

# **Regulation 60 Disclosure Statement Definitions and Completion Instructions**

## **for Appendix 10A and Appendix 10A (Alternate 1)**

**(To be used on all replacements other than annuity to  
annuity)**

**Please note:** These instructions are applicable to Appendix 10A and Appendix 10A (Alternate 1). Appendix 10A is used where the Disclosure Statement is presented to the policyholder or contractholder after the time of application (pursuant to the 3<sup>rd</sup> Amendment to Department Regulation No. 60). Appendix 10A (Alternate 1) is used where the Disclosure Statement is presented to the applicant prior to or at the time of application.

All questions must be completed. Use N/A (Not Applicable) when appropriate.

- 1. Name of Applicant** – Print name of person applying for coverage.
- 2. Telephone Number** – Home telephone number of applicant.
- 3. Address** – Full address of applicant.
- 4. Name of Agent or broker** – Print name of agent or broker writing new coverage.
- 5. Telephone Number** – Agent's business telephone number.
- 6. Company** – Name of Agency or Company affiliation, if any.
- 7. Address** – Agency business address.
- 8. Source used to complete information** – If any information on existing coverage was received from the replaced company, mark "X" in "the replaced company" box. If any approximations were used because requested information was not provided by the replaced company, mark "X" in the "approximations" box.

### **1. Description of Transaction Section**

- 9. As of Date** – Date the stated values were measured.

- 10. Company** – Names of insurance companies for existing and proposed policies.
- 11. Customer Service Telephone Number** – Customer Service telephone numbers for existing and replacing insurance companies.
- 12. Type of Insurance** – Type of insurance (i.e. Term, Whole Life, Universal Life).
- 13. Face Amount** – Face amount of base policy excluding riders.
- 14. Riders** – Indicate type of rider and benefit amount (if applicable) for all riders attached to base policy.
- 15. Premium** – Include the premium for the base policy and all riders. Premium should be annualized if applicant is paying a premium mode other than annual.
- 16. Contract Number** – Policy/contract/certificate number of existing policies (blank for proposed policy).
- 17. Issue Date** – Issue date of existing policies.
- 18. Surrender Charge** – Specify current surrender charge of policies (if applicable).
- 19. Guaranteed Interest Rate** – Specify contract minimum guaranteed interest rate (if applicable) for existing and proposed policy.
- 20. Loan Interest Rate** – Indicate loan interest percentage (if applicable) for existing and proposed policy.
- 21. Contestable Expiry Date** – Indicate if contestable period has expired or contestable expiry date (month and year) for current policies and duration of contestable period for proposed policy.
- 22. Suicide Expiry Date** – Indicate if suicide period has expired or suicide expiry date (month and year) for current policies and duration of suicide period for proposed policy.
- 23. Lapse or Surrender** – Check if existing policy(ies) are to be lapsed or surrendered.
- 24. Amendment or Re-Issue** – Check if existing policy(ies) are to be amended or re-issued.
- 25. Loan or Withdrawal** – Check if existing policy(ies) cash value will be borrowed or withdrawn.
- 26. Reduction To** – Indicate reduced face amount of existing policies.
- 27. Reduced Paid Up For** – Indicate new face amount if policy(ies) are being placed on reduced paid-up non-forfeiture option.

**28. Extended Term For** – Specify the duration of Extended Term Period if policy(ies) are being placed on Extended Term Insurance (ETI) non-forfeiture option.

**29. Cash Release at Time of Change** – Enter applicable year and dollar amount of funds released by exercising one of the above changes.

**30. Use of Cash Released** – Describe how the cash released will be used (e.g., 1035 Exchange, pay premiums on proposed policy).

## **2. Summary Result Comparison Section**

**New With Existing Coverage Changed** [Values reflecting planned changes for existing policy(ies)]

**31A,B&C Annual Premium** – Indicate total annualized premium on a guaranteed and non-guaranteed basis at present, five years hence and ten years hence for proposed policies. Premiums should be annualized if applicant is paying a premium made other than annual.

**32A,B&C Surrender Value** – Indicate surrender value (net of loan) on a guaranteed and non-guaranteed basis at present, five years hence and ten years hence for proposed policies.

**33A,B&C Death Benefit** – Enter death benefit on a guaranteed and non-guaranteed basis at present, five years hence and ten years hence for proposed policies.

**34A,B&C Dividends** – Enter illustrated dividends, if applicable, at present, 5 years hence and ten years hence for proposed policies. [To be completed if dividends are not included above in Surrender Value and Death Benefit.]

## **Existing Coverage Unchanged**

**35A,B&C Annual Premium** – Indicate total combined existing policy(ies) annual premium based on existing coverage unchanged on a guaranteed and non-guaranteed basis, at present, five years hence and ten years hence.

**36A,B&C Surrender Value** – Enter total combined existing policy(ies) surrender value on a guaranteed and non-guaranteed basis, at present, five years hence and ten years hence based on existing coverage unchanged.

**37A,B&C Death Benefit** – Enter total combined existing policy(ies) death benefit on a guaranteed and non-guaranteed (including paid-up additions) basis, at present, five years hence and ten years hence based on coverage unchanged.

**38A,B&C Dividends** – Enter illustrated dividends, if applicable, at present, five years hence and ten years hence based on existing coverage unchanged. [To be completed if dividends are not included above in Surrender Value and Death Benefit.]

### **3. Agent Statement Section**

**39. Disclosure Question 1** – Enter the reason(s) for recommending the new life policy or annuity contract (i.e., lower premium).

**40. Disclosure Question 2** – Enter the reason why the existing insurance policy(ies) or annuity contract(s) cannot meet the applicant's objectives (e.g., too expensive, not enough coverage).

**41. Disclosure Question 3** – List the advantages of continuing the existing insurance policy or annuity contract (e.g., contestability and suicide clause have expired).

**42. Remarks** – Enter any pertinent comments bearing on the transaction.

**43. Proposal Used** – Check the appropriate box indicating if a proposal/sales material was used to make the sale.

**44. Agent Certification** – Agent signs and dates.

**45. Applicant's Acknowledgment** – Applicant and spouse (if his/her policy will be replaced with new coverage) sign and date. If applicant and owner are different, owner must sign also.