

**DATE:** November 10, 2017 **N° 2017-28**

**CATEGORY:** **INSURANCE**

**TO:** Managing General Agents, Associate General Agents, Advisors, General Agents and National Accounts

**SUBJECT:** **New Lower Solution 10 and Solution 20 Premium Rates & New Solution 30**

Effective November 29, 2017, we are pleased to announce the following 2 enhancements for our Solution Series product lineup:

- Premium rate decreases for Solution 10 & Solution 20 for coverage amounts of \$1,000,000 & up
- A new Solution 30 term life insurance product

These changes will significantly improve our overall competitive positioning for clients who need longer term life insurance coverage and will provide better value for clients who need higher amounts of term life insurance coverage.

### Solution 10 & Solution 20 Premium Rate Decrease Details

- Initial premium rates for Solution 10 and 20 coverage amounts of \$1,000,000 & up will decrease:
  - Solution 10 – 2.3% on average
  - Solution 20 – 3.3% on average
- These premium rate decreases for Solution 10 and 20, shown as a new 5<sup>th</sup> premium rate banding, are applicable to:
  - All ages & gender
  - All risk classes (including Preferred & Elite classes)
  - Initial and renewal premium rates for coverage amounts of \$1,000,000 & up

### New Solution 30 Details

Solution 30 is a longer term life insurance option with an initial term of 30 years, followed by 1 year renewal terms, all at competitive rates. It is a great life insurance solution for clients who have longer term life insurance needs, such as covering a mortgage.

Product Highlights	
Plan Description	<ul style="list-style-type: none"> <li>• Initial 30-year term with guaranteed level premiums</li> <li>• Guaranteed renewable on an Annual Renewal Term (ART) basis</li> <li>• Premiums paid to age 100, then coverage is paid up</li> </ul>
Issue Ages	18 to 55
Issue Limits	\$25,000 to \$10,000,000
Coverage Type	Single, joint first & last to die; multi-life (2 lives)
Conversion	To age 75
UW classes	<ul style="list-style-type: none"> <li>• Standard non-smoker &amp; smoker</li> <li>• Sub-standard rates available</li> <li>• Preferred rate classes available at \$500,000 &amp; up</li> </ul>
Premium rate bands	Band 1 - under \$100,000 Band 2 - \$100,000 - \$249,999 Band 3 - \$250,000 - \$499,999 Band 4 - \$500,000 - \$999,999 Band 5 - \$1,000,000 +
Term Exchange	Can exchange Solution ART or Solution 10 to Solution 30 within the first 5 years, subject to business rules

## To Apply for the New Solution 30

Simply apply online through our Fast & Full Application process. With instant approval and eContract Delivery capabilities, eligible clients can have their contract delivered within 1 business day.

If using our paper application process, complete:

- Life and Health Insurance Application (D-0082); **and**
- The NEW Solution 30 insert (D-0082C).

## Transition Rules

Solution 10 & Solution 20 new band 5 premium rates:

- For applications received in Head Office after 5:00 p.m. Tuesday, November 28, 2017 (EST) that are approved, Solution 10 & Solution 20 coverages of \$1 million & above will be issued with the new rates.
- For pending "in the mill" applications that are received in Head Office on or before 5:00 p.m. on November 28, 2017 (EST), and are approved and the policy issued after November 28, 2017, Solution 10 and 20 coverages of \$1 million & above will be automatically issued with the new rates, but must be settled by 11:00 a.m. January 31, 2018 (EST).
- Any Solution 10 or 20 coverage of \$1 million & above that is issued on or before November 28, 2017 but not yet settled must be returned to Head Office by December 15, 2017 at 5:00 p.m. (EST) to receive the new rates.

## Reference

**Yvonne Lau**, Product and Pricing Specialist, Insurance Marketing