

DATE: June 4, 2020

N^o. 2020-19

CATEGORY: INSURANCE

TO: Managing General Agents, Associate General Agents, Advisors,
General Agents, Independent Financial Advisors and National Accounts

SUBJECT: Revised Life and Health Applications for use in Non Face-to-Face Sales

We have updated our Life and Health Insurance Application (D-0082) to enable advisors to use it for Non Face-to-Face sales in addition to Face-to-Face sales.

Eligibility:

- Life insureds insurance ages between 0-75 (inclusive)
- All life and health products
- Up to \$10 million of insurance coverage, \$75,000 of Empire Life CI Protect coverage and \$2 million of Empire Life CI Protect Plus coverage per life insured.
- All riders and benefits
- Personal or corporate ownership
- Each life insured must be a resident of Canada
- Personal History Tele-interview required (except for Children's Life/Critical Illness Rider). Empire Life will order the Personal History Tele-Interview (PHI)

Restrictions for
Non-Face-to-
Face Sales:

- No Temporary Insurance on Non- Face- to- Face sales

Important
Reminders:

If application is for EstateMax, Optimax Wealth or Solution 100, FATCA questions need to be completed (Section 1.11).

If application includes Children's Life/ Critical Illness Rider, the Children's Life/ Critical Illness Rider question set must be completed (Section 7.4) even if PHI is used for base coverage.

Determination of 3rd Party Interest needs to be completed (Section 11.9).

Advisor must be licensed in each jurisdiction(s) where the advisor acts as an insurance agent, including the jurisdiction where advisor is located and the jurisdiction where each owner is located when the application is completed, and if an owner signs the application in ON, NV, NWT and YK, the advisor also has to be licensed in each jurisdiction where a life insured is located when the application is completed.

Advisors must fulfill all of their obligations to clients whether the application is completed in person or non face-to-face. A non face-to-face sale may not be appropriate in all situations.

Non Face-to-
Face Application
Process:

- Advisor completes the application and other forms (if applicable) with the owner(s), life insured(s) and third party payor (if any) by video conferencing. The advisor tells the owner(s) and life insured(s) to carefully review their answers for accuracy and completeness before signing N.B. If the application is a conversion, then any

irrevocable beneficiary or assignee must also sign.

- If the identity of the owner(s) needs to be verified, the advisor can use the Dual Process method and complete Section 1.2 of the D-0011 Verification of Identity of Owner(s)/Determination of Politically Exposed Persons and Third Party Interests.
- An independent 3rd party must witness all signature(s). Except as noted in the section "Temporary Exception to Witness on D-0082 application due to COVID-19 pandemic", the witness must be physically present when each document is signed and cannot be a policy owner, beneficiary or relative of the owner or of a life insured. During the COVID-19 pandemic, social distancing protocols should be adhered to if third party witness does not reside with the signatories.
 - If an independent third party witness is not available, no physically present witness is required. However, the advisor must see the owner(s), life insured(s), third party payor and irrevocable beneficiary/assignee (if any) sign the documents as required using video conferencing and complete section 11.10 of the Advisor's Report, including identifying the means of video conferencing, and attest in section 11.10 of the Advisor's Report that: To the best of my knowledge and belief, each owner, life insured, third party payor and irrevocable beneficiary/assignee (if any) signed this application as required.

Temporary
Exception to
Witness on
D-0082
application due to
COVID-19
pandemic

- Premium payment information (void cheque) for pre-authorized debit payments and initial premium payment should be sent with the application. Alternatively, a picture of cheque/statement info showing banking can be sent to the advisor
- The advisor tells the owner(s) to keep the "Important Consumer Information" section and to send the fully signed application and other forms (if applicable) to advisor.

Note: Application and other documents must be sent to and from clients by secure means to protect personal information, at advisor's expense.

- Upon receipt of the completed application, the advisor completes the Advisor's Report, which will include information on how the Non Face-to-Face sale was completed. The advisor then submits the completed application, Advisor's Report and any additional documents to Empire Life using the regular process. If the owner(s) did not keep the "Important Consumer Information" section, the advisor must send it to the owner(s).
- Empire Life will order a PHI for each life insured once a properly completed and signed application has been received.
- If any of the required information or signatures is missing on the application or Advisor's Report, the application will be held at Data Entry as a NIGO. (Not in good order)
- Underwriting and policy issue will be business as usual. The contract will be issued and sent via the normal process (to MGA, AGA, direct) for delivery to the client.

Requirements:

Contract Delivery:

Advisor may deliver the contract "in person" or send it via registered mail to ensure tracking and confidentiality.

Note: to adhere to physical distancing requirements during the COVID-19 pandemic, we strongly urge advisors not to deliver contracts in person.

If contract delivered to owner(s) "in person" by the advisor:

- Advisor reviews the insurance contract, Policy Delivery Receipt and any other settlement documents with owner(s) and life insured(s), as applicable
- Advisor confirms there has been no change in insurability. If there has been a change of insurability, do not give the insurance contract or other settlement documents to the owners. Follow Empire Life's regular procedure dealing with changes in insurability.
- Advisor ensures any outstanding requirements are completed
- Owner(s) and life insured(s) sign the Policy Delivery Receipt and any other documents, as required
- Advisor sends all outstanding requirements back to Empire Life to settle the policy

If contract mailed to owner(s) by advisor:

- Advisor reviews the insurance contract, Policy Delivery Receipt and any other settlement documents with the owner(s) and life insured (s), as applicable, by phone or video conference.
- If there has been no change of insurability, advisor sends the insurance contract, Policy Delivery Receipt and any other settlement documents to the owner(s) by registered mail or courier. **If there has been a change of insurability, do not send the insurance contract or other settlement documents to the owners** - complete the Policy Delivery Receipt to record the details of the change of insurability and send it to the owner(s) by registered mail or courier.
- Once received by them, the owner(s) and life insured(s) should carefully review the documents with the advisor by phone or video conferencing and sign them in the presence of an independent third party, who signs as witness to their signatures, and the owner(s) return the documents to the advisor by email, fax or mail.
- If an independent third party witness is not available, no "in person" witness is required for signatures. However, the advisor must see the owner(s) and life insured(s) sign the documents, as required, using video conferencing, and attest in the Advisor's Report in section 11.6 that: a) I have reviewed the Policy Delivery Receipt and Application Change Form (if applicable) with the Owner(s) and Life Insured(s) and I am confident each of them understood the documents and the consequences of failing to report an untrue statement before they signed, b) I have reviewed the insurance contract with the Owner(s), including, but not limited to, the ten (10) day rescission period, c) I am not aware of any information material to the insurance that has not been disclosed to Empire Life, and d) to the best of my knowledge and belief, each Owner and Life Insured signed the Policy Delivery Receipt and Application Change Form (if applicable).

Temporary Exception to Witness on Policy Delivery Receipt and ACF due to COVID-19 pandemic:

- Owner sends documents back to the advisor by secure means, at advisor's expense.
- Note: Digital/E signatures will be allowed if screen sharing software/video conferencing is used.

- Advisor sends the completed Policy Delivery Receipt and other documents to Empire Life by either of the following means:
 - Courier to Empire Life, 259 King St E, Kingston, ON, K7L 3A8
 - Fax to 1-800-419-4051

Transition Rules

We will continue to accept the previous versions of these applications, so you may continue to use your existing stock of D-0082 for Face- to- Face Sales if desired. The updated D-0082 Application must be used for Non-face-to-face sales.

We will discontinue the Non-Face to Face Term and Critical Illness Insurance Application immediately, however you may use your existing stock for Term sales if desired.

Ordering Information:

The updated application can be downloaded from the Printable Applications section of the Advisor website.

References

Stephanie Wisniewski, Director, Operations

