

StartRight

disability insurance grad
program 2022/2023

Advisor reference guide

Effective Sept. 1, 2022

Not for use with clients

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The Canada Life™ StartRight disability insurance grad program is an excellent way to attract new clients with high-income potential. It's also a great way to start conversations about lifelong financial planning with prospective clients who may not be aware of their insurance protection needs. The grad program offers coverage without financial evidence and clients may receive premium reductions for the life of the policy.

We've extended the Canada Life grad program to Aug. 31, 2023.

Program highlights

Healthcare profession rider

Blood profile and urine exemptions are \$6,000 MIB (up to age 40), applicants do not require labs or hepatitis screens up to this limit.

Future insurability option (FIO)

FIO can be postponed up to three years for all physicians.

After three years, the FIO rider is automatically added to the disability insurance policy.

Special one-time exercise for specific graduates to increase monthly benefit.

Exercise this option on the first policy anniversary following the addition of the rider.

Premium reductions

Full grad premium reduction for 4A occupations, regardless of the addition of the return-of-premium (50%) rider. Applicable grad premium reductions apply to current and additional coverage purchased through FIO elections. A 10% premium reduction for overhead expense coverage allowed at any time during the first year of practice.

Greater than maximum issue limits

Consideration may be given to amounts that exceed the maximum issue limits. These requests will be subject to financial underwriting.

Routine medical evidence for amounts that exceed the maximum issue limits will be required.

Other benefits

Waived annual policy fee of \$50 (or \$5/month) on all personal disability insurance policies within the grad program.

Reduced underwriting requirements, including maximum issue limits without income justification.

Option to purchase up to \$1 million of Canada Life My Term™ life insurance, without further evidence of insurability, within one year of the policy being issued.

Option to purchase up to \$100,000 of LifeAdvance™ critical illness insurance, without further evidence of insurability, within six months of the policy being issued.

The rest of this guide includes additional details and important information on eligibility and limitations.

Eligibility:

To be eligible for the 2022 grad program, clients must apply between Sept. 1, 2022, and Aug. 31, 2023.

The grad program is aimed at students from a Canadian post-secondary institution who are in their final year of study, are articling or are recent graduates of the following professional programs:

- Accounting
- Actuarial science
- Architecture
- Athletic therapy
- Audiology
- Chiropractic
- Computer science
- Data scientist
- Dentistry
- Engineering
- Law and notarial law
- Master of business administration (MBA)
- Mechanic
- Medicine
- Naturopathic medicine
- Nurse practitioner/physician assistant
- Occupational therapy
- Optometry
- Osteopathy
- Pharmacy
- Physiotherapy
- Plumbing
- Podiatry/chiroprody
- Psychology (PhD)
- Registered nurse
- Speech therapy
- Veterinary

Canadian citizens who have studied abroad are also eligible. This is specific to those who are in their first year of practice in Canada. This opportunity isn't available to those who are residing and studying abroad.

Three steps in determining eligibility

Step one: The client must apply during the eligibility period (Sept. 1, 2022, to Aug. 31, 2023).

Step two: Determine what the client is eligible to apply for:

- **For all grad program occupations and categories:** Maximum issue limits with applicable premium reductions and waived policy fee are available from Sept. 1, 2022, to Aug. 31, 2023.
- **For those in the graduate category and within their first year of practice:** Maximum issue limits with applicable premium reduction and waived policy fee are available until the end of their first year of practice or Aug. 31, 2023, whichever date is earlier.
- **For those applying after their first year of practice:** Maximum issue limits are available without financial evidence until Aug. 31, 2023. The grad premium reduction and the waived policy fee aren't available.

Eligibility	Examples
<p>Graduate:</p> <p>A student in the final year of studies in a program without an articling/apprenticeship program requirement and who is planning to enter practice</p> <p>A student in the final year of an articling/apprenticeship program or practical experience who will earn a professional designation.</p> <p>A recent graduate in the first year of their practice (the client must start practicing within 12 months of graduation)</p>	<p>An individual starting the final year of architectural studies in September 2022 who will graduate in May 2023</p> <p>A law school graduate in an articling program who will attain professional designation in July 2023 (i.e., be called to the bar)</p> <p>A university graduate from an engineering program in the final year of an apprenticeship program (engineer in training) who will attain professional designation in May 2023</p>
<p>Articling:</p> <p>Applies to a student in an articling/apprenticeship/internship program not covered by the graduate definition. For select occupations, articling is defined as:</p> <ul style="list-style-type: none">– Accountant: in their 30 months of qualifying practical experience.– Architect: in the three-year internship program.– Lawyer: in the articling program.– Professional engineer: in their two to four-year apprenticeship, working with a professional engineer.	<p>A law student starting the final year of law school in September 2022 who will enter into an articling program in May 2023</p> <p>An engineering student starting the final year of studies in September 2022 who will enter into an apprenticeship program (engineer in training) in May 2023</p>

Application period	Examples
<p>Sept. 1, 2022, to Aug. 31, 2023: The maximum issue limits are available with the applicable premium reduction for all grad program occupations and categories without financial evidence.</p>	<p>A law student who starts an articling program in September 2022 and applies for a policy in November 2022 will be eligible for \$2,000 of coverage and a 25% premium reduction.</p>
<p>Sept. 1, 2022, to end of the first year of practice or Aug. 31, 2023, whichever date is earlier: For those in a graduate category, the maximum issue limits are available with the applicable premium reduction for all grad program occupations and categories without financial evidence.</p>	<p>A dental graduate (not specialized) graduating in May 2022, who begins practising in June 2022 and applies for a policy in February 2023, will be eligible for \$3,500 of coverage and a 20% premium reduction based on their first year of practice.</p>
<p>After first year of practice to Aug. 31, 2023: The maximum issue limits are available for occupations in the graduate category without financial evidence. The grad program premium reduction and the waived policy fee won't be available.</p>	<p>A law school graduate in an articling program who attained professional designation in July 2022 (i.e., was called to the bar) and applies after first year of practise will be eligible for \$3,000 of coverage. However, the graduate won't receive a premium reduction or a waived policy fee.</p>

Step three: Determine if the client needs overhead expense coverage.

A 10% premium reduction is available if the client applies for an overhead expense plan during their first year of practice and their lifestyle protection plan (through the disability insurance grad program) is still in force.

Premium reduction guidelines

The amount of available premium reduction is based on the applicant's occupation and eligibility category. Specific details are included in [the chart at the end of this document](#).

StartRight premium reductions apply to the original and any coverage purchased when exercising the future insurability option on the lifestyle protection plan.

Other premium reductions that may be combined with the StartRight grad premium reduction are available through the group complementer rider and the wage loss replacement plan. If either of these premium reductions is included in the policy, the reductions will also apply to increases purchased with the future insurability option, as long as the eligibility criteria are met. The upgrader plus premium reduction can be added where applicable.

Inforce graduate policies may only be replaced with a new policy that would be eligible for the StartRight premium reduction by the original agent of record. Any replacement must meet the current StartRight grad program guidelines. Normal replacement rules will also apply.

Overhead expense plan premium reductions may be available. A 10% premium reduction will be available if the client applies for an overhead expense plan within their first year of practice and their lifestyle protection plan (through the StartRight grad program) is still in force. This premium reduction does not apply when exercising any future insurability options.

Waived policy fee

Waive the \$50 annual policy fee (\$5/month) for all personal disability insurance policies within the grad program by checking off the waive policy fee box in the illustration software and web application or by adding a special note in the paper application.

Term life insurance/critical illness insurance offering

Through the grad program, a client may purchase Canada Life My Term life insurance or LifeAdvance critical illness insurance without having to provide further evidence of insurability.

A client:

- may purchase up to \$1 million of Canada Life My Term life insurance within one year of the issue date of the disability insurance policy.
- may purchase up to \$100,000 of LifeAdvance critical illness insurance within six months of the issue date of the disability insurance policy.
- must state they want the grad program life insurance/critical illness offer and indicate the specific products they're applying for in their disability insurance application's special requests section.

An illustration for the life insurance and/or critical illness insurance must be submitted with the disability insurance application.

The web or paper application allows a client to apply for all three products using one application.

Underwriting for the critical illness insurance and/or life insurance will take place when the client applies for the disability insurance policy.

An offer letter will be sent to a qualifying client with the disability insurance policy and the client can exercise these options within the specified time limits to obtain life insurance and/or critical illness insurance.

The term life insurance and critical illness insurance policies will be issued at the client's current age and using the rates at the time the critical illness and/or life insurance policies are issued.

The disability insurance policy must be in force at the time the client opts for critical illness insurance and/or life insurance.

This offer is available for all rated policies.

Reduced underwriting requirements

- Paramedical exams and blood and urine tests aren't needed for most graduates. This will, however, be required for amounts over \$6000.
- Paramedical exams and blood and urine tests may still be required for those eligible for the health care profession rider.
- Additional medical underwriting will be based on the client's disclosure on the application.

Optional benefits

The return-of-premium (50%) rider* reduces the grad program premium reduction **for occupation classes A, 2A and 3A** by 10% if the return-of-premium (50%) rider is included in the grad program policy at time of issue or after the policy is in force. For example: a 20% grad premium reduction decreases to 10% when the return-of-premium (50%) rider is added.

The future insurability option rider for class 3A occupations is subject to a maximum amount of \$15,000 less the monthly income benefit for class 3A occupations included under the grad program. This only applies to lifestyle protection plan and isn't available for overhead expense plan.

*The Canada Revenue Agency (CRA) and Revenue Quebec have not provided a formal ruling regarding the tax treatment of return-of-premium benefits that are included in a disability policy. The tax treatment of an optional return-of-premium benefit is, therefore, subject to interpretation. However, where a disability policy forms a part of a wage loss replacement plan, the CRA has stated the view that "a group sickness or accident insurance" (GSAI) plan does not include any plan or contract of insurance that provides benefits other than sickness or accident insurance benefits. Therefore, the existence of other benefits, such as return-of-premium, would in the CRA's view disqualify the plan as a GSAI plan. According to the CRA it does not matter whether the employee or employer is the recipient of a return-of-premium benefit. The CRA expressed this view in technical interpretation # 2012-0435761C6. Technical interpretations are subject to change and are neither law nor binding upon the CRA.

Physicians

Underwriting change to group complementer for medical residents in select provinces

Medical residents who apply to the 2022/2023 grad program in Ontario, Quebec, Newfoundland and Labrador, or the Maritimes and who have provincial resident coverage where resident coverage is mandatory and ends automatically, have two choices for how their mandatory provincial resident coverage will be underwritten:

1. This coverage will be ignored, regarding the maximum limits available, and the group complementer rider will not be required.
2. This coverage will be taken into consideration regarding the maximum limits available and the group complementer rider will be included, along with an additional 10 per cent premium reduction.

This applies only to the following resident coverage: Professional Association of Residents in Ontario (PARO), Fédération des médecins résidents du Québec (FMRQ), Professional Association of Residents of Newfoundland and Labrador (PARNL) and Maritime Resident Doctors (MRD), previously known as Professional Association of Residents in the Maritime Provinces (PARI-MP).

NOTE: Any other inforce coverage a resident may have will be underwritten based on regular underwriting practices.

Once a resident decides to either take the group complementer rider or ignore the coverage for underwriting purposes, this choice can't be changed until they're no longer covered by their mandatory resident coverage.

Future insurability option can be postponed up to three years for all physicians

Physicians in the grad program can be pre-approved for the future insurability option rider and delay adding it for up to three years. Physicians can:

- Apply and be approved within the grad program eligibility rules.
- Add this rider up to three years after the policy is issued with no additional underwriting requirements.
- Make premium payments only when the rider is added to their policy. Premiums are based on the client's age and the future insurability option rate when the policy was first issued.
- Exercise this option on the first policy anniversary following the addition of the rider.

Important details

At policy issue, the minimum premium must be \$100/year or \$10/month, after any applicable discounts or waived fees.

The future insurability option and amount must be selected on the application with a note indicating the client is applying for the postponed premium offer.

The disability policy will be issued with an amendment indicating the client was pre-approved for the future insurability option.

The future insurability option will be added automatically after three years unless the client has previously contacted Living Benefits Client Service to add or decline the rider.

Living Benefits Client Service will send letters to eligible clients 60 days before the policy's third anniversary to let clients know about a premium increase and give them a final opportunity to decline the rider.

Special one-time exercise of future insurability option

Only one of the following two options may be exercised during the life of the policy.

Graduating physicians or fellowship program graduates

Opportunity (non-contractual¹) to increase the monthly income benefit up to the graduate limits through a special one-time exercise of the future insurability option.²

Opportunity to increase is available without having to provide further medical evidence or undergo financial underwriting.

Only available from six months before, to six months after graduation or upon completion of the fellowship program, if group coverage is replaced.

Graduating physicians entering fellowship program

Must be entering a fellowship program directly upon graduation.

Opportunity (non-contractual¹) to increase the monthly income benefit up to the fellowship program limit of \$8,500 through a special one-time exercise of the future insurability option.

Opportunity to increase is available without having to provide further medical evidence or undergo financial underwriting.

Only available from six months before, to six months after graduation, if group coverage is replaced.

Foreign-trained physicians in their first year of practice in Canada

Physicians who were trained in a foreign country and in their first year of practice in Canada **aren't eligible** for the grad program.

- Foreign-trained physicians are eligible for a special reduction of 15% on the monthly disability benefit and coverage purchased when exercising a future insurability option when the following conditions are met:
 - Eligible foreign-trained physicians based on standard underwriting guidelines (e.g., South African physicians relocating to Canada).
 - Are licensed to practice in Canada.
 - Are within their first year of practice in Canada.

Canadian citizens who have studied abroad and are in their first year of practice in Canada **are eligible** for the StartRight grad program, they aren't limited to the 15% special reduction.

Additional premium reductions may be available through the group complementer additional benefits and the wage loss replacement plan.

Dentists

Special one-time exercise of future insurability option

- **Graduating dentists (generalists and specialists)** may increase their monthly income benefit (non-contractual¹) up to the graduate limits through a special one-time exercise of the future insurability option.²
- Available without having to provide further medical evidence or undergo financial underwriting.
- Only available for the first six months after graduation if Canadian Dental Service Plans Inc. (CDSPI) group coverage is replaced.
- Allows graduates to increase coverage to \$3,500 if not specializing and \$7,500 if specializing.

Dentists with CDSPI coverage

Dental students who have inforce CDSPI coverage of \$1,000 or less that isn't being replaced and are in the first, second or third year of dental school at the time of application won't have the group complement rider attached.

Dental interns/residents and graduates who have inforce CDSPI coverage of more than \$1,000 (that is not being replaced) will only be required to add the group complement rider if the disability insurance policy applied for and the CDSPI inforce coverage combined is over \$3,500 (interns/residents/graduate – not specializing) or \$7,500 (graduate – specializing).

Optometrists

Special one-time exercise of future insurability option

- **Graduating optometrists** may increase their monthly income benefit (non-contractual¹) up to the graduate limit of \$4,500 with a special one-time exercise of the future insurability option.²
- Available without having to provide further medical evidence or undergo financial underwriting.
- Only available from six months before, to six months after graduation, if any group coverage is replaced.

¹ The special one-time future insurability option described is available under the grad program and doesn't form part of the future insurability option contractual provisions.

² The normal future insurability option date schedule will remain in place; however, exercising future insurability options will continue to require financial underwriting.

This program replaces any previous offers made under the grad program and replaces all previous grad programs offered by Canada Life.

Issue limits and premium reductions

Occupation	Eligibility/category	Occupation class	Maximum issue limits	Grad program premium reduction ¹
Accountants (CA, CGA, CMA, CPA)	Graduate or articling	4A	\$4,000	25%
Actuaries	Graduate	4A	\$4,000	20%
Architects	Graduate	4A	\$4,000	20%
	Articling	4A	\$3,500	20%
Athletic therapists	Graduate	2A	\$2,000	15%
Audiologist with master's degree	Graduate and first year practice	3A	\$2,000	15%
Chiropractors	Graduate	2A	\$2,500	n/a
Computer industry professionals	Graduate (university degree)	4A	\$3,500	25%
	Graduate (college diploma) ⁵	3A	\$2,000	15%
Data scientist	Graduate and first year practice	4A	\$3,500	15%
Dentists Generalists	Graduate (specialist)	4A	\$7,500	25%
Specialists	Interns/residents (specializing)	4A	\$3,500	25%
– Dental public health	Graduate (not specializing)	3A	\$3,500	20%
– Endodontics				
– Oral and maxillofacial radiology	Third-year dental student	3A	\$1,500	20%
– Oral and maxillofacial surgery				
– Oral medicine and oral pathology	First- or second-year dental student	3A	\$500	20%
– Orthodontics				
– Pediatric dentistry				
– Periodontics				
– Prosthodontics	Graduate	4A	\$4,500	25%
Engineers (professional)	With Master's degree	4A	\$3,500	25%
	Articling	4A	\$3,500	25%
	Graduate	4A	\$3,000	25%
Lawyers or Quebec notaries	Articling	4A	\$2,000	25%
	Graduate	3A	\$3,000	15%
Master of Business Administration (MBA)	Graduate	3A	\$3,000	15%
Mechanics	Journeyman (first year practice)	A	\$2,500	15%
	Apprentice	A	\$2,000	15%
Naturopathic doctors	Graduate	3A	\$1,500	15%
Nurse practitioners ² /physician assistants	Graduate	2A	\$2,000	15%
Occupational therapists	Graduate	3A	\$2,500	15%
Optometrists	Graduate	4A	\$4,500	25%
	Third-year optometry student	4A	\$1,500	25%

Osteopaths (with a medical degree)	Graduate	4A	\$3,000	15%
Osteopaths (with a Diploma of Osteopathy)	Graduate	3A	\$2,500	15%

Occupation	Eligibility/category	Occupation class	Maximum issue limits	Grad program premium reduction ¹
Pharmacists	Graduate	4A	\$3,500	25%
Physicians ³	Fellowship graduate (last year of specialty or sub-specialty, planning to enter practice)	4A	\$11,000	25%
	Fellowship program (not in last year of specialty or sub-specialty)	4A	\$8,500	25%
	Graduate (last year resident planning or first year of practice — specialist) ⁴	4A	\$11,000	25%
	Graduate (last year resident or first year of practice — other)	4A	\$7,500	25%
	Other resident (not in last year — specialist)	4A	\$4,500	25%
	Other resident (not in last year — other)	4A	\$4,500	25%
	Fourth-year medical student	4A	\$4,500	30%
	Third-year medical student	4A	\$3,000	30%
	First- or second-year medical student	4A	\$2,000	30%
Physiotherapists	Graduate	3A	\$3,000	15%
Plumbers	Journeyman (first year practice)	A	\$3,000	15%
	Apprentice	A	\$2,500	15%
Podiatrists/chiropractors	Graduate	4A	\$4,000	15%
Psychologists (PhD)	Graduate	4A	\$3,500	25%
Registered nurses	Graduate	2A ²	\$1,500	15%
Speech therapists	Graduate	3A	\$2,000	15%
Veterinarians (large animals)	Graduate	3A	\$3,500	15%
Veterinarians (small animals)	Graduate	4A	\$3,500	15%

¹ For occupation classes A, 2A and 3A: if the return-of-premium (50%) rider is included in the policy at time of issue, or added after the policy is in force, the grad program premium reduction will be reduced by 10%.

² Nurse practitioners and registered nurses will be issued as an occupation class 2A until the graduate's duties are confirmed. If an employment contract confirms the graduate will only perform office duties, they'll be issued as an occupation class 3A.

³ There are exceptions for residents covered by association plans. Maximum issue limits may be reduced by the amount of the coverage. Public health physicians are considered specialists.

⁴ The practice of emergency medicine is considered eligible under the specialist category if the insured has graduated from or enrolled in a program for FRCP, FRCS or CCFP-EM.

⁵ Must have a three-year college diploma from an accredited college or be in final year of a three-year college program.



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