

Updated September 2022



Accelerated underwriting and predictive analytics

1. What is accelerated underwriting?

Accelerated underwriting is the term used to describe the use of predictive analytics to facilitate risk assessment by limiting the number of insureds required to submit medical requirements.

2. Why use predictive analytics in individual life insurance?

To limit the number of medical examinations and thus provide our clients with the best experience in terms of underwriting.

Predictive analytics translates into a quick, streamlined process with no medical examinations for a great number of our clients, while maintaining competitive rates.

3. Which clients could benefit from predictive analytics?

Predictive analytics benefits the following clients:

- Persons aged 16 to 45 for amounts from \$500,000 up to \$2,000,000 (inclusive)
- Persons aged 46 to 50 for amounts from \$250,000 up to \$2,000,000 (inclusive)
- Persons aged 51 to 55 for amounts from \$100,000 up to \$499,999 (inclusive)
- Persons aged 56 to 60 for amounts up to \$499,999 (inclusive)
- Persons aged 61 to 70 for amounts up to \$99,999 (inclusive)

4. What products are affected by accelerated underwriting?

Term life insurance, permanent life insurance and universal life insurance products.

Simplified life insurance, guaranteed issue life insurance and critical illness insurance products are excluded from the accelerated underwriting process.

5. What happens in the case of preferred risks?

Preferred risk classes are available for term insurance products for amounts starting at:

- \$2,000,001 for ages 18 to 50
- \$500,000 for ages 51 and older

6. How does predictive analytics work? How should I introduce the concept to my clients?

Predictive analytics uses artificial intelligence to determine which clients must undergo a medical examination and which don't. In this regard, we estimate that one out of two individuals targeted by predictive analytics (see question No. 4) will not have to undergo medical examinations.

However, it's important to manage your clients' expectations by letting them know that additional medical examinations may be required. If they are exempt, they will have the pleasant surprise of not having to undergo the medical examinations they thought they needed to do.

7. When will these changes take effect?

These new measures apply to insurance applications signed on or after September 8, 2022, or received by SSQ after September 23, 2022, and will be subject to the rules regarding the increase in limits under the accelerated underwriting process.

8. What are the transition rules?

For applications signed before September 8, 2022, and received no later than September 23, 2022, the old rules will apply. After these dates, however, the new product rules regarding preferred risk classes and evidence of insurability grids will apply.

9. How will I know if underwriting requirements are required?

This information will be provided via the external Underwriting Pro (Lifesuite) portal or through your agency's internal system.

For agencies that are not signed up for automated alerts, we recommend that you request them so that you can receive alerts each time an underwriting requirement must be ordered by the agency.

10. Who orders the underwriting requirements when they are required?

For electronic applications, SSQ Insurance will order the underwriting requirements.

A firm specialized in medical tests will contact your client within days of ordering the underwriting requirements.

For paper applications, we will notify you of the required underwriting requirements via the Underwriting Pro external portal (Lifesuite) or through your agency's internal system so you can order them.

11. What happens if I order tests that were not required?

If you ordered tests by mistake, please check with the service provider to see if the order can be cancelled and inform us as quickly as possible by writing to infonouvellesaffaires@ssqassurance.ca

If the order cannot be cancelled, the underwriting team will wait for the results before making a decision.

12. My client didn't report any medical conditions, yet medical examinations are still required. Why?

Predictive analytics uses different information to assess client risk, which is what we call the targeted process. In addition, a number of applications will be selected at random, which is what we call the random process. The underwriter may also require additional evidence. Therefore, there are three possibilities where a client may be required to undergo medical examinations. Thus, medical examinations may be required even if the client declares no medical condition.

13. Can my application be denied due to predictive analytics?

No. Predictive analytics serves only to determine if medical requirements are necessary or not. Only the underwriter can deny an application and justification is always provided.

14. Are the changes visible in the illustration software?

The changes will be integrated into the illustration software with the next update scheduled in September 2022.