

WEEKLY NEWS BULLETIN

Trends and Changes in the Life and Health Insurance Industry

Date: August 28, 2017

From: August 20 to 26, 2017

SUMMARY**CHANGES TO EXISTING PRODUCTS**

- 1) **SUN LIFE FINANCIAL** – Transition rules help smooth the way to the updated Sun CII product ([page 2](#)).

PREMIUM RATES – CHANGES

- 2) **SSQ FINANCIAL GROUP** – Individual Life Insurance: Premium rates decrease and improvement of market positioning ([page 3](#)).

TECHNOLOGICAL DEVELOPMENTS

- 3) **EQUITABLE LIFE** – The company to accept beneficiary designations on electronic applications ([page 4](#)).

OTHERS

- 4) **CANADA LIFE** – Estate transfer+: New go-to tool for estate transfers, cash withdrawals and policy loans ([page 5](#)).

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DETAILS
CHANGES TO EXISTING PRODUCTS
1) SUN LIFE FINANCIAL

Transition rules help smooth the way to the updated Sun CII product.

We're launching updates to Sun CII on October 2, 2017. This includes changes to the product's design and covered illnesses, and a move to Sun Life Illustrations. See the August 14, 2017 InsuranceINTEL Weekly Bulletin for more details.

The following information will support you during the transition period.

Application status	What rates and product features will apply?
Signed and received before October 2, 2017.	We'll process applications using rates and product features in effect before October 2, 2017 (series 2012).
Signed before October 2 and received between October 2, 2017 and October 9, 2017 OR Signed and received between October 2, 2017 and October 9, 2017	We'll process applications using rates and product features in effect on October 2, 2017(series 2017). If the client would like pre October 2 product features and rates (series 2012), indicate this in the application's Advisor report in the additional comments or special instructions section.
Received after October 9, 2017 at 11:59 pm EDT	We'll process applications using the rates and product features in effect as of October 2, 2017 (series 2017).
Signed on or after October 2, 2017, with series 2017 rates and a request to backdate to a date before October 2, 2017.	We'll process applications using the new rates and product features in effect as of October 2, 2017 (series 2017).
Policy settled within the 10-day free look period on or after October 2, 2017.	If the client wants the new rates and product features (series 2017 policy), return the policy to the New Business area with a cover sheet and ask to have the policy reissued with new product features and rates.
Policy settled and past the 10-day free look period on or after October 2, 2017.	If the client would like new rates and product features (series 2017 policy), we require a new application with full evidence.

Save your new Sun Critical Illness Insurance illustrations

Effective October 10, 2017, Sun Critical Illness products will no longer exist in Eos. If you'd like to save an illustration you've created for this product, you must do so before **October 9, 2017**.

With the Eos illustration open, click **Report Preview**, then either print or save it to a location on your PC hard drive.

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PREMIUM RATES – CHANGES
2) SSQ FINANCIAL GROUP

Individual Life Insurance: Premium rates decrease and improvement of market positioning.

SSQ Financial Group is decreasing premiums to help you kick start the fall with improved market positioning in the industry!

Effective **September 6, 2017**, we are lowering our rates on our **Term** and **Term Plus** products for fixed and decreasing insurance amounts.

As a result, our overall positioning will improve and will be amongst the best in most age groups.

The rate decrease will apply to the following products:

- Term Plus Products:**

Terms	Average decrease
Term Plus 10*	0.8%
Term Plus 20*	1.5%
Term Plus 15	No change, already an excellent positioning
Term Plus 25	1.5%
Term Plus 30	2%
Term Plus 35	3%

**Rate increase for isolated age brackets for Term Plus 10 and 20.*

- Term products:**

Terms	Average decrease
T10*	0.8%
T20*	1.5%

**Rate increase for isolated age brackets for Term 10 and 20*

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SSQ FINANCIAL GROUP (Continued)
Transition rules

The changes will take effect on **September 6, 2017**. In order to ensure a smooth transition, **please review the following transition rules:**

Application signed before <u>September 6, 2017</u>	Application signed as of <u>September 6, 2017</u>
<p>For all applications signed before September 6, 2017 and received at SSQ on or before September 19, 2017, the lowest premium will apply.</p> <p>For all applications received after September 19, new premium will apply.</p>	<p>For all applications signed on or after September 6, 2017, new premium will apply.</p>

Please note that no exceptions will be made.

New illustration software version 6.3

Effective **September 6, 2017**, a new version of the illustration software (version 6.3) with the new premium rates, will be available.

TECHNOLOGICAL DEVELOPMENTS
3) EQUITABLE LIFE

Equitable Life to accept beneficiary designations on electronic applications.

Beneficiary designations can now be made on electronic applications. Previously, for all provinces other than British Columbia and Alberta, beneficiaries defaulted to the estate of the life insured on electronic applications. Clients had to separately complete a hard copy form to modify that beneficiary. Now they will be able to designate a beneficiary of their choosing through EZcomplete. This change will be included in our next EZcomplete release on September 1, 2017. Hard copy beneficiary forms will continue to be required for subsequent beneficiary changes.

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4) CANADA LIFE

Estate transfer+: New go-to tool for estate transfers, cash withdrawals and policy loans.

Three options, one tool
The strategy

Clients can use permanent life insurance to preserve their capital and enhance net estate values all while taking advantage of tax-free growth (subject to government limits, so long as it stays within the policy). Plus, there's an opportunity to access built-up cash value in the policy should the policyowner need it.*

*Borrowing or withdrawing money from the policy may reduce the policy's cash value and death benefit and may be taxable.

The tool

Estate transfer+ is three messages in one. Depending on your client's needs, you have the opportunity to speak with clients about:

- Estate transfer;
- Estate transfer with cash withdrawals;
- Estate transfer with policy loans.

[Download the tool today.](#)

Accessing cash value – Choosing an option

Cash withdrawals – Clients can access the cash value in their policy through a partial surrender or withdrawal. This method:

- Ensures the policyowner can withdraw some or all of their policy's cash value;
- Impacts cash value and death benefit and may be taxable.

Policy loans – Clients can use their policy's cash value as security for a loan, while still allowing the policy to grow. This method:

- Ensures the policy owner can borrow from its cash value and pay it back over time with interest:
 - If the loan is repaid before the death of the insured person, it doesn't reduce coverage;
 - If the loan is not repaid before the death of the insured person, then its balance, including interest, is deducted from the amount paid out at death.

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CANADA LIFE (Continued)**What's included in the tool**

Depending on whether you select a summary or detailed report, discussions can include:

- How taxes can erode your wealth;
- Tax-advantaged way to transfer assets;
- The life insurance advantage;
- How life insurance stacks up – asset efficiency;
- When the client breaks even – break-even point;
- Comparing life insurance to investments;
- Investments – detailed;
- Life insurance – detailed.

Target clients

This strategy is best suited for clients who:

- Need life insurance and are interested in the benefits permanent life insurance offers;
- Have annual tax obligations from investments;
- Have a desire to reduce taxes on investment income;
- Want to leave a legacy;
- May want the ability to access cash value from their life insurance policy.