

Underwriting frequently asked questions

Introduction

The purpose of this document is to cover many of the frequently asked questions that we deal with. Please be aware that not all of these points may apply to your clients and are only intended as a guideline.

General information on underwriting decisions

Once we have assessed the application form together with the medical and financial evidence, we will send our acceptance terms to you.

The acceptance terms will reflect our underwriting decision, which may be standard rates or reflect any rating that has been applied.

In the event that a medical underwriting decision is unexpected, your client(s) should initially discuss this with their general practitioner (GP) to determine any possible reasons. We are unable to discuss a client's medical condition without receiving previous consent from a relevant suitably qualified health professional such as your client's GP. Should the reason for our decision be due to a finding from a medical examination we arranged, upon request we can confirm the reasons for this to your client's GP, as your client may not necessarily be aware of this.

What does it mean if my client's application has been postponed?

Generally, an application will be postponed if we have insufficient information on which to base a decision or an abnormality has been recorded at a recent medical examination. This could be due to the client awaiting referral for further investigation of an existing medical condition, awaiting test results or there could be a specific waiting time required to elapse following certain medical conditions.

In the event of a postponement we will issue a letter to you enclosing a letter for you to forward to your client

What can be done following the postponement of my client's application?

It is likely that your client will be aware of the reason why their application has been postponed, however, in the event that they are not aware, they should follow the steps outlined in 'General information on underwriting decisions' above.

Please note that on a joint life application, if one life is postponed the underwriting on that application will cease at that point on both lives. Any outstanding medical appointments for either life will be cancelled.

Following a postponement, your client may re-apply at any time by confirming in writing that the reason for the postponement has been addressed and resolved. We can then write to their GP if necessary for the results of any subsequent investigations. If we can proceed with the application then we will continue with the underwriting process, which may involve further medicals/tests and/or further forms to be completed.

Why would my client's application be rated?

The basis of underwriting is purely an assessment of risk, we do not make a clinical diagnosis and any medical ratings are applied according to the risk factor associated with certain conditions.

Your client may be surprised or possibly concerned to learn that he/she has been rated and should initially discuss this with their own GP. If your client is still unaware as to why he/she has been rated please contact us and we will send the reason to their GP.

What effect will a rated decision have?

The premium on the policy will increase for the level of cover requested; however, we will issue two sets of acceptance terms (where appropriate). One will reflect the new level of premium required for the requested sum assured whilst the other will reflect the level of sum assured available for the original premium amount. Please note an extra mortality percentage is not necessarily a percentage increase to the overall premium.

My client's application has been declined, why is this?

Sometimes a client's medical history or their medical history combined with their age may be such that we are unable to offer terms on their life. In this instance we will issue two letters to you, one for you advising you of our declined decision and the other for you to pass on to your client.

We may also decline a client's application for non-medical reasons such as residency, travel and hobbies.

Please note that on a joint life application, if one life is declined, the underwriting of the application will cease at that point on both lives.

Any outstanding medical appointments will be cancelled and we will not continue to underwrite the remaining life assured unless previously advised otherwise.

What can be done following a declined decision?

On a joint life application where one of the lives assured has been medically declined, the remaining life assured may wish to take out a policy on a single life basis.

How does the arranging of the medical evidence work?

Upon receipt of a fully completed application form, we will instruct our medical evidence collection agent to obtain the appropriate level of medical evidence.

Your client will be contacted by a member of the team from our third party medical evidence provider who arrange the medical evidence on our behalf. Initially they will telephone your client and arrange for the most convenient time to attend the necessary appointment(s). For some clients it may be necessary to ask them to attend more than one appointment, due to their geographical location.

How long are the application form and medical evidence valid for?

- Application forms are valid for 12 months from the date of signing.
- Declarations of health are valid for 30 days from the date of signing.
- Medical evidence (gained in the UK) is usually valid for six months from the date of testing, however this is entirely at the underwriter's discretion and further evidence may be sought sooner.

If applications are being made with other life offices, can the medical evidence be shared?

We can apply to other companies for copies of a client's medical evidence. To do this we will need the full contact details and reference numbers to enable us to request the evidence. Please be aware that other companies may have different requirements for the same level of sum assured and you should make sure that all the necessary evidence is being gained by the other company.

We will provide medical evidence to another company if we are instructed in writing to do so by:

- the client(s);
- the other company; and
- are given full contact details.

How is a client's potential IHT liability calculated?

- Addition of all the assets minus all the liabilities minus the total nil rate band and multiplying this figure by 40%.
- The standard nil rate band is currently £325,000 and the additional residence nil rate band is £175,000 (tax year 2023/24).
- Pensions are not considered assets for IHT planning and should not form part of the calculations.

Please note only assets which are considered liable for UK IHT should be given. If assets are eligible for Business Property Relief then they should not be included.

- Details of all current assets and liabilities must be clearly provided as we can only base our decision on the information provided. If this is questionable, we may request written confirmation of the actual IHT liability.
- We cannot consider future IHT liabilities.

If insufficient information is provided and we do not feel that the sum assured requested is justified we will restrict the sum assured accordingly.

How to calculate family protection cover?

The intention is to provide life cover equivalent to the amount of income lost by the death of the life assured. Therefore, appropriate levels of cover depend upon the age and earned income of the life assured. The following is a typical guide to levels of cover.

Age	Multiple of income (times yearly salary)
Under 30	15 to 20
30-39	10 to 15
40-49	10
50-59	5 to 10
60 and over	5

How to contact us

If you should have any further questions or wish to contact us, please call our Onboarding Team on +44 (0)1624 820200 who will be happy to help you. You may also find further information at www.canadalife.co.uk/international

This document is based on Canada Life International Limited's understanding of applicable legislation, law and current HM Revenue & Customs practice as at October 2018. It is provided solely for general consideration.

The information regarding taxation is based on our understanding of current legislation, which may be altered and depends upon the individual financial circumstances of the client. We recommend that individuals take their own professional tax advice.

