

Current conversion rule

For clients with term insurance coverage exceeding \$2M

If the term product is converted in its entirety to a new iA PAR contract, no ADO contribution is permitted on the new contract unless new evidence of insurability is provided.

However, it is possible to convert to a new participating life insurance policy with a lower death benefit and ADO contribution amount, without evidence of insurability. To do so, the maximum net amount at risk (NAR) of the illustration of the participating product is taken into account and must be equal to or less than the death benefit of the term product prior to conversion.

ADO Flexibility- Examples

Example 1: Face amount \$2 million or less

M/NS/40 years old

Coverage: iA Par Wealth 100 years

Face amount: \$500,000

Regular annual premium: \$9,640.00

Maximum annual additional deposit option (ADO) indicated in the insurance application: \$17,190.00

The policy is issued with an ADO of \$17,190.00. This amount was billed to the client, but they are no longer required to pay a minimum ADO amount in order to secure it.

For example, in the first year, the client may decide to contribute a total of \$1,000 to the ADO. This will not affect the amount available in the following years. In the second and subsequent years, the client may still contribute up to \$17,190.00.

Example 2: Face amount exceeding \$2 million

M/NS/40 years old

Coverage: iA Par Wealth 100 years

Face amount: \$2,500,000

Regular annual premium: \$46,825.00

Maximum annual additional deposit option (ADO) indicated in the insurance application: \$85,950.00

In the first month following the issue of their policy, the client contributes \$7,162.50 to the ADO. After that, they do not contribute to the ADO.

In the second year, the client contributes the maximum annual ADO amount of \$85,950.00.

In the third and subsequent years, the client may therefore contribute at the highest ADO contribution amount made between the first and second years of issue. In this example, the client can contribute the maximum amount, which was secured in the second year at \$85,950.00, or any amount of their choosing less than that amount.