

EquiLiving® critical illness (CI) insurance Frequently asked questions

General

Q1: If my client has a policy with a Return of Premiums on Surrender/Expiry (ROPS/E) rider, and they make an eligible critical illness claim, will Equitable pay the higher of the CI benefit amount or the Return of Premiums benefit amount?

A1: If the amount for the premiums to be returned under the Return of Premiums Rider is higher than the CI benefit amount, we will pay the higher of the two.

Q2: How many conditions does EquiLiving cover?

A2: EquiLiving covers 26 conditions. For more information on the contract definitions and requirements for covered conditions, see [“Understanding the covered conditions” \(#1248\)](#).

Q3: On what life insurance policies is EquiLiving available as an optional rider?

A3: EquiLiving can be added as a rider for the life or lives insured under a term, an Equimax® participating whole life, an Equation Generation IV® universal life, or Equitable Generations® universal life insurance policy.

Q4: Is there a minimum premium amount that must be paid for critical illness insurance policies?

A4: Yes. The minimum premium requirement is \$100 annually or \$10 monthly.

Q5: What happens if a client is in the process of satisfying the survival period when their 10-year renewable to age 75 plan, level to age 75 plan, or 20 Pay coverage to Age 75 plan expires?

A5: The policy will remain in force and the client will continue to have critical illness coverage, but only for the covered condition for which the survival period is being met.

Q6: Is backdating to retain age allowed?

A6: An application may be backdated up to 90 days to retain age, however, an application cannot be backdated to retain age in order to qualify for a plan, policy, or coverage amount the insured may not have otherwise qualified for.

Children’s critical illness plans

Q7: What additional conditions are covered under a children’s EquiLiving stand-alone plan or rider?

A7: In addition to the 26 covered conditions, EquiLiving provides coverage for the following 5 childhood conditions until age 25:

- Cerebral palsy
- Muscular dystrophy
- Congenital heart disease
- Type 1 diabetes mellitus
- Cystic fibrosis

Q8: Can an EquiLiving critical illness rider be added to a children's life insurance policy?

A8: An EquiLiving rider can be added to a children's Equimax whole life, Equitable Generations universal life, or Equation Generation IV universal life policy. It cannot be added as a rider to a term life insurance policy because the minimum issue age for term is age 18 and the maximum issue age for children's EquiLiving is age 17.

Q9: Why might a 10-year renewable to age 75 with Return of Premiums on Surrender/Expiry (ROPS/E) be an attractive solution for the children's market?

A9: In the middle-income family market, affordability is a primary concern. The lower premiums for a juvenile on a 10-year renewable to age 75 plan make it an attractive option. The change privilege gives them the flexibility to change to a level premium plan in the future when family income is potentially higher. Since most 10-year renewable to age 75 plans are purchased with the intention of exercising the change privilege, adding ROPS/E to their plan allows them to carry forward all accumulated premiums from the original plan to the new level plan (for as long as the ROPS/E is added).

Q10: To apply for a critical illness insurance policy on a child, do parents need to have equal or greater coverage on themselves?

A10: Not for coverage amounts less than \$100,000. However, for coverage amounts of \$100,000 or greater, the application would only be accepted if the parents have a valid reason for requesting coverage for their child but not for themselves.

Q11: Can parents buy a critical illness insurance policy on a child who already has one of the childhood covered conditions?

A11: No, this would be considered a pre-existing condition, and the child would not be eligible for coverage.

Q12: When does the loss of independent existence (LOIE) coverage begin on a child's policy?

A12: A claim for LOIE can be made at any age as long as the contractual requirements are met.

Q13: When I run illustrations for 10-year renewable to age 75 using various children's ages, the premium does not always increase at the 10-year point. Why not?

A13: In some scenarios, the renewal rate at year 10 on a child's policy may be the same rate as the initial issue age rate and therefore the rate doesn't increase.

Q14: If the Waiver of Premium (owner/payor death and disability) rider is not selected at issue, will the insured child still have the option to add Waiver of Premium (insured disability) on their own life at age 21?

A14: Yes. They will be required to complete a Policy Change application and underwriting will be required.

Q15: Can a rating be issued to a child's policy?

A15: No, a child's policy is only accepted on a standard basis.

Return of Premiums riders

Q16: Can I add a Return of Premiums rider after issue?

A16: Yes. You can add a Return of Premiums at Surrender/Expiry (ROPS/E) rider after policy issue without any underwriting evidence. Eligible premiums and years for the ROPS/E rider benefit start accumulating from when the rider is added.

You can also add a Return of Premiums on Death (ROPD) rider after issue, but you will be required to provide underwriting evidence. Eligible premiums for the ROPD rider benefit start accumulating from when the rider is added.

The addition of any rider after issue is subject to the age limitations for that rider.

Q17: If a client decides to add ROPE to a 10-year renewable to age 75 plan and later exercises the change privilege, can they carry forward the accumulated premiums to the new plan?

A17: Providing that a ROPS/E rider is available, and the client decides to add it to the new level plan or a 20 Pay plan, they will be able to carry forward any accumulated premiums from the original plan. The accumulated years do not carry over.

Q18: Does the policy state that accumulated premiums from the 10-year renewable to age 75 plan can be carried over if the change privilege is exercised?

A18: There is no guarantee that a ROPS/E rider will be available in the future. However, if it is and the client adds it to the new plan, any accumulated premiums from the original plan will be carried over to the new plan.

Q19: If a client elects ROPE on a 10-year renewable to age 75 plan and then later exercises the change privilege but elects not to have ROPS/E on the new plan (if available), what happens to the accumulated premiums from the original plan?

A19: Any accumulated premiums are forfeited and are not returned to the client. They cannot be carried over unless ROPS/E is available under the new plan and the client adds ROPS/E to the new plan.

Q20: If a client has a ROPS/E rider on their level to age 75 or level to age 100 plan, and they choose to reduce the face amount of their critical illness benefit, what happens to the ROPS/E benefit?

A20: Prior to the 15th policy anniversary

A partial surrender or reduction in the EquiLiving coverage before the 15th policy anniversary is treated as a lapse of that portion of the coverage. No premiums will be returned at the time of the reduction. The premiums to be returned on full surrender or expiry of the policy are then recalculated as though the reduced sum insured had been in force from the effective date of the policy.

On or after the 15th policy anniversary

On or after the 15th policy anniversary, clients may choose to surrender a portion of the EquiLiving coverage and receive a partial ROPS/E benefit, provided the reduced EquiLiving sum insured remaining in force meets the then-current policy minimums. The partial ROPS/E benefit will be equal to the premiums to be returned upon full surrender of the policy, less the premiums that would have been paid for the reduced sum insured, multiplied by the percentage eligible

to be returned. The maximum amount of the premiums to be returned on a partial surrender is limited to the EquiLiving sum insured being surrendered at that time.

When the partial ROPS/E benefit is paid, the client's policy continues in force with the reduced sum insured. The ROPS/E rider premium will be reduced to the amount required for the corresponding policy premium.

Q21: If a client has a ROPS/E rider on their level to age 75 or level to age 100 plan, and they fully surrender their critical illness benefit, what happens to the ROPS/E benefit?

A21: Premiums are returned if the surrender is made on or after the 15th policy anniversary as follows:

- Upon surrender on or after the 15th policy anniversary, 75% of the premiums to be returned are payable. This percentage increases by 5% each year, reaching 100% on the 5th policy anniversary.

Q22: If a client has ROPE on their 10-year renewable to age 75 plan, and they exercise the change privilege and elect to have ROPS/E on the new plan (if available), when does the 15- year waiting period to access accumulated premiums begin?

A22: It begins at the issue date of the new plan.

Q23: On the illustration software, if you select the ROPE benefit on a 10-year renewable to age 75 plan, the illustration does not show values for the rider in the tables. Why?

A23: Since the premiums are only available at expiry (age 75), there are no values to show until the policy expires. However, on the Coverage Summary page, there is a sentence showing what the ROPE benefit would be at expiry.

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