



Guide to Application for Term Conversion

(form #1616)

When to use form #1616:

The Application for Term Conversion (form #1616) is for use when applying for a contractual term conversion from an Equitable® Term life insurance policy or term rider to an Equitable permanent policy.

When NOT to use form #1616: (below is a list of common changes received in error on the Application for Term Conversion)

Type of change	Use form
Conversions from a child protection rider (CPR).	Complete form #350. See Admin Guide for instructions. Note: Form #350 is only available in printed format.
Term conversions with additions requiring underwriting. (Adding EDO, term rider with carryover that exceeds the permanent coverage etc.)	
Term to term exchanges.	Depending on the issue date of the original policy use form #374G2 or #374G3 . The instructions are included on the form.
Change privilege for EquiLiving® critical illness insurance policies.	<p>How do I determine if my policy is G3 or G2?</p> <p>A G3 policy is generally described as a policy contract with an issue date on or after January 1, 2017. Please check the Tax Indicator, on the Coverage Tab on our EquiNet Policy Inquiry - Details section of the Individual Inquiry (Policy) section of EquiNet to confirm the tax status (G2/G3) of the policy before proceeding.</p>

Eligible conversion options:

- Equimax® participating whole life
- Equation Generation® IV universal life
- Equitable Generations™ universal life

Why is it important to submit the signed illustration with the form #1616?

Since policy information is not included on form #1616, the signed illustration provides the requested plan details selected by the policy owner. The policy owner's signature is required to initiate the conversion.

Can the illustration be signed on delivery?

No, the signed illustration provides the policy owner's direction for plan details and therefore must be signed and submitted with the Application for Term Conversion.

Important things to remember:

- All policy owners must sign both the form #1616 and the illustration.
- Where an irrevocable beneficiary has been designated the irrevocable beneficiary must sign the form #1616 in addition to the illustration.
- If there is an assignment or bankruptcy on the current term plan, release of assignment/bankruptcy or authorization from assignee is required.
- Any ratings from the current term coverage must be included in the illustration.
- A term plan must be in effect for at least one month before eligible for conversion.

Helpful hints: Completing the Application for Term Conversion (form #1616)

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Policy owner

If the proposed owner is not the same as the existing owner on the current term plan complete form [#671OC](#) & [#671BCF](#)

Beneficiary

Beneficiary(s) will remain the same as the current term plan.

If beneficiary(s) are to be different please complete Beneficiary Change Request form [#671BCF](#). In the section policy number(s) indicate: Application for conversion from policy #xxxxxxx dated dd/mm/yyyy.

Beneficiary change request form

List the policy number(s) for which you would like to change the beneficiary:		
Policy #	Policy #	Policy #
Application for Conversion From Policy #xxxxxxx Dated dd/mm/yyyy		

If there is an irrevocable beneficiary on the current term plan, authorization from that individual is required to proceed with the conversion.

Occupation & duties

Include job title and basic duties for all policy owners.

Example:

Manager - Insurance Administration

Manager - Construction

Supervisor - Restaurant

Supervisor - Landscaping

Consultant - I.T.

Consultant - Compliance



Current term coverage amount (A)

Full death benefit amount of current term plan.

Current term coverage amount to be converted to permanent coverage (B)

Amount of term death benefit to be converted to permanent coverage.

Amount of current term coverage to be carried over to new term rider (C)

- Plan minimums must be met.
- **If 50% or more is converted** – The remaining term coverage can be added as a term rider at current age and rates.
- **If less than 50% converted** – A term rider at current age and rates can be added to the permanent policy with a maximum face amount equal to the permanent coverage.

*Note, when carrying over term coverage at current age and rates any reductions to the permanent coverage within 12 months of the effective date of the converted policy, the term insurance rider coverage will also be reduced by the same amount as the permanent insurance reduction subject to plan minimums.

A term rider on a permanent plan that is a result of a carry over can still be partially or fully converted to a permanent policy, however it will be restricted as follows:

- No carry over of any of the term insurance rider to another term coverage.
- No exchange of the term rider will be permitted under the exchange option.
- Any remaining coverage can be left on the original policy or cancelled (subject to plan minimums).

For the continuation of preferred rates:

- The new term rider must meet new issue age and amounts for preferred rates, and
- The original term coverage must not have been in effect for more than 5 years.

Current term coverage amount to be cancelled (D)

Indicate only the term death benefit amount to be cancelled.

Do not include the amounts being converted or carried over as a term rider.

Current term coverage amount to remain on original term plan. (E)

Indicate any term coverage to remain on original term plan. Must meet plan minimums.

Note: The current term coverage (A) must equal the sum of (B), (C), (D) & (E)

Examples

\$1,000,000 (A)	Current term coverage amount	\$1,000,000 (A)	Current term coverage amount
\$250,000 (B)	Permanent coverage	\$500,000 (B)	Permanent coverage
\$250,000 (C)	Carry over to new term rider	\$500,000 (C)	Carry over to new term rider
\$250,000 (D)	Term coverage amount to be cancelled	\$0 (D)	Term coverage amount to be cancelled
\$250,000 (E)	Term coverage to remain on original term plan	\$0 (E)	Term coverage to remain on original term plan
\$1,000,000 (A)	Current term coverage amount	\$1,000,000 (A)	Current term coverage amount
\$250,000 (B)	Permanent coverage	\$250,000 (B)	Permanent coverage
\$250,000 (C)	Carry over to new term rider	\$250,000 (C)	Carry over to new term rider
\$0 (D)	Term coverage amount to be cancelled	\$500,000 (D)	Term coverage amount to be cancelled
\$500,000 (E)	Term coverage to remain on original term plan	\$0 (E)	Term coverage to remain on original term plan

Coverage details for converted policy

Unless advised otherwise, term conversions are processed effective the last monthiversary of the term plan. Conversions may be eligible to be back dated up to 364 days for universal life and whole life plans.

Illustration signed by all policy owners must be attached

The signed illustration must be submitted with the application to provide required information to complete the conversion process. The illustration must be signed by all policy owners.

Completing the illustration

Since policy details are not included on the application, the illustration must accurately reflect the new permanent policy.

The illustration must be run at current age and rates and submitted signed by all policy owners and the advisor.

Rating, province, gender, smoking status must all be the same as on the original term policy.

The intended premium mode must also match the illustration.

For UL policies the signed illustration must include the desired fund or investment allocation. If no allocation indicated on the illustration funds will be allocated to DIA.

Premium payments

Conversions are a continuation of the original term plan and therefore cannot be issued on a COD basis. Authorization to draw monthly premiums or annual payments must be submitted by cheque or online payment in order to proceed.

Universal life (Equation Generation® IV) withdrawal date must be the same as issue date.

Whole life (Equimax®) withdrawal date will be issue date of the new policy unless indicated otherwise.

Note: If a future withdrawal date is requested the application will be held until the withdrawal date.

Third party

If the payor is not the policy owner or insured please complete [form #31](#) - Third Party Information.



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Policy owner verification

Ensure all sections are completed, including the date the advisor verified the ID.
Please note identification issued by a province must indicate the province of issue (not the country), for example provincial driver's licence.

Applicant/owner declaration

Note: If a SIN/TIN has been assigned to the policy owner it must be provided.

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Joint policy owner verification

Same as above.

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Political positions

To be completed if the annual premium/deposit is greater than or equal to \$100,000.

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Signatures

All policy owners must sign the application in addition to the illustration.

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Advisor information

If related to the policy owner please provide details regarding the relationship.

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