



# Financial underwriting guidelines

## Life insurance and Critical illness

### Personal Insurance

	Life insurance guidelines		Critical illness guidelines	
<b>Income Protection</b>	<b>Age</b>	<b>Income Factor</b>	<b>Age</b>	<b>Income Factor</b>
	18-30	30x	18-55	10x
	31-40	25x	56-60	7x
	41-50	20x	61+	5x
	51-60	15x		
	61-65	10x		
	66-75	5x		
	<ul style="list-style-type: none"> <li>• Earned income only is considered excluding dividends, investments earnings and retirement income</li> <li>• Higher amounts could be allowed depending on net worth and personal loans</li> </ul>			
<b>Estate Conservation (only for permanent product)</b>	<b>Age</b>	<b>Net Worth Factor</b>		
	Up to 70 years old	1.5x		
	Above 70 years old	1x		
<b>Children (up to 17 years old)</b>	<ul style="list-style-type: none"> <li>• All children must be insured for same amount</li> <li>• Up to \$250,000, parents' coverage will not be taken into consideration.</li> <li>• &gt; \$250,000 to \$1,000,000 parents' coverage will be taken into account</li> <li>• Individual consideration for higher amounts with additional financial justification</li> </ul>		<ul style="list-style-type: none"> <li>• Same amount of critical illness insurance as siblings up to a maximum of \$250,000</li> </ul>	
<b>College student / university (18 years old and above)</b>	<ul style="list-style-type: none"> <li>• Maximum \$1,000,000</li> <li>• Individual consideration for higher amounts with additional financial justification</li> </ul>		<ul style="list-style-type: none"> <li>• Maximum \$500,000</li> <li>• For amounts &gt; \$250,000 financial justification is needed</li> </ul>	

## Personal Insurance (continued)

<b>Non-Income Earning Spouse</b>	<ul style="list-style-type: none"> <li>• 100% of the insurance amount in force on the life of the working spouse up to a maximum of \$1,000,000</li> <li>• Individual consideration for higher amounts with additional financial justification (spouse's current income and insurance as well as family net worth)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>From 18 to 50 years:</b> the lesser of: \$500,000 or Same amount of critical illness insurance as the working spouse or 4x the income of the working spouse</li> <li>• <b>51 years and older:</b> the lesser of: \$250,000 or Same amount of critical illness insurance as the working spouse or 4x the income of the working spouse</li> </ul>
<b>Unemployed</b>	<ul style="list-style-type: none"> <li>• \$250,000</li> <li>• Individual consideration for higher amount for cases of recent job loss (unemployment income) with details of previous occupation, usual income and type of work sought</li> </ul>	<ul style="list-style-type: none"> <li>• Maximum \$100,000</li> </ul>
<b>Bankruptcy</b>	<ul style="list-style-type: none"> <li>• If released: no restriction on the insurance amount</li> <li>• If not yet released: maximum \$250,000 (total insurance amount)</li> <li>• If multiple bankruptcies, life insured must be discharged for at least one year. After one year, no restriction if stable employment and good income</li> </ul>	<ul style="list-style-type: none"> <li>• If released: no restriction on the insurance amount</li> <li>• If not yet released: maximum \$250,000 (total insurance amount)</li> </ul>
<b>Charitable Donation</b>	<ul style="list-style-type: none"> <li>• Cover letter providing justification of insurance amount requested, reason for donation and involvement with charity</li> <li>• Client's need for personal insurance must be adequately covered</li> <li>• The charity can be the owner and beneficiary of the insurance policy, but the client must be the payer</li> </ul>	

## Business Insurance

<b>Buy/Sell</b>	<ul style="list-style-type: none"> <li>• Current Fair Market Value of shares in the business</li> </ul>	<ul style="list-style-type: none"> <li>• Current Fair Market Value of shares in the business</li> </ul>
<b>Key Person</b>	<ul style="list-style-type: none"> <li>• 5 to 10 times the annual income</li> </ul>	<ul style="list-style-type: none"> <li>• 3 to 7 times the annual income</li> </ul>
<b>Protection from creditors</b>	<ul style="list-style-type: none"> <li>• Loan amount x % of shares*</li> <li>• Only long-term loans will be considered</li> </ul>	<ul style="list-style-type: none"> <li>• Loan amount x % of shares*</li> <li>• Only long-term loans will be considered</li> </ul>
* Cover letter required if requesting higher share amount		