

Advisor FAQ

Questions relating to the rate review of select benefits for Blue Vision® and Tangible® products

JULY 2021

Q1. What benefits are affected?

A1. Here are the benefits affected and the applicable percentage increase:

| BLUE VISION Global Plan, Express Plan, SME Plan and Association Program | |
|--|---|
| Benefits | Rate increase |
| Disability including Regular Occupation and Premium Refund (65) | Contracts issued before June 1, 2016: 12.5% Contracts issued on June 1, 2016 and after: 7.5% |
| Overhead Expenses | |
| Monthly Indemnity | 7.5% |
| Express Monthly Indemnity | |

A premium increase of 7.5% also applies to the Disability benefits in the Blue Vision Accidental Plan.

The premium increase does not apply to administrative fees (policy and benefit fees).

Please note that other factors could influence the client’s premium such as a change in age category (if the attained age premium option was selected by the client) or an automatic benefit increase (if this option was selected by the client).

Applicable to Blue Vision only:

An increase effective on June 1, 2021 was applicable to the SME Plan, Association Program, Global Plan and Express Plan for the following benefits:

- Extended Health Benefit
- Drug Benefit
- Hospital Allowance
- Hospital Allowance Express
- Accidental Fracture
- Home Health Care
- Travel Insurance
- Express Plan Health Package

This increase was necessary to reflect the rising health care costs and inflation.

| TANGIBLE | |
|------------------------------------|---------------|
| Benefits and options | Rate increase |
| Disability – Hybrid Coverage | 25% |
| Life – Hybrid Coverage | 10% |
| Critical Illness – Hybrid Coverage | |
| Loss of Autonomy – Hybrid Coverage | |
| Facility and Home Care* | 15% |

*The initial premium is guaranteed for the first 5 years of insurance, in accordance with the contract.

Q2. Why is there a premium increase?

A2. Despite our efforts to keep insurance premiums unchanged over the past few years, a significant rate review was required for the following plans:

BLUE VISION

The increase is mainly due to:

- Current economic climate
- Prolonged and substantially low interest rates
- Upward trend in disability incidences observed in recent years

TANGIBLE

The increase is mainly due to:

- Current economic climate
- Prolonged and substantially low interest rates
- Rising claim costs
- Upward trend in disability incidences observed in recent years

Q3. Did the premiums increase due to the COVID-19 pandemic?

A3. No, the main reasons for the premium increase are explained in **question 2**.

Q4. How can I explain this premium increase to my client?

A4. During a rate review, several criteria are considered such as:

- Interest rates
- Rising health care costs
- All claims for the product for which the client is insured, not specifically their personal claims
- Benefit projections based on the evolution of claims

Q5. My client cannot afford this premium increase, what are their options?

A5. To reduce your client's premium and help them maintain their insurance coverage, you can offer the various options that are listed below.

BLUE VISION

For **Disability, Monthly Indemnity** and **Overhead Expenses**, here are some possible modifications:

- Decrease the coverage amount
- Extend the waiting period
- Reduce the benefit period
- Remove the Regular Occupation option (if selected)

For information on how to make changes to the contract, please contact Info-Partners.

TANGIBLE

For **Hybrid Coverage**, here are some possible modifications:

- Decrease the coverage amount
- Modify the conversion percentage
- Modify the duration of the premium payment
- Remove the Regular Occupation option (if selected)
- Remove the Cost-of-Living Increase option (if selected)

For **Facility and Home Care**, here are some possible modifications:

- Decrease the coverage amount
- Extend the waiting period
- Reduce the indemnity period
- Remove the Cost-of-Living Increase option (if selected)

For information on how to make changes to the contract, please contact Info-Partners.

Q6. My client is dissatisfied with the increase and is considering cancelling their health insurance contract. What can I do to retain my client?

A6. It is important to inform your client that by cancelling their contract to purchase insurance elsewhere, they may have to deal with the following:

- A more expensive premium due to their age and health condition
- A new applicable incontestability clause
- New evidence of insurability to provide
- Loss of their Premium Refund (if this option was selected)

They will also lose exclusive benefits such as:

- 24/7 virtual health care service included in certain benefits of the Blue Vision product
- Assistance Program offering different support services
- Discounts of the Blue Advantage® Program

Q7. Will there be a premium increase next year?

A7. An increase may be required in 2022. However, it is still too early to provide details.

Q8. How can I check which of my clients are affected by this premium increase?

A8. You can view the *Summary of monthly renewals* report on your secured access of the Advisor Resources. This document will be available every 10th of the month for renewals in the coming months. For September renewals, the report will be available as of August 10, 2021.

If you need support, do not hesitate to contact Commissions and Contracting.

Q9. Do you have the right to adjust my client's premiums?

A9. Yes, provided that we send clients 30-day written notice prior to the effective date of the new premium. In addition, our contract makes it possible to modify the unit rates at the time of the contract renewal as long as the unit rates of each identical contract are modified.

Q10. What is the deadline for submitting insurance applications with current rates?

A10. Here are the transition rules:

BLUE VISION

| Applications signed before September 1, 2021 | | Applications signed on September 1, 2021 and after |
|---|--------------------------------------|---|
| Received by September 15, 2021 inclusively | Received after September 15, 2021 | New rates |
| Current rates | New rates | |

TANGIBLE

As of October 1, 2021, we will no longer accept new sales for the Tangible product.

Only applications signed before October 1, 2021 and received by October 15, 2021 inclusively will be processed.

Questions relating to the termination of new sales of the Tangible product

Q1. Why did you decide to end new sales of the Tangible product?

A1. Following an analysis of our product offering, we have decided to cease sales of the Tangible product, given that it does not generate enough interest from our clients.

Q2. Do you plan to explore other insurance solutions to meet the needs of seniors?

A2. Yes, in keeping with our mission to support the wellness of our clients, we are considering an offer more tailored to the needs of the aging population.

Q3. My client has Hybrid Coverage. Will the possible transformation of their contract into Facility Care remain available?

A3. Yes, the contractual conditions remain unchanged for all effective contracts.

Q4. If my client's contract lapses, can they reinstate their contract following the termination of new Tangible sales?

A4. Yes, the contractual conditions remain unchanged for all effective contracts.