policies that originated from a prior term conversion with reset (cannot convert to a permanent policy with term reset feature or term to term again).
 - The term rider on the new permanent policy will be issued in the converted term rider series. These riders are similar to the Simply Preferred term riders but with different conversion options available. See product eligibility for term conversion with reset (link below) and the [converted term rider contract pages](#).
- Full or partial conversion with term reset feature is available. The product minimum for term riders applies to the reset feature.

- The term conversion with reset feature lets the client reset their term length. The term length for the new term rider must be equal to or greater than the original Canada Life My Term policy. Examples are below.
- Clients can convert optional benefits in their current policy, as long as we still offer them and none of those benefit amounts are increasing.
- At least 40% of the total converted term coverage amount must be a new permanent base policy.
 - ADO is not part of the base par product when determining the 40% minimum requirement.
 - If the enhanced coverage dividend option is chosen for par, the par base coverage + enhanced coverage + term rider cannot be greater than the converted amount. An example is below.

Example – resetting term length

- If the client bought a Canada Life My Term policy, 10 years in length, at age 45 and converted it to a new par or UL insurance policy with a term 10 reset rider at age 54, both the new permanent policy and the term rider would get rates and term lengths based on age 54. Because the client gets term rider issue age pricing based on their current age 54, it is said that the term is resetting. That is, the client gets to restart their term period so that their first term renewal will take place at age 64. This is instead of age 55, when it would have renewed under the originally purchased term policy.

Example – term length for new rider

If the conversion was for a Canada Life My Term policy 12 years in length, it must be converted to a term reset rider for 20 or 30 years (subject to maximum age limits). Converting to a 10-year term rider is not an available option because 10 years is shorter than the original 12-year period on the Canada Life My Term policy.

Examples – minimum 40% total converted coverage amount to new permanent base policy

Full conversion

- John bought a \$1 million Canada Life My Term policy with a 10-year term length at age 45.
- Now at age 54, John decides to exercise a full conversion with term reset to a permanent policy with 10-year term rider. Because John is converting \$1 million, at least \$400,000 must be applied to a new permanent base policy (40% of total converted coverage).
- John receives the rates for his new permanent policy with the term rider based on age 54, all without underwriting.
- John's first term rider renewal will be deferred to age 64. This is instead of age 55, when it would have renewed under the originally purchased term policy.

Partial conversion

- John bought a \$1 million Canada Life My Term policy with a 10-year term length at age 45.
- Now at age 54, John decides to exercise a partial conversion with term reset to a permanent policy with a term rider. Since John is converting \$500,000, at least \$200,000 must be applied to a new permanent base policy (40% of \$500,000 is \$200,000 and John could choose a higher amount of permanent coverage if desired).
 - John converts \$500,000 of the original policy to include \$200,000 of permanent coverage, and \$300,000 as a new rider that's either the same length or greater than the original policy. In this case 10, 20 or 30 years.
- John can either choose to maintain the remaining \$500,000 on the original term policy and convert at later date or choose to cancel.

Example – Conversion to par with enhanced coverage dividend option

- John bought a \$1 million Canada Life My Term policy with a 20-year term length at age 45.
- Now at age 54, John decides to exercise a partial conversion with term reset to a participating life insurance policy with a term rider. Since John is converting \$750,000, at least \$300,000 must be applied to the new

permanent base policy (40% of \$750,000 is \$300,000 and John could choose a higher amount of permanent coverage if desired). Coverage may be divided between enhanced coverage and the new term rider.

- John converts \$750,000 of the original policy to include \$300,000 of permanent coverage.
- The remaining \$450,000 may be divided between enhanced coverage and the new term rider (par base coverage + enhanced coverage + term rider cannot be greater than the converted amount).
- John decides on \$250,000 as a new rider that's either the same length or greater than the original policy. In this case 20 or 30 years.
- John takes the remaining \$200,000 as enhanced coverage, which brings the total coverage to \$750,000.
- John can either choose to maintain the remaining \$250,000 on the original term policy and convert at later date or choose to cancel.

Product eligibility for term conversion with reset feature

Product eligibility only for in-force term policies, and Par and UL term riders from Canada Life, London Life or Great-West Life, issued January 1, 2005 or later. See above for full conversion eligibility details.

Originating product	Conversion type		
	Term to term	Term to permanent without term reset feature	Term to permanent with reset feature (10-, 20-, or 30-year rider)
Term standalone policy	Available	Available	Available
Term rider on a permanent policy (not resulting from a previous reset) Simply Preferred rider series or earlier	Available	Available	Available
Term rider on a permanent policy resulting from a previous reset Converted Term rider series	Not available	Available	Not available <i>Cannot convert to a permanent policy with term reset feature again.</i>

ASTRA at conversion to permanent life insurance

Upon conversion to a permanent life insurance policy, a rating reduction may be available. See your permanent life insurance guides for details.

Partial conversion

When clients request a partial conversion, a portion of the existing Canada Life My Term life insurance coverage may remain in force only if the reduced face amount satisfies our then current minimum amount rules. This remaining term coverage will retain the original issue age and term renewal schedule. The premium rates for the remaining term life insurance coverage will be based on the reduced face amount and the corresponding rate band. If band one rates apply, preferred underwriting won't be available on any remaining term life insurance coverage.

Term-to-term conversion options

Clients with a term insurance policy or rider with a conversion option in the contract can convert some or all coverage under their basic term policy or rider to a longer-term policy without evidence of insurability.

Term-to-term conversion may be available under the condition that the new term will be at least 10 years longer than the term length of the original policy, it's after the first policy anniversary and before the earliest of:

- The end of the initial term,
- The seventh policy anniversary, and
- the policy anniversary closest to the date the insured person reaches the maximum age eligible for the new policy. Premiums at conversion are based on age nearest to the new policy date.

Amending your policy to be a participating plan (Original age conversion)

Original age conversion is the amendment of a term life insurance policy to a par permanent life insurance plan at an issue age and premium rate that is based on the insured's age when the original term policy was issued. This amendment option is available for all standalone single-life term policies with a minimum face amount of \$500,000. The policyowner must amend before the seventh policy anniversary, or the end of the conversion period up to age 70 (or 69) whichever is sooner. The full insurance amount must be converted at the time of amendment. Partial conversion is possible only if the unconverted balance is terminated. The term reset feature is not available on original age conversions.

The amended policy must be a par plan that was offered at the time the policy was issued. This is not a new policy and the amendment will not change the policy date. The total death benefit of the new policy including paid up additions cannot exceed the face amount of the term policy.

A special quote must be obtained from head office when the application for amendment is being considered. The greater of the cumulative difference in premium plus interest, or 102% of the cash value, is required with the first premium for the amendment.

For additional details on conversions, refer to section 5. Converting your policy in [Canada Life My Term life insurance contract](#).

Tax considerations

Amendments are allowed under these conditions:

- The amendment does not result in a disposition of the policy under income tax laws in effect in Canada on the amendment date.
- Upon amendment, the policy must have a tax-exempt status. This means it must be exempt from accrual taxation under the provisions and regulations of the Income Tax Act (Canada) and the administrative rules of the Canada Revenue Agency.

General options

Exchange feature - (joint policies only)

Clients may exchange their joint first-to-die coverage for one or two separate single-life, permanent policies which terminates the joint-first-to-die term coverage. Each single-life policy may have coverage up to 50% of the face amount of the joint-life term insurance policy, as last in effect before exchange. The new policy must meet our age limits at the time. Clients may exchange any time before the policy anniversary nearest to the 71st birthday of the older insured person. The policy must be in effect when the clients apply and on the exchange date. Any evidence of an insured person's insurability, including their health, that is part of the original contract, will become part of any new policy on that person. The new policy date will be the date of exchange.

With Canada Life's consent, waiver of premium or other benefits can be added to the new policies; however, clients must provide evidence of insurability for these additions.

Survivor benefit (joint policies only)

On the first death of an insured person (referred to as the “first death”), we will automatically provide temporary coverage, and offer optional permanent coverage, on the surviving insured person, if:

- The survivor’s age is less than 71, on their birthday nearest to the last policy anniversary before the first death, and
- The death occurs while the policy is still in effect.

Automatic temporary coverage

We will start providing coverage on the survivor on the date of the first death. We will continue providing this coverage until 60 days after the date of the first death, or until we issue a policy providing permanent coverage on the survivor, whichever is earlier. The coverage amount will equal the original policy’s base coverage amount on the date of the first death.

If both insured people die at the same time, or it’s uncertain who died first, we will provide the payout of the coverage, in the same manner as described below.

Option to buy permanent insurance

The owner may apply for a new permanent policy on the survivor, with no need to provide evidence of their insurability, including their health. If the owner does not apply, the survivor may apply. If the survivor applies, and a new policy is issued, the survivor will be the new policyowner.

Canada Life must receive the completed application, and the first premium payment for the new policy, at our head office within 60 days of the first death, while the survivor is living.

The new policy must have a base coverage amount no greater than the base coverage amount of the original policy. Any benefit or rider in addition to the policy or coverage requested above is provided only with our consent.

Death of both insureds on joint first-to-die policy

If both insured people die at the same time, or it is uncertain which of them died first, we will pay the payout as follows:

- We may either divide the payout into two equal portions, one for each of the insured people who died, and pay out each of those portions as if that insured person had died first, or
- We may pay the payout jointly, to all those whom we would pay if dividing the payout into two equal portions, as described above.

However, if any valid document on file at our head office tells us to do something else if both insured people die at the same time or it is uncertain which of them died first, we will follow those instructions. We may also pay out an automatic temporary coverage, as described above.

For additional details, refer to the [Canada Life My Term life insurance contract](#).

12-month exchange

- During a policy’s first 12 months, a client may apply to change the policy’s insurance plan to a different term plan or to a par plan. (For example, a new insurance plan may change the number of years you pay premiums.)
- Premium payments under the new plan will be based on the insured person’s age on the policy date before the exchange.
- Canada Life must receive your completed request at our head office before your policy’s first anniversary. This change is sometimes called a “12-month exchange.”

- To change to a new insurance plan, the new plan must be available for this type of change at the time you request the change. The change is subject to our agreement and our rules at the time. Changing the policy's insurance plan does not create a new policy. After the change, the amended policy will continue, under the new insurance plan
- The coverage amount must be the same or less. If it is less, a mortality charge will apply.

Preferred underwriting

Preferred underwriting takes a closer look at smoking habits, build, blood pressure, cholesterol, personal and family history, occupations, avocations and driving habits. This enables Canada Life to reward good life insurance risks with lower premiums. This leads to our specified underwriting risk classes:

For more information, reference [Life insurance underwriting requirements](#) guide.

Supplementary benefits and riders

Available on single-life policies	Available on joint first-to-die policies
<ul style="list-style-type: none"> • Disability waiver of premium benefit • Accidental death benefit • Guaranteed insurability rider • Child's term life insurance rider • Business Growth Protection Rider (10 or 15 years) 	<ul style="list-style-type: none"> • Child's term life insurance rider • Business Growth Protection Rider (10 or 15 years)

Disability waiver of premium benefit

We will start to waive premium payments with due dates on or after the effective date of disability, if:

- The insured person becomes totally disabled before the benefit anniversary nearest to their 60th birthday, and
- They remain continuously totally disabled for the waiting period of six consecutive months

The policy benefits will continue as if the premiums had been paid.

If we are not waiving premiums under this benefit at the time of conversion:

- The client may apply at that time to include this type of benefit in their new policy, if it's available, without evidence of insurability, subject to our rules. The new policy's benefit will not cover any disability that began before we issue the new policy.
- If the client converts this benefit's coverage to a new, UL insurance policy, any automatic payment benefit on total disability for the new policy will be limited to the greater of:
 - The portion of the client's payment needed to cover the new policy's target premium, and
 - The minimum payment required for the new policy at the conversion date.

If we are waiving premiums under this benefit at the time of conversion:

- The client cannot apply to include this type of benefit in the new policy. We will not waive premiums for the new policy.

If we are waiving premiums under this benefit on the policy anniversary nearest to the 70th birthday of the insured person, then:

- We will automatically convert the base coverage to a new, permanent, non-par policy we then offer for this conversion. We will waive premium payments for the new policy, for as long as the insured person continues to be totally disabled. If the insured person stops being totally disabled, the waiver will end

Definition of disability

The insured person is totally disabled if either of the following occur:

- The insured person suffers the total and irreversible loss of any of the following:
 - Speech, the sight of both eyes, the hearing of both ears, the use of both hands, the use of both feet, or the use of one hand and one foot.
- Or the insured person's ability to work is affected as follows:
 - During the first 24 continuous months of disability: The insured person cannot perform the substantial duties of their regular occupation and is not working in any other gainful occupation.
 - The insured person's regular occupation is the occupation or occupations they regularly perform, as of the date total disability begins. A gainful occupation is an occupation for which they are qualified, or may become reasonably qualified, by education, training, or experience.
 - After those 24 months: the insured person cannot work in any gainful occupation.

In all cases, the disability must be due directly to injury or sickness that occurs while this benefit is in effect.

Issue ages

Minimum Issue Age	Maximum Issue Age	Expiry
18 Non-smoker 15 Smoker	55 or 85 minus x*, whichever is less	60

*x is equal to the term length chosen by the client

Not available for joint first-to-die

Issue limits

The maximum is the lesser of:

- (a) \$2.5 million of total face amount for term, including all basic term coverages and term riders in force and applied for with all companies; and
- (b) \$50,000 of premium, including all amounts in force and applied for with all companies industry wide (including all plans)

For additional details, refer to the [Disability waiver of premium benefit contract](#).

Accidental death benefit

This benefit provides additional coverage if the death of the insured is caused by an accident prior to the benefit's expiry date and occurs within 365 days of the date on which the injury was sustained.

Issue ages

Minimum Issue Age	Maximum Issue Age	Expiry
18 Non-smoker 15 Smoker	65 or 85 minus x*, whichever is less	70

*x is equal to the term length chosen by the client

Issue limits

The maximum amount available is the lesser of:

- a) The basic policy insurance amount
- b) \$400,000 ADB applied for and in force with all companies

Expiry date

Canada Life My Term: policy anniversary nearest the life insured's age 70

For additional details, refer to the [Accidental death benefit contract](#).

Guaranteed insurability rider

The guaranteed insurability rider (GIR) allows the life insured to purchase additional insurance on specified option dates without providing additional medical evidence of insurability. The additional insurance may be any permanent individual life insurance policy issued by Canada Life at that time, with Canada Life's consent. Premiums are based on age nearest to the new policy date, using the same class of risk as the basic policy, except where noted.

Rider Details

- If the base policy includes a disability waiver of premium rider, then such a rider may be added to the new policy without medical evidence when a GIR option is exercised, if available. The new policy's waiver of premiums on disability will not cover any disability that began before we issue the new policy. We will not include this waiver in the new policy, if we are waiving premiums for this policy under a disability waiver at time of application.
- If the policy does not include a disability waiver of premium rider, then when a GIR is exercised, a disability waiver of premium rider may be added to the new policy with satisfactory evidence of insurability and with our approval.
- If the policy contains an accidental death benefit (ADB) rider on the life insured at the date of option, then a similar rider may be added to the new policy, if available, without evidence of insurability, subject to our rules at the time. The new rider amount may not exceed the new insurance amount applied for at the option date and must be within the minimum and maximum amounts allowed for the benefit under the new policy.
- All other riders included as part of the policy may be added to the new policy with satisfactory evidence of insurability and with our approval.

Issue age

Minimum Issue Age	Maximum Issue Age	Expiry
18 Non-smoker 15 Smoker	45 or 85 minus x*, whichever is less	50

*x is equal to the term length chosen by the client

Option amounts

When a GIR option is exercised, the new policy face amount must be within the following limits:

- Minimum: \$25,000
- Maximum is the lesser of:
 - Two times the face amount
 - \$300,000
- The total life insurance amount of all GIR-optional new policies may not exceed the cumulative maximum amount allowed under the GIR option, as illustrated in the table below.

Issue limits

Original policy Issue age	Cumulative maximum of all options is the lesser of
15 — 36	\$1,200,000 or four times selected option amount
37 — 39	\$900,000 or three times selected option amount
40 — 44	\$600,000 or two times selected option amount
45	\$300,000 or one times selected option amount

Cumulative maximums also include policies obtained on the insured person under other policies' GIRs. For more information please reference the [Guaranteed insurability rider contract](#)

Standard option dates

Standard option dates are the policy anniversaries nearest the insured's following birthdays: 25, 28, 31, 34, 37, 40, 45 and 50. Alternative option dates do not increase the total number of options that can be used. We may let clients effectively substitute an alternative option date for a standard option date. Alternative option dates occur 91 days after any of the following life events, if the life event and the alternative option date would both happen before the benefit anniversary nearest to the insured person's 50th birthday:

- Legal marriage or civil union of the insured person
- Live birth of a child of the insured person
- Legal adoption of a minor child by the insured person

We may require the client to provide evidence the life event happened. If more than one life event happens on the same day, they will be considered as just one life event that could result in only one alternative option date.

If an alternative option date falls less than 91 days after the most recent standard option date, and that standard option date was not used and will not be used to apply for a policy, you may apply for a policy based on the alternative option date.

If an alternative option date falls more than 91 days after the most recent standard option date, then whether or not that standard option date was used, the client may apply for a policy based on the alternative option date, but there is a condition and consequence. The client must have at least one standard option date to come, when using the alternative option to apply, and if a policy is issued based on the alternative option date then the standard option date next following the alternative option date will no longer be available for use.

Exercising an option

Whether the client applies for a policy based on a standard option date or an alternative option date, we must receive their completed application at our head office between 90 days before and 31 days after that option date. The new policy will come into effect on its policy date (expected to be close to the option date used), or on the date we receive the first premium required for the new policy, whichever is later, provided:

- All legal requirements for the policy's coming into effect are then met,
- The first premium is received within 31 days after the policy date, and
- The insured person is then living.

Underwriting and non-medical limit amounts

In determining the underwriting evidence requirements, the base amount plus one option will be the amount used to determine evidence.

For additional details, refer to the [Guaranteed insurability rider contract](#)

Business growth protection rider (10 or 15 years)

The business growth protection (BGP) rider gives business owners the option to purchase additional life insurance coverage on the life insured, at their age nearest the new policy date, without providing additional evidence of good health and insurability when their share of the business grows in value.

Designed to make it easier for business owners to increase their insurance, this rider is available to businesses and business owners, whether shareholders, partners or sole proprietors, for a business insurance need. The business must be headquartered in Canada and have been operating at least three consecutive years. Operations in the U.S. will be considered on a case-by-case basis.

The rider is available for:

- Single-life policies – only one BGP rider is allowed per business per policy.
- Joint policies – available on single-life basis. Each insured can have their own BGP rider on the policy

Each rider can cover only one life and the life insured's interest in only one business.

The rider is not available for substandard risks. The risk must be standard before ASTRA programs are applied.

Issue age

Option	Minimum Issue Age	Maximum Issue Age	Expiry
10 year	18	The lesser of 65 or 85 minus x*	10 years
15 year	18	The lesser of 60 or 85 minus x*	15 years

*x is equal to the term length chosen by the client

Issue requirements

The rider can be added at issue or after issue, subject to medical evidence of insurability and financial underwriting approval. At the time of underwriting, the applicant must choose a rider option period of 10 years or 15 years.

In addition to the application, the business must provide:

- Financial statements for the company's last three fiscal years. These financial statements must be prepared using Generally Accepted Accounting Principles (GAAP) by an accountant whose qualifications are acceptable to Canada Life.
- Documentation acceptable to Canada Life establishing the life insured's current ownership interest in the company

The valuation of the business and the life insured's proportionate share of it for the purposes of the rider will be as determined by Canada Life using one of the following methods:

- Asset-based valuation – This method is used for businesses with low earnings, where value is based on the underlying assets. For example, a real estate holding company or construction company.
- Earnings-based valuation – If the business has a stable track record and predictable prospects, then this method uses capitalized earnings or cash flow. If the business has fluctuating earnings or cash flow, then this method uses discounted earnings or cash flow.

Canada Life may accept alternative methods of valuation.

Premium

Rates vary by the chosen option period (10 years or 15 years), age, sex, and smoker status. The premium for the rider is not banded. The cost is a level rate per thousand of the option amount.

The rider is priced on the basis that the premium remains level even as options are exercised. Preferred risk discounts are not available.

Option amount - limits

Issue minimum: \$100,000

Issue maximum: \$2.5 million

Financial underwriting by Canada Life will determine the value of the business for an option date, based on the financial statements provided from the last three fiscal years (and other information as deemed necessary).

Cumulative maximum amount

The cumulative maximum amount of new insurance coverage that can be purchased under the rider during the option period is the least of:

- \$10 million
- Four times the rider's option amount limit
- The life insured's ownership share of any increase in the business value measured from the rider date

Increases in the option amount and therefore in the cumulative maximum are not permitted. Decreases are permitted, subject to the minimum amounts and our then current administrative rules.

How to apply for additional policies

How the client can apply for additional policies

The option dates are on each rider coverage anniversary from years one through 10, or years one through 15, depending on the chosen option period. We must receive the client's application at our head office between 60 days before and 30 days after that option date, while this benefit is in effect.

Clients can buy any type of term or permanent single-life policy we offer for this benefit when they apply. The new policy's base coverage must cover only the insured person. Any evidence of their insurability, including health, that was provided to obtain this benefit will become part of the new contract. Premiums are based on age nearest to the new policy date, using the same class of risk as the basic policy, except where noted.

If UL insurance is elected for the new coverage:

- Additional coverage will be a stand-alone policy

If par life insurance is elected for new coverage:

- There are no dividend option restrictions on that new insurance
- The additional deposit option (ADO) is available, subject to evidence of good health and insurability for the ADO amount.

An option may only be exercised if the financial underwriting review concludes that the value of the insured person's share of the business has increased since the rider date.

How the insured person can apply for additional policies

If the policyowner does not exercise the option to apply for a new policy at an option date, then the insured person may apply. The policyowner must give written permission for them to apply. The same terms, conditions, and deadlines that would apply to the policyowner will apply to the insured person. If a new policy is issued, then the insured person will be the policyowner, and there may be tax implications for the policyowner and the insured person.

Applying for a new policy under this benefit

At a specific option date:

- The minimum coverage amount the client can apply for will be the minimum we allow at that time for the type of policy the client applies for.
- The maximum coverage amount the client can apply for will be the smallest of the following:
 - 25% of this benefit's maximum coverage amount,
 - The remaining coverage amount available under this benefit at that time,
 - The insured person's share of any increase in the value of the business, from this benefit's start date to the option date, minus the total of the initial coverage amounts of all policies previously issued under this benefit, and
 - The maximum coverage amount we allow at that time for the type of policy the client applies for.

Exclusions – If a policy contains an exclusion that applies to the insured person when the client applies for the new policy, then a similar exclusion will apply under the new policy.

Adding benefits to additional policies

- **Waiver of premiums in case of disability of the insured person** – The new policy's benefit will not cover any disability that began before we issue the new policy. The automatic payment benefits (APB) that can be added to a UL policy is the minimum premium or target premium for the converted life coverage, whichever is greater.

- **Benefit in case of accidental death** – The new policy’s benefit amount must not exceed the new policy’s base coverage amount.
- **Other additional benefits** – The client may include other additional benefits under the new policy, if we agree, and if they provide evidence of the insured person’s insurability, including health.

Termination

The rider will terminate automatically on the earliest of the following dates:

- Date of the life insured’s death
- Rider expiry date (the 10th or 15th anniversary of the rider, as applicable)
- Date the cumulative maximum amount has been reached
- Date the remaining cumulative maximum amount is less than any available product minimums
- Date the base policy to which this rider is attached is fully converted, terminates, or lapses.

When converting a term policy that has this rider:

- If the base policy is fully converted to a term or permanent policy, then the rider terminates.
- If it is partially converted to a term or a permanent policy, then the rider remains in force on the base policy. The original rider cannot be converted to the new policy. A new BGP rider can only be added to the new policy with financial evidence and medical evidence of insurability.

Underwriting and non-medical limit amounts

- In determining the underwriting evidence requirements, the base amount plus one option will be the amount used to determine evidence.

For more information reference the [Business growth protection rider 10 Years](#) and [Business growth protection rider 15 Years](#)

Child’s term life insurance rider

This rider allows the basic insured to purchase increasing term life insurance coverage on their children under one policy. A particular child’s coverage ceases on the earlier of the rider anniversary immediately following that child’s 25th birthday or the policy anniversary nearest the basic insured’s age 65.

The coverage amount will increase by 4% of that initial coverage amount, at each benefit anniversary.

Who this benefit covers

While in effect, this benefit covers any child who, on the date the client applies for this benefit, is:

- A child, adopted child, or stepchild of the insured person,
- Less than 18 years old, and
- Named in the application.

This benefit will also cover any child born to the insured person during this period:

- After the date the clients applies for this benefit,
- No later than 10 months after the date the insured person dies.

This benefit will also cover any child adopted by the insured person during this period:

- After the date the client applies for this benefit,
- Before the child’s 18th birthday, and
- Before the insured person’s 60th birthday.

However, to be covered by this benefit, a child must be at least 15 days old, and must not be excluded from this coverage by the terms of this benefit or any other part of their contract.

At the death of the basic life insured, the coverage on each child under the rider will automatically convert to paid-up convertible term life insurance. This convertible term life insurance will remain in force until the coverage on a particular child is converted or until the rider anniversary date immediately following the insured child's 25th birthday.

Issue ages

Minimum Issue Age	Maximum Issue Age	Expiry
18	The lesser of 59 or 85 minus x*	65

*x is equal to the term length chosen by the client

For all children insured under this rider:

- 15 days up to and including age 17

Issue limits

- Minimum: \$10,000
- Maximum: \$25,000

This rider is not available if any insured parent or their child are rated over 200% on the date the rider would be issued.

Premiums

The annual premium is level. The premium isn't dependent on the number of insured children.

This benefit's end date is the benefit anniversary nearest to the insured person's 65th birthday.

Conversion

The coverage on each child may be converted to a term or permanent life insurance policy either when the child turns 25 or within 31 days of the insured child's marriage, if the child marries between their 21st and 25th birthday.

At the time of conversion, the amount of coverage an insured child can convert may not be more than \$250,000 of new life insurance coverage.

If the policyowner has not exercised the conversion option by the insured child's 25th birthday, the insured child will be entitled to exercise it in place of the policyowner and will be the owner of the new plan.

For more information please see the *Child's term life insurance rider* ([single life](#) or [joint](#)).