

HEALTH INSURANCE

Sun Retirement Health Assist

ADVISOR GUIDE

What's inside

Product details


Additional options

Glossary of terms



Life's brighter under the sun

Sun Retirement Health Assist is a long term care insurance solution focused on planning for the health risks associated with later retirement and the realities of aging.

In this guide, the  symbol is used to identify a Sun Life competitive advantage. Please refer to page 29 for a summary of these competitive advantages.

Why include long term care insurance (LTCI) in your portfolio of product solutions?

It's easy to take our ability to perform day-to-day activities for granted, but this can change, especially as we age.

Fortunately, most of these changes aren't dramatically different from one day to the next – it's more of a gradual process.

The level of health care and personal assistance we need, and the cost to meet these needs, will increase with age with the average Canadian experiencing four to six of the final years of their life in diminished health.¹

As you build and review retirement income plans for clients, it's important to help them recognize and consider their future health care needs and the impact their choices and expectations will have on their plans. Long term care insurance can help with financial protection for their plans and the means to pay for the level of care they want and expect.

What is the LTCI target market?

The LTCI solution can fit within the financial plan of a number of different target markets. These are best segmented by the following life stages:

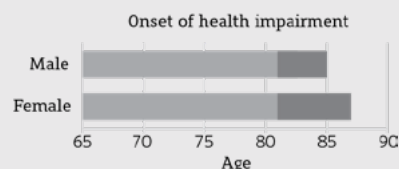
- Planning for retirement
- Close to retirement
- Retirees

This guide contains the information you need to:

- understand Sun Retirement Health Assist (Sun RHA)
- successfully sell the right plan, and
- help Clients manage their policy.

Product information in this guide refers to policies available for sale after December 6, 2013.

- At age 65, the average Canadian male can expect to live to age 85. Over 4 of those years are expected to be with a diminished quality of life.¹
- At age 65, the average Canadian female can expect to live to age 87. Over 6 of those years are expected to be with a diminished quality of life.¹



¹ Statistics Canada Life Expectancy, 2015-2017.

Contents

Product at a glance	6
Product details	8
Issue ages	9
How we determine dependency	9
Definition: Activities of daily living	10
Definition: Assistive devices	10
Plan details	12
Benefit type	12
Weekly benefit amount	12
Waiting period	12
Benefit period	12
Plan features (automatic and optional)	13
Inflation protection	13
Waiver of premium	13
Return of premium on death (ROPD)	13
LifestageCare services	14
Applying for a Sun RHA policy	16
Residency requirements	16
Backdating	16
Ownership rules	16
Who receives payment	17
Completing the application	18
Payments	18
Underwriting	19
Underwriting evidence requirements	19
Risk classes	19
Types of underwriting decisions	19
Premium details	20
Premium frequency – monthly or annually	20
Withdrawable premium fund	20
Premium payment options	21
Premium guarantee	21
When we waive premiums	21

Issuing a Sun RHA policy	22
Policy date	22
Plan changes	22
Changing coverage options	22
Terminating an option	22
Conversions	22
Internal replacements	23
Reinstatements	23
Making a claim for Sun Retirement Health Assist benefits	24
When to make a claim	24
How to make a claim	25
Exclusions and limitations	26
Tips for an efficient claims process	27
Taxation	28
Competitive advantages – summary	29
Where to go for more information	31

Product at a glance

Plan Details	
Coverage	An income-style benefit when the insured person is dependent. It's designed to help cover the cost of care services in any environment, ¹ including: <ul style="list-style-type: none"> • a personal residence, • a retirement home, or • a long-term care facility.
How we determine dependency	The insured person is dependent when: <ul style="list-style-type: none"> • They need constant supervision for protection from threats to their physical health and safety as the result of deterioration in or a loss of: <ul style="list-style-type: none"> • short or long term memory, • orientation as it relates to people, place and time, • reasoning, or • judgment as it relates to safety awareness. • They require substantial physical assistance, with or without assistive devices, to safely and completely perform two or more activities of daily living (bathing, dressing, toileting, transferring, continence and feeding). • They require stand-by assistance for bathing and transferring. (Stand-by assistance² means another person must always be within arm's reach of the insured person so they may safely and completely perform the activities of bathing and transferring.)
Issue ages	45–71
Benefit amounts	<ul style="list-style-type: none"> • Minimum weekly benefit: \$125 • Maximum weekly benefit (for all LTCI coverage on one life insured): \$2,300
Benefit period	Unlimited
Coverage effective date	The coverage effective date is the date from which a claim for benefits may be submitted; it is shown in the policy and is the later of: <ul style="list-style-type: none"> • five consecutive policy years from the policy date, or • the policy anniversary immediately following the insured person's 65th birthday.
Waiting periods	<ul style="list-style-type: none"> • 365 days (one year) or • 730 days (two years) <p>The waiting period is the length of time the insured person must be continuously dependent after the coverage effective date and before a claim will be paid.</p>
Premium payment period	Premiums are payable for the lifetime of the policy (until the policy anniversary following the insured person's 100 th birthday).

¹ We won't pay benefits when the insured person is outside Canada or the United States for more than eight consecutive weeks.

² If the insured person requires stand-by assistance for only one of bathing or transferring, we consider them dependent when they also require substantial physical assistance to perform one of the other activities of daily living.

Features (Automatically included)	
Inflation protection	While the weekly benefit is payable, we increase the weekly amount by 3% on each policy anniversary – the date the policy became effective.
Automatic Return of premium on death (ROPD)	<p>If the insured person dies before the coverage effective date, we'll pay the returnable premium amount to the ROPD beneficiary named in writing, or if none are named, the owner of the policy, or their estate.</p> <p>The returnable premium amount is the sum of all premiums paid for the policy, minus any unpaid premiums plus interest.</p>
Premium guarantee	The premium won't change for the first five policy years. After this period, we may increase or decrease the premium on a policy anniversary. If we change the premium, we will tell the policy owner in advance, and that premium is guaranteed for at least another five policy years.
Waiver of premium	When we approve a claim for benefits on the insured person, we waive premiums for the policy. The premiums must be paid until we notify the policy owner that we've approved the claim.
LifestageCare services (non-contractual feature)	Includes access to a members-only website and toll-free telephone support service—a national, bilingual service, available 24 hours a day, seven days a week. Offers unbiased information about local, qualified health care and personal care providers that meets their individual and family needs, at every stage of life. LifestageCare is currently available to new and existing long term care insurance policy owners of Sun Life. It's not a guaranteed feature of the product and may be withdrawn at any time.
Additional Option	
Optional Return of premium on death (ROPD)	<p>If the insured person dies while the policy is in effect, we'll pay the returnable premium amount to the ROPD beneficiary named in writing, or if none are named, the owner of the policy, or their estate. The returnable premium amount is calculated on the date the insured person dies. It's the total of:</p> <ul style="list-style-type: none"> • all premiums paid for this policy, • minus any unpaid premiums plus interest, • minus any benefit payments we made.

LifestageCare by Assistance Services Group.

Product details

Sun Retirement Health Assist (Sun RHA) provides an income-style benefit when the insured person is dependent. It helps cover the cost of care over a lengthy period of time, providing the peace of mind that comes with knowing that the financial burden of care won't rest entirely with loved ones.

Sun Life offers the following stand-alone plan design for single lives:

- A permanent insurance policy that provides protection for the insured person, after the coverage effective date, when the insured person meets the requirements to qualify.

Coverage effective date

The coverage effective date is unique to Sun RHA. It is the date from which a claim for benefits may be submitted.

It is the later of:

- five consecutive policy years from the policy date, or
- the policy anniversary immediately following the insured person's 65th birthday. If the policy anniversary is the same day as the insured person's 65th birthday, then the coverage effective date is the insured person's 65th birthday.

Scenario 1

- Policy date is December 10, 2013
- Insured person's date of birth is November 28, 1968 (age 45)
- The coverage effective date will be December 10, 2033, because this is the anniversary following the 65th birthday.

Scenario 2

- Policy date is December 10, 2013
- Insured person's date of birth is November 28, 1948 (age 65)
- The coverage effective date will be December 10, 2018, the fifth policy anniversary from the policy date. The insured person will be 70 years old at that time.

For all plans, coverage will end when the insured person dies or when the policy is cancelled.*

The coverage effective date is an important part of the plan design for Sun RHA. Because of this design, Sun Life is able to offer a simplified application and underwriting process, with the goal of offering this important health insurance solution to a broader target market.

The Sun RHA application is shorter than the traditional application for long term care insurance, and the turnaround time for issuing a policy is faster. In most cases, while completing the application, you will know whether you should submit it, or whether you should consider other options for the Client.

* The policy may end for other reasons as described on page 23 of this guide.

Issue ages

- Ages 45-71

The issue age is based on the proposed insured person's age at the time of the application. For example, if the proposed insured person is 55 years and seven months, their insurance age is 55.

How we determine dependency

The insured person is dependent when we've determined through objective measures that there are functional limitations for either deteriorated mental ability (cognitive impairment) or activities of daily living, including stand-by assistance for bathing and transferring, as described below.

**Constant supervision
by another person
because of deteriorated
mental ability**

OR

**Substantial physical
assistance with at least
two activities of
daily living**

OR

**Stand-by assistance
to perform bathing
and transferring**

Deteriorated mental ability (cognitive impairment)

The insured person is dependent when they need constant supervision for protection from threats to their physical health and safety as the result of deterioration in or a loss of:

- short or long-term memory,
- orientation as it relates to people, place and time,
- reasoning, or
- judgment as it relates to safety awareness.

Deteriorated mental ability must result from an organic brain disorder such as Alzheimer's disease, irreversible dementia, or brain injury. The diagnosis must be made by a specialist licensed and practising in Canada or the United States based on:

- clinical examination,
- radiological studies, and
- psychological testing.

Activities of daily living (ADL)

The insured person is dependent when they require substantial physical assistance, with or without assistive devices, to safely and completely perform two or more activities of daily living. Activities of daily living include bathing, dressing, toileting, transferring, continence and feeding.

Activities of daily living are defined as:

Bathing means washing with or without the aid of assistive devices:

- in a bathtub or shower, including getting in and out of the bathtub or shower or
- by sponge bath.

Bathing doesn't include the ability to reach and wash the back or feet.

Dressing means putting on, taking off, fastening and unfastening, with or without the aid of assistive devices:

- clothing and
- medically necessary braces or artificial limbs.

There's no dependency if reasonable alterations to or changes in the clothing the insured person usually wears would let them dress without substantial physical assistance.

Toileting means getting to and from and on and off the toilet, with or without the aid of assistive devices, and performing associated personal hygiene.

Transferring means moving into or out of a bed, chair or wheelchair, with or without the aid of assistive devices.

Continence means the ability to control both bladder and bowel functions or maintain a reasonable level of personal hygiene (including caring for catheter or colostomy bag) when not able to control bowel or bladder functions.

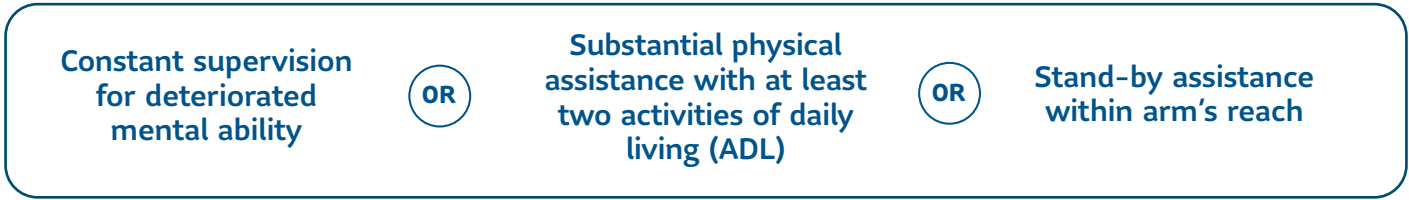
Feeding means the ability to get food into the body, with or without the aid of assistive devices, through the mouth or by feeding tube. Feeding doesn't include cooking or preparing a meal.

NOTE: Assistive devices are aids that we determine could be used to improve the insured person's functioning. These include adjustable beds, buttonhooks, canes, crutches, grab bars, handheld showerheads, bath brushes, seat lifts, transfer benches, walkers and wheelchairs. If using an assistive device allows the insured person to perform an activity of daily living safely and completely, the insured person is not dependent for that activity.

Stand-by assistance for bathing and transferring

The insured person is also dependent when they require stand-by assistance for bathing and transferring. Stand-by assistance means another person must always be within arm's reach of the insured person so they may safely and completely perform the activities of bathing and transferring.

If the insured person requires stand-by assistance for only one of bathing or transferring, we consider them dependent when they also require substantial physical assistance to perform one of the other activities of daily living.



Short or long term memory

Orientation to people, place and time

Reasoning

Judgment as it relates to safety awareness

Bathing

Dressing

Toileting

Transferring

Continence

Feeding

Bathing **and** transferring

OR

Bathing or transferring **and** substantial physical assistance with one or more ADL

Scenario: not dependent

- Jim purchased a Sun RHA policy for himself, with a 365-day (one year) waiting period when he was 48 years old.
- He recently had hip replacement surgery when he was 67 years old.
- Due to bending restrictions after the surgery, he required assistance for bathing and dressing for 90 days.
- Because of the 365-day (one year) waiting period, he recovered before the waiting period was met. He will not qualify for benefits, even though the coverage effective date was met.

Scenario: dependent

- The insured person purchased a Sun RHA policy with a 365-day (one year) waiting period when she was 62.
- At 76 she suffers a stroke and needs assistance for bathing, dressing, feeding, toileting, transferring and continence.
- The physical impact of her stroke is expected to last longer than the 365-day (one year) waiting period and will likely be permanent.
- Because she has met the coverage effective date, the claim can be submitted immediately. If the dependency continues beyond the one year waiting period, she will qualify to begin receiving benefits at that time.

Plan details

Benefit type

We pay a weekly income-style benefit to the policy owner when the insured person qualifies for it. The claimant doesn't need to submit receipts for services to receive the benefit once the insured person qualifies for the benefit. The policy owner can use the money however they choose.

Weekly benefit amount

The benefit is calculated weekly and paid monthly.

Minimum weekly benefit amount: \$125

Maximum weekly benefit amount (for all LTCI coverage on one insured person): \$2,300

Waiting period

The waiting period is the length of time the insured person must be continuously dependent after the coverage effective date and before a claim will be paid.

If the insured person's dependency begins after the coverage effective date, the waiting period starts on the date they first require assistance for two or more activities of daily living or the date they first require continual supervision. If the insured person's dependency begins before the coverage effective date and it continues, the waiting period starts on the coverage effective date. There are two options to choose from:

- 365 days (one year)
- 730 days (two years)

Benefit period

The benefit period is the length of time we may pay a claim.

- Unlimited

The benefit period is unlimited. This means a claim can be paid indefinitely as long as the insured person is alive and continues to be dependent as defined in the contract.

Plan features (Automatic and Optional)

Inflation protection

Sun RHA automatically includes inflation protection. We increase the weekly benefit amount by three per cent on each policy anniversary when benefits are being paid. Increases will be compounded annually and rounded to the nearest dollar and there are no caps on increases.

Waiver of premium

When we approve a claim for benefits on the insured person, we waive premiums for the policy. The premiums must be paid until we notify the policy owner that we've approved the claim.

Return of premium on death (ROPD)

Automatic ROPD	Optional ROPD
What is it?	
Sun RHA automatically includes a return of premium on death. This means the ROPD would be automatically payable if the insured person dies before the coverage effective date.	Optional ROPD may be added to the coverage at the time of application. This additional option extends the return of premium on death beyond the coverage effective date.
The insured person dies BEFORE the coverage effective date	
The returnable premium amount is payable to the: <ul style="list-style-type: none"> • ROPD beneficiary, • owner of the policy, or • their estate. This ROPD is automatically included in the policy.	If the optional ROPD is included on the policy the returnable premium amount is payable to the: <ul style="list-style-type: none"> • ROPD beneficiary, • owner of the policy, or • their estate. If the policy does not include the optional ROPD, any premiums paid are not returned.
Returnable premium amount =	
the sum of all paid premiums <i>minus</i> any unpaid premiums + interest	the sum of all paid premiums <i>minus</i> any unpaid premiums + interest <i>minus</i> benefit payments made

LifestageCare Services

From the moment the policy is issued and as long as it remains in force, the policy owner has immediate and unlimited access to the valuable resources provided through LifestageCare services.

LifestageCare is currently available to new and existing long term care insurance policy owners of Sun Life. It is not a guaranteed feature of the product and may be withdrawn at any time.

Accessing LifestageCare

The policy owner can access this unique service immediately after the policy is issued and without having to make a claim, as long as the policy remains in force. LifestageCare services are for the policy owner's personal use but can also be used to help any family member.

Accessing LifestageCare is easy—log in to the LifestageCare website or call the toll-free number. The long term care insurance policy number is the Client identifier.

The client can start using LifestageCare services immediately:

- www.sunlife.mylifestagecare.ca
- 1-877-301-1515

Supporting families with resources and solutions for children, seniors and caregivers

LifestageCare is a national, bilingual service, available by phone or online, 24 hours a day, seven days a week.

The service offers unbiased information about local, qualified health care and personal care providers that can help meet the Client's individual and family needs, at every stage of life.

Seniors – for information on aging, retirement residences, nursing homes, home care, and community care.

Self-care – for information about personal well-being, treatment, counselling, and physical rehabilitation.

Children and teens – for information on parenting, childcare, and special needs services.

Expert advice. Specific information. Confidential service.

LifestageCare is a members'-only website and toll-free telephone support service available to long term care insurance policy owners with Sun Life.

Live – Live agents and navigators are available 24 hours a day, seven days a week to answer questions by phone or email

Specific – helps plan for and manage family care responsibilities and find resources based on specific requirements and postal code; the information received is matched specifically to the individual's needs

Confidential – a complete, unbiased service; any information provided is kept strictly confidential.

Resources. Support. Solutions for all of your family's care giving needs.

Search the database for health and support services for senior, disability and child care services.

Ask experts in gerontology and child psychology for advice.

Find costs for child care and care for seniors.

Link to federal and provincial government assistance programs.

Read informative articles about children, teens, seniors and care giving matters.

Applying for a Sun RHA policy

Residency requirements

For Sun RHA, we can only consider applicants who are Canadian citizens and those who have permanent resident status. Sun RHA is not available to non-landed immigrants or those who have a temporary work visa or student visa.

There are no exceptions to this requirement.

Backdating

We permit backdating to save age, up to a maximum of three months.

Backdating is only permitted to reduce premiums as a result of the lower issue age. A policy can't be backdated to apply for coverage that would otherwise be unavailable.

For example, we can't backdate to age 71 to apply for a Sun RHA policy.

If a policy is backdated to retain age, evidence requirements are based on the proposed insured person's actual age at the time the application is submitted. For example, if the Client turned 60 in the last three months, they can backdate to retain age 59 rates but the evidence requirements would be based on their actual age of 60.

Ownership rules

When the owner(s) and insured are not the same:

Owner	Insured person	Example
<ul style="list-style-type: none">• Individual person	<ul style="list-style-type: none">• Individual person (different from the owner)	<ul style="list-style-type: none">• Husband owns the policy; wife is the insured person• Adult child owns the policy; father is the insured person
<ul style="list-style-type: none">• Corporation	<ul style="list-style-type: none">• Individual person	<ul style="list-style-type: none">• Corporation owns the policy; key employee is the insured person

Contingent ownership

The owner can appoint a contingent owner at the time of application.

- The name of the contingent owner must be included in the Special Instructions in the Advisor Statement section of the paper application. If the contingent owner is not specifically indicated in Special Instructions, the policy will be issued without a contingent owner.

To make the change after the policy has been issued, submit form *E28 – Contingent owner change form*.

Transferring ownership

The policy owner may transfer ownership to another person. Transferring ownership is also known as absolute assignment and could have tax implications.

There may be tax consequences if the transfer is from a corporation to a shareholder, to another corporation or unincorporated business, or from an unincorporated business to an owner or employee.

The rollover rules in the Income Tax Act (Canada) that permit tax-free transfers of life insurance policies in certain circumstances don't apply to LTCI policies.

To transfer ownership, complete form *E82 – Assignment of policy absolute (transfer of ownership)*.

Who receives payment

Claim payment

The weekly benefit is paid to the policy owner or the policy owner's estate.

Return of premium on death (ROPD)

The ROPD beneficiary can be designated when completing the application. The name of the beneficiary must be included in the Special Instructions section of the application. Indicate the full name(s) of the ROPD beneficiary(ies) (with a percentage, if applicable), the relationship to the insured person for Common law policies (or policy owner for Quebec), and if naming a spouse, indicate whether the appointment is revocable or irrevocable. If this isn't specified on the application, the ROPD beneficiary will be the owner or estate of the owner.

Future changes can be submitted in writing to Sun Life's head office. The request must include the policy owner's name, policy name and number and new beneficiary appointment (as above). The request must be signed and dated by the policy owner. If the beneficiary was irrevocable they must also sign giving their consent to the change.

Completing the application

For information on insurance coverage before the policy is approved, please refer to the advisor site. Once the application is received, it will be assigned to an underwriter. Application status can be checked on the advisor site.

For information on how to submit the application, please refer to the advisor site or contact the Advisor service centre.

Payments

Depending on the premium frequency chosen by the Client, payments can be made on a monthly basis through our pre-authorized chequing (PAC) process or annually by cheque.

If PAC is chosen, monthly payments are deducted automatically from the payor's bank account and applied to the premium owing. Monthly premiums are calculated by multiplying the annual premium (including the \$50 policy fee) by 0.09 (the modal factor).

- For example, a Sun RHA policy with an annual premium of \$3,000 will have a monthly premium of \$270.

Monthly premium: $\$3,000 \times .09 = \270

If the policy owner chooses to pay annually by cheque, payments can be remitted to Sun Life's head office before the policy anniversary date. An annual statement is sent to the owner approximately three weeks before the policy anniversary, reminding them that their annual premium is due.

Underwriting

The underwriting process for LTCI evaluates the risk of a proposed insured person becoming dependent on another person for daily assistance. The underwriting requirements for LTCI differ from those of life insurance, which evaluates the risk of death, and critical illness insurance, which evaluates the risk of being diagnosed with specific covered conditions.

In particular, Sun RHA is designed to provide a simple application and underwriting process. The evidence questions in the personal history section of the application help identify existing health conditions that represent the highest risk for claims. The application is either approved or declined. Once Sun Life declines an application, the decision is usually final.

The evidence questions cover the following categories: residency, height and weight, and any significant physical limitations, such as the use of assistive devices or the need for assistance or supervision to perform an activity of daily living. It also covers certain chronic health conditions such as multiple sclerosis and diabetes; and it covers smoking status, which relates to certain health conditions such as chronic respiratory disorders and leg ulcers.

Only standard rates apply, and there are no ratings, exclusions or modified offers. Unlike other types of insurance, smoking status does not affect the premium, but it may affect insurability.

Underwriting evidence requirements

Evidence required to underwrite Sun RHA will depend on the age of the proposed insured person.

Plan type	Sun RHA	
Ages	45–59	60–71
Requirements	<ul style="list-style-type: none">• Application	<ul style="list-style-type: none">• Application• Memory exercise

The memory exercise (810-5084) will help you prepare each Client for the memory exercise required for Sun Retirement Health Assist.

Risk classes

- Male
- Female

Types of underwriting decisions

Approved

Declined

Because Sun RHA was designed for a simplified application process, the resulting underwriting process is simplified. Once the application is received, there are only two possible outcomes: the application may either be **approved** or **declined**. When we **decline** an application, reconsideration of the decision is generally not possible.

Premium details

All premiums must be paid in Canadian funds and drawn from an account at a Canadian financial institution.

Premium frequency – monthly or annually

Monthly payments

If the policy owner chooses to pay monthly by pre-authorized chequing (PAC), monthly payments are deducted automatically from the payor's bank account and applied to the premium owing. Monthly premiums are calculated by multiplying the annual premium (including a \$50 policy fee) by 0.09 (the modal factor).

Example:

A Sun Retirement Health Assist policy for a 50-year-old woman with an annual premium of \$3,000 will have a monthly premium of \$270.

Monthly premium: $\$3,000 \times .09 = \270

Annual payment

If the policy owner chooses to pay annually by cheque, payments can be remitted to Sun Life's head office before the policy anniversary date. An annual statement is sent to the policy owner approximately three weeks before the policy anniversary to remind them that their annual premium is due.

Withdrawable premium fund

If we receive more money than is owed in premiums, we will hold the excess amount in the withdrawable premium fund. We may set a maximum amount that can be in the fund. This fund can be used to pay premiums at any time.

The amount in the withdrawable premium fund will earn interest daily. We set the interest rate each day based on short-term interest rates. Interest earned on the premium fund is taxable.

The money from this fund can be withdrawn at any time. There may be limits on withdrawal amounts and we may charge a fee for these withdrawals. You'll be informed of any rules and limitations when you submit a withdrawal request.

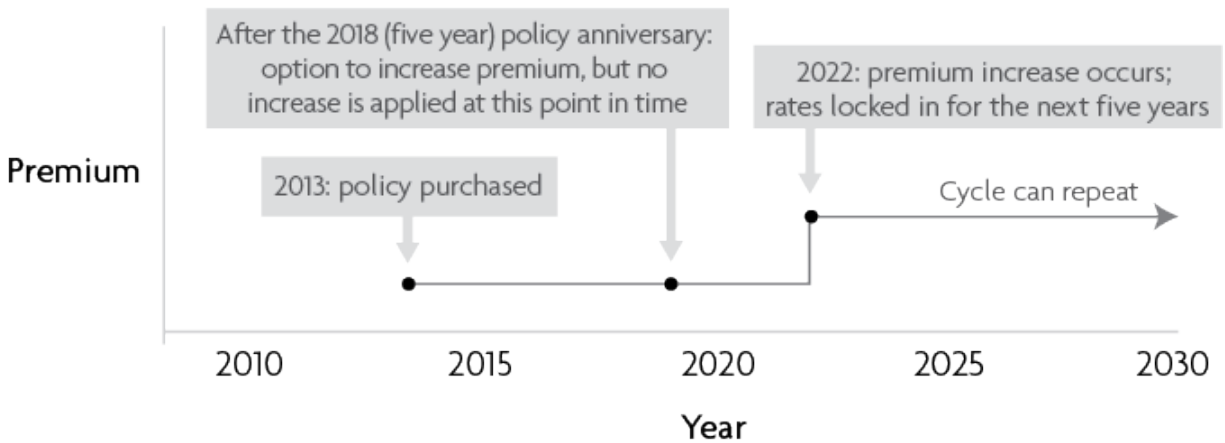
Premium payment options

Premiums are payable for the lifetime of the policy until the policy anniversary following the 100th birthday of the insured person, at which time the policy is considered to be paid up and no further premiums are owed.

Premium guarantee

The premium shown on the Policy summary won't change for the first five policy years. After this period, we may increase the premium on a policy anniversary. If we change the premium, we'll tell the policy owner in advance and that premium is guaranteed for at least another five policy years.

Any premium change is based on the insured person's age on the policy date. We don't consider the insured person's health when we make a premium change.



When we waive premiums

When we approve a claim for benefits, we waive premiums for the policy. The premiums must be paid until we notify the policy owner that we've approved the claim.

Issuing a Sun RHA policy

Policy date

The policy date indicated in the Sun RHA policy is the start date of that policy.¹

The policy date will be the date the policy is issued, or the retained age date if requested.

Please refer to the Sun Life advisor website for more details on policy delivery requirements.

Plan Changes

Changing coverage options

There are a variety of changes possible including:

- decreasing the weekly benefit amount,
- lengthening the waiting period, and
- changing the premium payment frequency.

To request any of these changes use form *E220 – Change form – Long term care insurance*.

We determine the minimum benefit amount that must remain in effect.

Terminating an option

It's possible to terminate an option, such as Optional Return of premium on death.

To request this use form *E220 – Change form – Long term care insurance*.

Conversions

Sun RHA doesn't have any conversion options.

¹For tax and legal purposes, the policy issue date will be determined according to relevant provincial and/or federal legislation where applicable.

Internal replacements

An internal replacement allows for a plan change outside of the contractual right. Under most circumstances, evidence of insurability must be submitted for internal replacements. A new application is always required. Quebec specific—In Quebec, advisors must follow the replacement procedure.

Examples of internal replacements include:

- increasing the benefit amount,
- shortening the waiting period, and
- adding optional Return of premium on death (ROPD).

Because this is not a contractual right, the rules for internal replacements may change.

Reinstatements

The required premiums for the policy must be paid by the due date. If premiums are not paid when due, we will withdraw the unpaid premium from the withdrawable premium fund if it has sufficient funds.

The policy will end if:

- premiums are not received before the end of the 31st day after they are due, and
- there are insufficient funds in the withdrawable premium fund.

If the policy ends this way, it's called a lapse. If the policy ended because it lapsed, the policy owner can apply to have it put back into effect (reinstated) if the insured person is alive.

To reinstate the policy, the policy owner must:

- apply within two years of the date the policy ended,
- provide new evidence of insurability that we consider satisfactory, and
- make a payment equal to the reinstatement charge we set.

If we don't approve the application, we refund the amount paid to put the policy back into effect.

Reinstatement rules at a glance:

Number of days from the premium due date	Amount and type of insurance	Evidence requirements
Less than 62	Any	None
62 to 180	Any	Application for reinstatement, <i>Sun Retirement Health Assist, form 4549</i>
Greater than 180	Any	<ul style="list-style-type: none"> • <i>Sun Retirement Health Assist, form 4549.</i> and • Usual underwriting evidence, based on attained age at reinstatement

Making a claim for Sun Retirement Health Assist benefits

When to make a claim

The policy must be in effect on the date a claim is submitted. The insured person must be continuously dependent for longer than the waiting period and the conditions described under the heading, *How we determine dependency* are satisfied.

Dependency beginning before the coverage effective date

If the insured person's dependency continues beyond the coverage effective date, we must receive a claim as soon as possible and no later than 120 days after the coverage effective date. If we agree the insured person is dependent, we will confirm the date the waiting period starts. Any claim received after 120 days is late and we may decline it without assessing dependency.

Dependency beginning on or after the coverage effective date

We must receive a claim within 120 days of the start of the insured person's dependency. If we agree the insured person is dependent, we will confirm the date the waiting period starts. Any claim received after 120 days is late, and we may decline it without assessing dependency.

We'll consider a late claim exception if:

- we receive the claim no later than one year from the date the insured person became dependent, and
- the claimant provides a written explanation describing why the claim is late and we agree the explanation is reasonable.

How to make a claim

Step 1: Notify us

Contact us – To make a claim, the claimant should contact Sun Life using the toll free number listed in their policy. This number is 1-877-SUN-LIFE (786-5433). We will then send the appropriate claim form to be completed. You can call Individual Claims Services toll free or email ltclaims@sunlife.com.

Form – The person making the claim must complete the form(s) and give us the information we need to assess the claim.

The insured person must be in Canada or the United States at the time a claim is made. If they aren't, they must return to be assessed by a physician licensed and practising in Canada or the United States.

Before we approve the claim, the insured person's date of birth must be verified. If it's incorrect, we'll adjust the amount we pay to reflect the insured person's correct age.

Pay premiums – Policy premiums must continue to be paid until we advise that we've approved the claim.

Send form – The form(s) and information must be sent to:

Individual Claims Services
Sun Life Assurance Company of Canada
227 King St S, PO Box 1601, Stn Waterloo
Waterloo ON Canada N2J 4C5

Fees – Physicians may charge a fee to complete certain forms. The person making the claim is responsible for any fees for this information.

Step 2: Collection of medical information

Information we need – The claimant must give us the information we need to assess the claim. This includes our form which must be completed by a physician or another healthcare professional we deem acceptable. The physician must describe the insured person's medical condition, limitations and functional abilities and provide objective medical information about their dependence.

Additional information – We'll advise if we need any other information to assess the claim, which could include: medical records, clinical tests, physiotherapy reports, psychological tests and any other objective medical information that supports the claim.

Fees – Any fees charged by physicians to complete forms or provide information are the claimant's responsibility.

Doctors – Physicians, specialists or healthcare practitioners who provide information to us must be licensed and practising in Canada or the United States. They may not be the policy owner, insured person, anyone entitled to make a claim under this policy, or any relative or business associate of these people.

Documentation by us – We may require that the insured person is examined by an appointed healthcare practitioner. These may be licensed physicians, physiotherapists, occupational therapists, psychiatrists, psychologists or others. We pay for these examinations. We may also require the insured person to authorize us to gather and use information from other insurers or government agencies.

Step 3: Making the claims decision

Once we receive all information needed, we'll assess the information and make a decision. We communicate this decision and pay the benefit to the policy owner or the estate, if applicable.

If we deny a claim, we'll send a letter explaining the decision to the policy owner. If the policy owner and the insured person are not the same person, we'll send two decline letters:

- one letter to the claimant, fully explaining our decision, and
- a second letter to the policy owner, confirming our denial of the claim. For privacy reasons, no medical information is given to the policy owner.

To contact the Individual Claims Services department, Request Centre – LTCI Claim Inquiry:


Email: ltcclaims@sunlife.com

Fax: 1-866-487-4745

Exclusions and limitations

The policy ends and benefits are not payable if the insured person's dependency started before the later of:

- the most recent date an application for the policy was signed,
- the policy date shown under the heading Policy summary, or
- the most recent date the policy was put back into effect, if the policy has been reinstated.

We won't pay benefits when the insured person is outside Canada or the United States for more than eight consecutive weeks. If we've paid beyond the eight consecutive week limitation, we have the right to deduct the overpayment from any future benefits. 

We will not pay benefits if the insured person's dependency is directly or indirectly caused by or associated with the insured person operating a vehicle while their blood alcohol level is more than 80 milligrams of alcohol per 100 millilitres of blood. A vehicle includes any form of ground, air or marine transportation that can be put into motion by any means, including muscular power. We don't take into account whether or not the vehicle is in motion.

We won't pay benefits if the insured person's dependency is directly or indirectly caused by or associated with the insured person:

- committing or attempting to commit a criminal offence,
- attempting to take their own life, regardless of whether the insured person has a mental illness or understands or intends the consequences of their action(s),
- causing themselves bodily injury, regardless of whether the insured person has a mental illness or understands or intends the consequences of their action(s),
- intentionally taking any drug other than as prescribed by a licensed medical practitioner and in accordance with the instructions given, and/or
- intentionally taking any intoxicant, narcotic or poisonous substance. This doesn't include smoking cigarettes, cigarillos, cigars, chewing tobacco or occasional use of alcohol.

We won't pay benefits if the insured person's dependency is directly or indirectly caused by or associated with civil disorder or war, whether declared or not.

Tips for an efficient claims process

- Ensure you understand the claim triggers and that the insured person meets the definition of dependence as defined by the contract. This will help reduce ineligible claims, set better expectations for the insured person and reduce potential expenses.
- Verify the coverage effective date and waiting period set out in the policy.
- Ensure the form is complete, signed and dated before you submit it. You'll need to include:
 - the full address (including postal code) of all doctors the insured person has consulted, and
 - the phone number of all doctors the insured person has consulted.
- Verify the insured person's date of birth and check it against that shown in the policy.
- It's important that we obtain all medical reports from the physician to support the claim. If the reports aren't sent to us, we can't do a full evaluation, which will cause delays.

Taxation

There are no specific tax laws governing long term care insurance policies.

Based on current tax laws and guidance from the Canada Revenue Agency, we expect:

- Premiums paid for a long term care insurance policy owned by an individual or individuals will not be tax deductible.
- Any cash benefits paid from a long term care insurance policy will be tax-free when the policy owner and benefit payee are the same.

If the policy is owned by a corporation, different tax laws may apply to some circumstances:

- Premiums paid for a long term care insurance policy owned by a corporation will not be tax deductible, except in strictly limited circumstances that are beyond the scope of this guide.
- Any cash benefits paid from a long term care insurance policy will be tax-free when the policy owner and benefit payee are the same.
- Payment of any part of the cash benefit from the corporation or an unincorporated business to an employee or shareholder could produce tax consequences for the recipient.
- Since long term care insurance is not life insurance, no part of the long term care insurance benefit that a corporation receives can be paid to its shareholders as a tax-free capital dividend.
- If the corporation transfers ownership of a long term care insurance policy to one of its shareholders or employees, there may be tax consequences for the recipient.

The foregoing is only a general summary. Consult a tax professional for more information.

For more information consult the Canadian Health Insurance Tax Guide:

www.sunlife.ca/advisor/HealthTaxGuide

Competitive Advantages – Summary

Coverage effective date

This unique approach means we can offer a simplified application and underwriting process. The date from which a claim for benefits may be submitted is the later of:

- five consecutive policy years from the policy date, or
- the policy anniversary immediately following the insured person's 65th birthday.

Stand-by assistance for bathing and transferring

When it comes to LTCI, definitions make all the difference. Stand-by assistance is an important part of our definition of dependence. It means that the insured person may be eligible to make a claim sooner or longer than with a policy that doesn't include this as part of their dependence definition.

Income-style benefit

Many LTCI plans offer an income-style benefit which is designed to offset the cost of care services provided by professional or family caregivers whether in a personal residence, retirement home or long-term care facility because of a loss of independence. This type of plan offers:

- flexibility – the benefit can be used for any purpose, and
- simplicity – there's no need to submit proof of service.

Waiting period

Sun RHA was designed with longer waiting periods than traditional long term care insurance. This shifts the focus on planning for the health risks specifically associated with late retirement and the realities of aging. It's an insurance solution to transfer the most severe risk in an affordable way. These longer waiting periods also contribute to a lower cost of insurance compared to traditional LTCI products.

Unlimited benefit period

With the unlimited benefit period, Clients have access to an unlimited stream of benefits. This plan design means that when they need the care, Clients don't have to worry about the benefits ending.

Inflation protection

The impact of inflation on the future cost of care is often overlooked. To offset the inflation risk, we've included inflation protection in the base plan design. There are no extra premiums to pay for this added protection. When benefits are being paid, the benefit amount will increase by three percent on each policy anniversary.

Return of premium on death (ROPD)

Automatic ROPD – Sun RHA offers a built-in ROPD. This means that if the insured person dies before the coverage effective date (before being eligible to claim), we will return all premiums to the ROPD beneficiary that was named in writing. If none was named, we pay to the owner of the policy, or their estate. There are no extra premiums to pay for this added protection.

Optional ROPD – When this option is added to the coverage, it means that if the insured person dies at any time while the policy is in force, we will pay the returnable premium amount to the ROPD beneficiary that was named in writing. If none was named, we pay to the owner of the policy, or their estate.

Returnable premium amount – The sum of all premiums paid for the policy, minus any unpaid premiums (plus interest) and any benefit payments made.

LifestageCare* services

The policy owner has immediate and unlimited access to LifestageCare – a national, bilingual information service available 24 hours a day, seven days a week – once the policy is issued and as long as it's in force.

Clients get access to unbiased information about local, qualified health and personal care providers that meets their individual and family needs at every stage of life. The policy owner can use LifestageCare services to help any family member.

Premium guarantee

All insurers guarantee their rates for the first five policy years. However, many may change their rates any time afterward. At Sun Life, if we change our rates, we won't change them again for at least another five years.

Coverage extended outside of Canada and the United States

Most insurers don't provide coverage for any amount of time spent outside of Canada or the United States. Sun RHA provides coverage for eight consecutive weeks when the insured person travels outside either country.



It's important to meet with Clients regularly to review their coverage and help them with any contractual conversions or renewals to ensure they have the protection that meets their needs.

**LifestageCare isn't part of the policy. We can't guarantee its availability. It may be withdrawn or modified at any time without any notice.*

Where to go for more information?

**For more information on the features
and benefits of Sun Retirement Health
Assist, contact your Sales Director
or visit Sun Life's advisor website.**

