

## LIFE INSURANCE DISCLOSURE FORM

If you are replacing a current insurance policy, you should be given this form *before* you fill out an application for the new insurance. The form outlines some of the details of your current policy and the proposed policy.

The new insurance company must give you a copy of your policy once it has been approved. In some provinces you have 20 days from the time you receive a copy of this disclosure form to withdraw the new application and receive a full refund of any premiums paid.

**Ask yourself the following questions as you look over this form.**

- **Is the new policy enough of an improvement to justify any new costs?** All new policies have some new costs, such as those for underwriting, administration and agent's commission.
- **Do premiums under the new policy rise as you age?** The premiums on some policies go up as you get older or if you get sick.
- **Are the circumstances where your new policy does not pay benefits?** Part A of this form tells you if your policy will not pay because of suicide or because you provided incomplete information.
- **Does the new policy pay you as much as the current one?** Make sure you look over the details of death benefits, cash value, and dividends carefully.
- **Does the new policy guarantee to insure you, or allow you to increase your insurance coverage, no matter what your future medical condition?** Your current policy may do this.
- **Does your new policy let you borrow money at attractive interest rates?** Your current policy may do this.
- **Are you losing tax advantages or creating a tax liability?** Many current insurance policies provide valuable income tax benefits. These benefits are not available with some new policies. Cancellation of your current policy may increase your income tax this year. Make sure that you fully understand the tax consequences of changing policies.

**IMPORTANT**

1. DO NOT SIGN THIS FORM UNLESS IT HAS BEEN COMPLETELY FILLED OUT.
2. **DO NOT CANCEL YOUR OLD INSURANCE POLICY UNTIL THE NEW ONE IS IN FORCE AND DELIVERED. SIGNING THIS FORM DOES NOT CANCEL YOUR OLD POLICY.**

**PART A - GENERAL INFORMATION**

| <i>This section describes some basic information about the life insurance policy you now have and about the new policy you are thinking about applying for.</i>   | <b>The Policy You Now Have</b> | <b>The Policy You Are Considering</b> |
|---|--------------------------------|---------------------------------------|
| <b>1. Policy number:</b>  |                                |                                       |
| <b>2. The life insurance company for this policy is:</b>  |                                |                                       |
| <b>3. This policy is dated:</b><br><i>The time when the policy you now have is dated may be important because some of the conditions of the policy depend on how long you have had it.</i>  | DD/MM/YY                       |                                       |
| <b>4. Name of the person whose life is insured:</b>   |                                |                                       |
| <b>5. The date of birth of the person(s) whose life is (are) insured:</b><br><i>Life insurance premiums usually get higher as a person becomes older.</i>   | DD/MM/YY                       |                                       |
| <b>6. This policy is owned by:</b><br><i>Sometimes someone else whose life is not insured may own an insurance policy. For example, a parent may own a policy on a child's life because the child is a minor and cannot sign the application or make changes to the policy.</i> |                                |                                       |

|   |  |  |
|---|--|--|
| <p><b>7. This policy is commonly referred to as:</b><br/> <i>The type of policy you now have and the one you are considering are not likely the same. Ask your agent what the differences are.</i></p>  |  |  |
| <p><b>8. Do any of these situations apply to you?</b><br/> <i>Since you bought the type of policy you now have, if you have begun to smoke, have developed a health problem, have changed to a riskier job or have taken up a risky sport, you may have to pay extra premiums for the new policy you are considering.</i></p>   | <p><input type="checkbox"/> Smoker<br/> <input type="checkbox"/> Health problem<br/> <input type="checkbox"/> Risky job<br/> <input type="checkbox"/> Risky sport</p>  | <p><input type="checkbox"/> Smoker<br/> <input type="checkbox"/> Health problem<br/> <input type="checkbox"/> Risky job<br/> <input type="checkbox"/> Risky sport</p>  |
| <p><b>9. Is this policy an RRSP?</b><br/> <i>Some life insurance policies can be RRSPs and can give you a tax deduction for part of the premiums you pay but you must pay tax on some of the money you receive out of the policy if you cancel it or a death benefit is paid.</i></p>   | <p><input type="checkbox"/> Yes<br/> <input type="checkbox"/> No</p>   | <p><input type="checkbox"/> Yes<br/> <input type="checkbox"/> No</p>   |
| <p><b>10. The suicide period on this policy expires:</b><br/> <i>Most policies will not pay if the person insured commits suicide within two years of the policy's issue date.</i></p>  | <p>DD/MM/YY</p>  | <p>DD/MM/YY</p>  |
| <p><b>11. The contestability period on this policy expires:</b><br/> <i>A policy may not pay if information on the application was incomplete (for example, if the insured person did not disclose a previous illness to the insurance company). If this information is not discovered within a certain period (usually two years), however, the policy will pay, in the absence of fraud. This is called the contestability period.</i></p>  | <p>DD/MM/YY</p>  | <p>DD/MM/YY</p>  |
| <p><b>12. The other benefits attached to this policy are:</b><br/> <i>Many policies have other benefits (called riders) attached to them. For example, on some policies Waiver of Premium (WP) means that if you are sick or injured, you do not have to pay premiums while you cannot work. Accidental Death and Dismemberment (AD&amp;D) means that if, because of an accident, you die or lose one or more limbs, additional money will be paid to you or your beneficiary. Guaranteed Insurability Option (GIO) means that you can buy additional insurance at certain times no matter what your future medical condition or the danger involved with your job or other activities.</i></p> | <p><input type="checkbox"/> WP<br/> <input type="checkbox"/> AD&amp;D<br/> <input type="checkbox"/> GIO<br/> <input type="checkbox"/> Term Rider<br/> <input type="checkbox"/> Other<br/>                 (specify)</p>  | <p><input type="checkbox"/> WP<br/> <input type="checkbox"/> AD&amp;D<br/> <input type="checkbox"/> GIO<br/> <input type="checkbox"/> Term Rider<br/> <input type="checkbox"/> Other<br/>                 (specify)</p>  |
| <p><b>13. Is this policy eligible for dividends?</b><br/> <i>Some policies pay dividends based on the performance of the insurance company. Once these dividends are paid to the policy they are guaranteed and will be paid out by the insurance company if the insured person dies or the policy is cancelled.</i></p>  | <p><input type="checkbox"/> Yes<br/> <input type="checkbox"/> No</p>   | <p><input type="checkbox"/> Yes<br/> <input type="checkbox"/> No</p>   |
| <p><b>14. If so, what dividend option was selected?</b><br/> <i>(For example, increased insurance coverage, reduced premiums, cash payouts, accumulation)</i></p>   | <p><input type="checkbox"/> Cash<br/> <input type="checkbox"/> Reduce Premium<br/> <input type="checkbox"/> Accumulation<br/> <input type="checkbox"/> PU Additions<br/> <input type="checkbox"/> Enhancement<br/> <input type="checkbox"/> Other<br/>                 (specify)</p> | <p><input type="checkbox"/> Cash<br/> <input type="checkbox"/> Reduce Premium<br/> <input type="checkbox"/> Accumulation<br/> <input type="checkbox"/> PU Additions<br/> <input type="checkbox"/> Enhancement<br/> <input type="checkbox"/> Other<br/>                 (specify)</p> |

**PART B - PREMIUMS**

|   |   |   |
|---|---|---|
| <p><i>A premium is the amount of money you pay the insurance company to be insured. Some policies guarantee the premium amount will stay the same for the length of the policy.</i></p> | <p><b>The Policy You Now Have</b></p>         | <p><b>The Policy You Are Considering</b></p>  |
| <p><b>1. This policy's premium will:</b></p>  | <p><input type="checkbox"/> stay the same</p> | <p><input type="checkbox"/> stay the same</p> |

|  |   |   |
|--|---|---|
| (For future premiums see PART H)   | <input type="checkbox"/> increase<br><input type="checkbox"/> decrease<br><input type="checkbox"/> fluctuate  | <input type="checkbox"/> increase<br><input type="checkbox"/> decrease<br><input type="checkbox"/> fluctuate  |
| <b>2. The premium for this policy is now:</b><br>The premium shown here should be the amount actually being paid. For example, if the premium is being paid monthly, the actual monthly premium should be shown, not 12 times the monthly premium. | \$<br><input type="checkbox"/> every month<br><input type="checkbox"/> quarterly<br><input type="checkbox"/> twice a year<br><input type="checkbox"/> once a year | \$<br><input type="checkbox"/> every month<br><input type="checkbox"/> quarterly<br><input type="checkbox"/> twice a year<br><input type="checkbox"/> once a year |

**PART C - DEATH BENEFITS**

|   |  |  |
|---|--|--|
| <i>The death benefit is the amount of money the insurance company pays if the insured person dies. Some policies guarantee the death benefit will stay the same for the length of the policy.</i> | <b>The Policy You Now Have</b>   | <b>The Policy You Are Considering</b>  |
| <b>1. This policy's death benefit will:</b><br><br>(For future coverage see PART H)   | <input type="checkbox"/> increase<br><input type="checkbox"/> decrease<br><input type="checkbox"/> stay the same<br><input type="checkbox"/> fluctuate                                       | <input type="checkbox"/> increase<br><input type="checkbox"/> decrease<br><input type="checkbox"/> stay the same<br><input type="checkbox"/> fluctuate                                       |
| <b>2. If the insured person dies today, the basic death benefit the policy will pay is:</b>   | \$   | \$   |
| <b>3. Additional guaranteed death benefits for this policy will:</b><br>Some policies may have extra guaranteed death benefits attached to them.<br><br>(For future coverage see PART H)          | <input type="checkbox"/> increase<br><input type="checkbox"/> decrease<br><input type="checkbox"/> stay the same<br><input type="checkbox"/> fluctuate<br><input type="checkbox"/> not apply | <input type="checkbox"/> increase<br><input type="checkbox"/> decrease<br><input type="checkbox"/> stay the same<br><input type="checkbox"/> fluctuate<br><input type="checkbox"/> not apply |
| <b>4. If the insured person dies today, the extra death benefit the policy will pay is:</b>   | \$   | \$   |
| <b>5. If the insured person dies today, the total death benefit the policy will pay is:</b>   | \$   | \$   |

**PART D - GUARANTEED CASH VALUES**

|  |   |   |
|--|---|---|
| <i>Some policies have a cash value which means that some of the insurance premium goes into a reserve that grows in value. The owner of the policy has the option of taking out this cash value, which may end the policy or reduce the death benefit.</i> | <b>The Policy You Now Have</b>                              | <b>The Policy You Are Considering</b>                       |
| <b>1. Does this policy now have a guaranteed cash value or will it have a guaranteed cash value in the future?</b>   | <input type="checkbox"/> Yes<br><input type="checkbox"/> No | <input type="checkbox"/> Yes<br><input type="checkbox"/> No |
| <b>2. The minimum amount of money you would receive from this policy if you cancelled it today (after deducting any loan and/or surrender charges) is:</b>   | \$  | \$  |

**PART E - UNIVERSAL OR VARIABLE LIFE**

|   |                                |                                       |
|---|--------------------------------|---------------------------------------|
| <i>Some policies, such as Universal Life or Variable Life, are flexible because they let you change the amount of premium</i> | <b>The Policy You Now Have</b> | <b>The Policy You Are Considering</b> |
|---|--------------------------------|---------------------------------------|

|   |  |  |
|---|--|--|
| <i>you pay. However, these types of policies may not guarantee that the interest rate, the expenses or the cost of the insurance part of the policy will stay the same as when you bought it.</i> |  |  |
| <b>1. Is this a Universal Life or Variable Life Policy?</b>   | <input type="checkbox"/> Yes<br><input type="checkbox"/> No  | <input type="checkbox"/> Yes<br><input type="checkbox"/> No  |
| <b>2. The minimum amount of premium you can pay is:</b>   | \$ _____   | \$ _____   |
| <b>3. The maximum amount of premium you can pay is:</b>   | \$ _____   | \$ _____   |
| <b>4. The cost for the insurance part of this policy is:</b>  | <input type="checkbox"/> guaranteed<br><input type="checkbox"/> not guaranteed<br>guaranteed for _____ years | <input type="checkbox"/> guaranteed<br><input type="checkbox"/> not guaranteed<br>guaranteed for _____ years |
| <b>5. The expenses for this policy are:</b>   | <input type="checkbox"/> guaranteed<br><input type="checkbox"/> not guaranteed<br>guaranteed for _____ years | <input type="checkbox"/> guaranteed<br><input type="checkbox"/> not guaranteed<br>guaranteed for _____ years |
| <b>6. The minimum guaranteed interest rate is:</b>  | _____%   | _____%   |

**PART F - REASONS FOR REPLACEMENT**

The policy you now have does not meet your needs because:

The policy you are considering better suits your needs because:

**PART G - EXPLANATORY COMMENTS**

**PART H - FUTURE VALUES**

*The costs and benefits provided by all life insurance policies depend on three things: the money the insurance company earns on investments, the money the insurance company spends to run its business and the amount of money the insurance company pays out to beneficiaries when insured people die. If the insurance company earns more on its investments than was expected, spends less on running its business than it thought it would or if not as many people die as was predicted, profits will be higher. On the other hand, if the company earns less than expected, spends more on running its business or more people die than were expected to, profits will be lower or there might not be any profits at all.*

**This section is not required in British Columbia. Refer to your provincial Step by Step Guide for requirements in other jurisdictions.**

*This section shows what could happen if:*

1. *only the minimum guarantees are paid,*
2. *if present conditions continue, and*
3. *if present conditions worsen, for example, if investment earnings of the insurance company are reduced by 1 percentage point, expenses to run its business increase by 20 per cent and if the death rate increases by 20 per cent.*

| <b>If Only the Minimum Guarantees Are Paid</b> |                                |               |            |                                       |               |            |
|--|--------------------------------|---------------|------------|---------------------------------------|---------------|------------|
|  | <b>The Policy You Now Have</b> |               |            | <b>The Policy You Are Considering</b> |               |            |
| Attained Age                                   | Premium                        | Death Benefit | Cash Value | Premium                               | Death Benefit | Cash Value |
| 25   |                                |               |            |                                       |               |            |
| 45   |                                |               |            |                                       |               |            |
| 55   |                                |               |            |                                       |               |            |
| 65   |                                |               |            |                                       |               |            |
| 75   |                                |               |            |                                       |               |            |
| 85   |                                |               |            |                                       |               |            |

| <b>If Present Conditions Continue</b> |                                |               |            |                                       |               |            |
|---------------------------------------|--------------------------------|---------------|------------|---------------------------------------|---------------|------------|
|                                       | <b>The Policy You Now Have</b> |               |            | <b>The Policy You Are Considering</b> |               |            |
| Attained Age                          | Premium                        | Death Benefit | Cash Value | Premium                               | Death Benefit | Cash Value |
| 25                                    |                                |               |            |                                       |               |            |
| 45                                    |                                |               |            |                                       |               |            |
| 55                                    |                                |               |            |                                       |               |            |
| 65                                    |                                |               |            |                                       |               |            |
| 75                                    |                                |               |            |                                       |               |            |
| 85                                    |                                |               |            |                                       |               |            |

| If Present Conditions Worsen |                         |               |            |                                |               |            |
|------------------------------|-------------------------|---------------|------------|--------------------------------|---------------|------------|
|                              | The Policy You Now Have |               |            | The Policy You Are Considering |               |            |
| Attained Age                 | Premium                 | Death Benefit | Cash Value | Premium                        | Death Benefit | Cash Value |
| 25                           |                         |               |            |                                |               |            |
| 45                           |                         |               |            |                                |               |            |
| 55                           |                         |               |            |                                |               |            |
| 65                           |                         |               |            |                                |               |            |
| 75                           |                         |               |            |                                |               |            |
| 85                           |                         |               |            |                                |               |            |

**PART I - CONSUMER'S AND AGENT'S STATEMENTS**

|   |                                     |  |
|---|-------------------------------------|--|
| I acknowledge having received a fully completed Disclosure Statement from   | Consumer's name (please print)      |  |
|   | Consumer's signature                |  |
|   | Date                                |  |
| Print Agent's Name  |                                     |  |
| I have completed and reviewed a fully completed Disclosure Statement with   | Agent's name (please print)         |  |
|   | Agent's signature                   |  |
|   | Licence Number                      |  |
| Print Consumer's Name   |                                     |  |
| <p><b>(To be completed where required by provincial legislation)</b></p> <p>The agent referred to above is a Level 1 agent and this Disclosure Statement if required to be signed by a Level 2 agent. By countersigning, I appreciate that I accept the responsibility for completion of this statement as if I had completed the statement myself, as the agent.</p> | Level 2 Agent's name (please print) |  |
|   | Level 2 Agent's signature           |  |
|   | Licence Number                      |  |
|   |                                     |  |