

# Financial critical illness underwriting guidelines

## Personal critical illness (CI) insurance

Type of coverage	Requirements	Underwriting guidelines								
<b>Income replacement</b>	<ul style="list-style-type: none"> <li>• Applicable financial questions on the application</li> <li>• Sources of income include earned income such as salary, commission and bonuses. It does not include rental income, interest or pension/investment income</li> </ul>	<table border="1"> <thead> <tr> <th>Age</th> <th>Income factor</th> </tr> </thead> <tbody> <tr> <td>18-55</td> <td>10x</td> </tr> <tr> <td>56-60</td> <td>5x</td> </tr> <tr> <td>61 and over</td> <td>3x</td> </tr> </tbody> </table>	Age	Income factor	18-55	10x	56-60	5x	61 and over	3x
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<b>Non-income earning spouse</b>	<ul style="list-style-type: none"> <li>• Applicable financial questions on the application</li> <li>• Spouse's earned income, insurance CI coverage and joint net worth</li> </ul>	Limit to the lowest of: <ul style="list-style-type: none"> <li>• \$250,000</li> <li>• 4 times the spouse's earned income</li> <li>• equal to spouse's coverage</li> </ul>								
<b>Children</b>	<ul style="list-style-type: none"> <li>• Applicable financial questions on the application</li> <li>• Amount of CI coverage on siblings and parents, family income and net worth</li> <li>• Cover letter required for &gt;\$250,000</li> </ul>	<ul style="list-style-type: none"> <li>• Up to \$500,000 across all companies</li> <li>• Face amounts should bear a reasonable relationship to family income and net worth</li> <li>• All siblings should be equally insured unless uninsurable</li> <li>• For amounts over \$250,000 both parents should have CI in force or applied for</li> </ul>								
<b>University &amp; college students</b>	<ul style="list-style-type: none"> <li>• Applicable financial questions on the application</li> <li>• Family income and net worth</li> <li>• Educational program and expected graduation date</li> </ul>	<ul style="list-style-type: none"> <li>• Up to \$250,000 for post-secondary students</li> <li>• Up to \$500,000 for professional degrees</li> </ul>								
<b>Unemployed</b>	<ul style="list-style-type: none"> <li>• Applicable financial questions on the application</li> </ul>	<ul style="list-style-type: none"> <li>• Can be considered for up to \$100,000</li> </ul>								
<b>Bankruptcy or consumer proposal</b>	<ul style="list-style-type: none"> <li>• Applicable financial questions on the application</li> </ul>	<ul style="list-style-type: none"> <li>• Employed persons for whom the bankruptcy/consumer proposal has not been discharged may be considered for a maximum of \$100,000 of critical illness coverage. The noted amount is across all companies. Riders are not available.</li> </ul>								



## Business critical illness (CI) insurance

Type of coverage	Requirements	Underwriting guidelines
<b>Buy-sell</b>	<ul style="list-style-type: none"><li>• Applicable financial questions on the application</li><li>• Names of all owners and their respective per cent of ownership, fair market value, amount of insurance in force and applied for on each owner</li><li>• Financial statements</li></ul>	<ul style="list-style-type: none"><li>• Up to the maximum of the current FMV of the insured's share</li></ul>
<b>Key person</b>	<ul style="list-style-type: none"><li>• Applicable financial questions on the application</li><li>• Names of all key persons and their amount of insurance in force and applied for on each key person</li><li>• Financial statements</li></ul>	<ul style="list-style-type: none"><li>• Up to five times the insured's salary</li></ul>
<b>Creditor/Debt protection</b>	<ul style="list-style-type: none"><li>• Applicable financial questions on the application</li><li>• Loan agreement</li><li>• Financial statements</li></ul>	<ul style="list-style-type: none"><li>• Up to the amount of the outstanding principal of the loan</li></ul>