

Guarantee Standard Issue Program Overview



Insurance



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What is the GSI program?

The Guarantee Standard Issue® (GSI®) program is individual disability or critical illness coverage that can complement group insurance. By helping address employees' coverage concerns, it can contribute to employee productivity and help save employers money.

Our GSI program is designed to meet the unique and changing needs of Canadian businesses, providing a full range of products and services for your clients. It's a unique approach that offers funding flexibility and employer cost stability while meeting the needs of a business or certain qualified employees.

Which products are available under the program?

Income Protection	
The Professional Series®	Provides non-cancellable coverage that includes a combination of total disability with built-in residual and long-term partial disability benefits
Quantum® Series	Provides guaranteed renewable coverage with a disability definition based on a reduced ability to work and loss of income – policy has an integration of benefits provision and some limitations
Foundation Series	Provides non-cancellable coverage with a combination of total disability and/or short- or long-term partial disability benefit riders
Bridge Series®	Provides guaranteed renewable coverage with a combination of total disability and/or short- or long-term partial disability benefit riders – policy has an integration of benefits provision and some limitations
Retirement Protector	Is designed to allow an individual who is totally disabled to continue making contributions to their retirement savings
Lifestyle Protection	
Critical Illness Recovery Plan™ – Guaranteed Renewable Term to 65/Term to 75	Is designed to address the financial and non-financial needs that an individual may be faced with should they suffer a severe injury or catastrophic illness such as cancer, a heart attack or a stroke

Please note that business protection products, The Fundamental Series® and Simplified CI are not available with GSI.



Program facts and advantages

GSI program facts:

- A simplified application process is used
- Full medical underwriting is not required
- Qualified employees are each issued an individual policy
- The amount of coverage offered is dependent on:
 - the number of participants and their salaries (Disability only)
 - whether the coverage is voluntary or mandatory (Critical Illness)

- Premiums paid by an employer are typically tax-deductible
- When premiums are paid by the employee – or paid by the employer and added to their income as a taxable benefit – any benefits that become payable directly to the employee are received tax-free*

* Benefits received from disability arrangements funded by the employer are typically taxable when received by the employees. You may wish to consult with your tax advisor for specific advice.

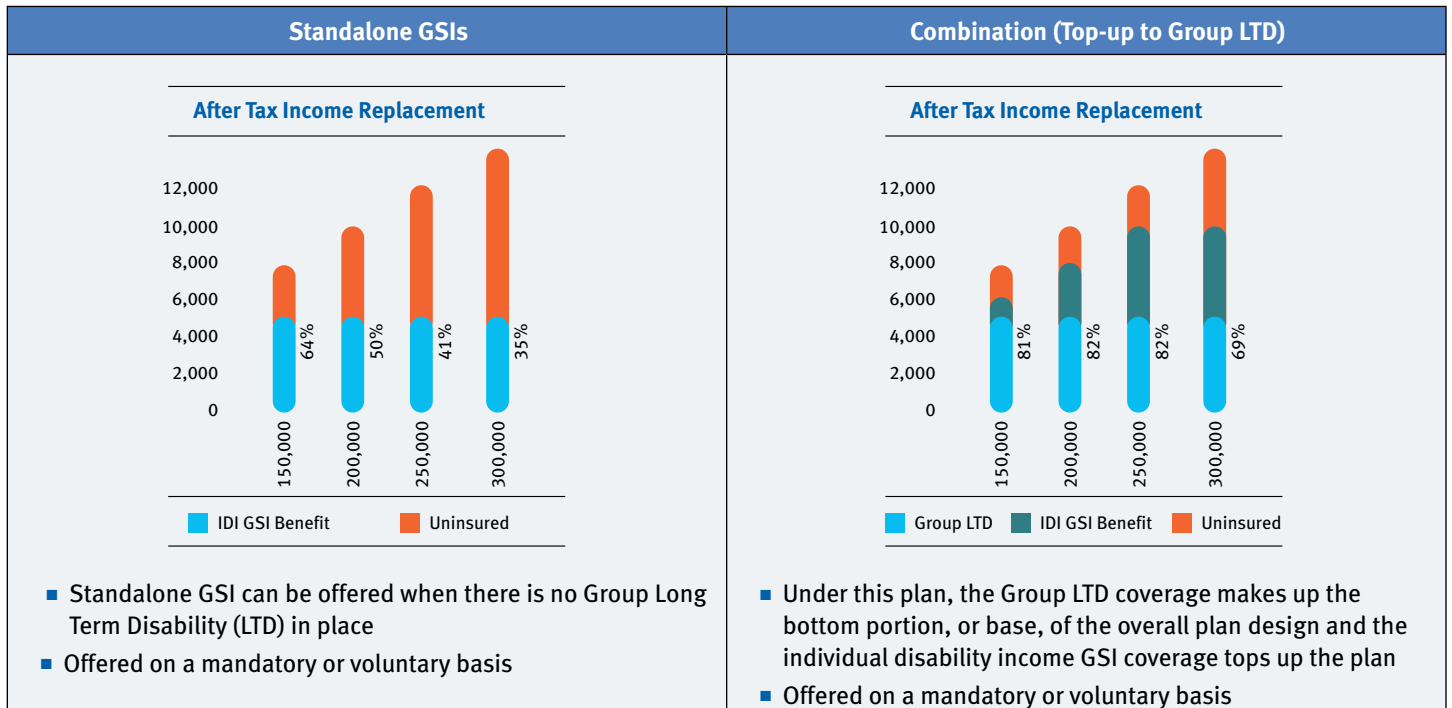
GSI program advantages:

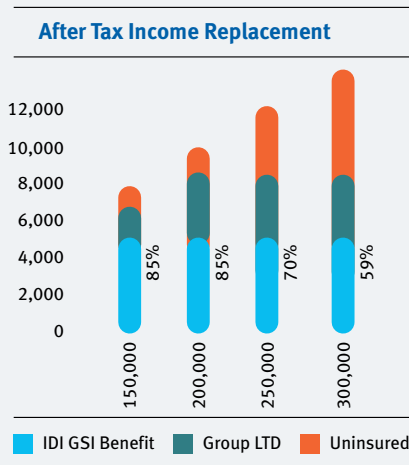
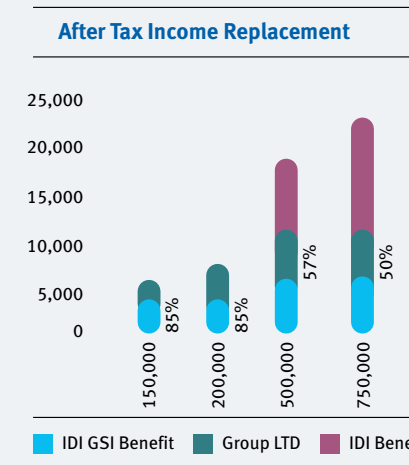
For Employers	For Employees
<ul style="list-style-type: none"> ■ Cost savings through features such as premium discounts, long-term rate stability (compared to group coverage) ■ Competitive benefits offering to help attract and retain qualified employees needed to grow a business ■ Fills coverage gaps in benefits, especially for key employees ■ Meets the changing needs of a diverse workforce ■ Makes the dollars spent on employee benefits go further ■ Integrated billing in conjunction with RBC Group Benefit Solutions with blended group rates 	<ul style="list-style-type: none"> ■ High-quality income and lifestyle protection with strong coverage guarantees ■ Pricing – stable rates at substantial discounts depending on products selected ■ Portability – allows employees to take their policy with them if they leave the employer ■ Longevity – conversion to long-term care insurance without medical underwriting

Selecting coverage under the GSI program

GSI DI plan types:

There are four different plans available.



Reverse Combination	Sandwich (Reverse Combination with Top-up)																				
<p style="text-align: center;">After Tax Income Replacement</p>  <table border="1" style="margin-left: auto; margin-right: auto;"> <caption>Reverse Combination Data</caption> <thead> <tr> <th>Income Level</th> <th>IDI GSI Benefit (%)</th> </tr> </thead> <tbody> <tr> <td>150,000</td> <td>85%</td> </tr> <tr> <td>200,000</td> <td>85%</td> </tr> <tr> <td>250,000</td> <td>70%</td> </tr> <tr> <td>300,000</td> <td>59%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> ■ Under this plan, the individual disability income GSI coverage makes up the bottom portion, or base, of the overall plan design ■ The Group LTD makes up the top portion (or remainder) of the plan ■ Offered on a mandatory or voluntary basis 	Income Level	IDI GSI Benefit (%)	150,000	85%	200,000	85%	250,000	70%	300,000	59%	<p style="text-align: center;">After Tax Income Replacement</p>  <table border="1" style="margin-left: auto; margin-right: auto;"> <caption>Sandwich Plan Data</caption> <thead> <tr> <th>Income Level</th> <th>IDI GSI Benefit (%)</th> </tr> </thead> <tbody> <tr> <td>150,000</td> <td>85%</td> </tr> <tr> <td>200,000</td> <td>85%</td> </tr> <tr> <td>500,000</td> <td>57%</td> </tr> <tr> <td>750,000</td> <td>50%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> ■ Under this plan, the individual disability income GSI coverage makes up the bottom portion, or base, of the overall plan design ■ The Group LTD makes up the middle portion of the plan ■ An additional top-up of individual disability income GSI coverage makes up the top portion (or remainder) of the plan ■ Offered on a mandatory or voluntary basis 	Income Level	IDI GSI Benefit (%)	150,000	85%	200,000	85%	500,000	57%	750,000	50%
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GSI CI plan types:

There are two different plan types.

Mandatory	Voluntary
<ul style="list-style-type: none"> ■ At least 10 participants with 100% participation from the group 	<ul style="list-style-type: none"> ■ At least 20 participants with 50% participation from the group

Wage Loss Replacement Plan (WLRP):

What is a WLRP?

- An arrangement made between an employer and two or more employees to provide disability income protection for the employees
- Individual disability insurance policies are used to fund the benefits and are grouped under a common plan or arrangement
- “Grouped arrangements” qualify as group sickness or accident insurance plans for income tax purposes
- Transforms a personal expense for the employee into a tax-deductible business expense for the employer

What is the ideal WLRP target market under a GSI arrangement?

- Ideally suited for successful small to mid-sized companies where:
 - LTD does not adequately cover executives
 - the business is not eligible for Group LTD
 - the business needs to stabilize disability costs
- There is a minimum of 10 employees in an identifiable class
- May be used in conjunction with group insurance programs to address broader benefit requirements of certain employee groups
- Often implemented for management classes that the employer has identified as key to the success of the business
- Often employer owned and funded

Issue Limits:**GSI DI**

Required Number of Participants	Standalone Plans	Integrated with RBC Group LTD*
10 to 19**	\$2,000	\$3,250
20 to 29	\$3,000	\$4,250
30 to 39	\$3,500	\$4,750
40 to 49	\$4,500	\$5,250
50 to 59	\$5,000	\$6,000
60 to 69	\$6,000	\$6,500
70 to 74	\$7,000	\$7,500
75 to 499	\$7,500	\$8,500
500 to 999	\$8,000	\$9,500
1000 or more	\$8,500	\$10,000

*Either Reverse Combo, Top-up or Sandwich plans

**Reverse Combo requires a minimum of 15 lives

GSI CI

Number of Participants	Limits
10 to 14	\$25,000
15 to 19	\$30,000
20 to 29	\$35,000
30 to 34	\$40,000
35 to 39	\$45,000
40 to 44	\$50,000
45 to 49	\$55,000
50 to 54	\$60,000
55 to 59	\$65,000
60 to 64	\$70,000
65 to 69	\$75,000
70 to 74	\$80,000
75 to 79	\$85,000
80 to 84	\$90,000

Number of Participants	Limits
85 to 89	\$95,000
90 to 94	\$100,000
95 to 99	\$105,000
100 to 104	\$110,000
105 to 109	\$115,000
110 to 114	\$120,000
115 to 119	\$125,000
120 to 124	\$130,000
125 to 129	\$135,000
130 to 134	\$140,000
135 to 139	\$145,000
140 to 144	\$150,000
145 to 149	\$150,000
150 or more	\$150,000

Underwriting information

What are the key underwriting considerations?

Eligibility	<ul style="list-style-type: none"> ■ Available to common employer groups only to ensure participation and persistency requirements are met ■ Minimum number of lives for consideration in a GSI group is 10 (mandatory participation)
Basic Requirements	<ul style="list-style-type: none"> ■ Completion of a Request to Quote form ■ Three year’s experience <ul style="list-style-type: none"> – Group Premium/Booklet – Details of open and closed claims – Complete Census to include names, dates of birth, hiring dates, occupations and income of applicants

What is a Pre-Existing Condition Amendment?

GSI policies contain a Pre-Existing Condition Amendment.

- For standalone, top-up GSI and CI GSI, a 24/24 Pre-Existing Condition Amendment is typically applied.
- For Reverse Combo plans the Pre-Existing Condition Amendment matches the Group LTD Plan Pre-Existing Condition Amendment. If you are replacing the coverage, the Amendment is grandfathered.

Under a 24/24 Pre-Existing Condition Amendment, claims are excluded from coverage when all of the following are true:

- The insured had a pre-existing condition within the 24 months prior to coverage (This is the first number in “24/24”)

- The disability is related to a pre-existing condition
- The disability begins within the 24 months after the coverage is in effect (This is the second number in “24/24”)

The claims are NOT excluded from coverage by the Pre-Existing Condition Amendment in the following cases:

- The disability begins after coverage has been continuously in effect for 24 months, regardless of whether there is a related pre-existing condition(s)
- The disability begins within the first 24 months of the coverage being in effect, but there was no pre-existing condition during the 24 months prior to coverage

- The disability begins within the first 24 months of the coverage being in effect and there was a pre-existing condition(s) within the 24 months prior to coverage, but the disability is not related to that pre-existing condition(s)

The Pre-Existing Condition Amendment works similarly for Critical Illness GSI, except the reference is to the actual critical illness instead of the disability.

Pre-Existing Condition Amendments are a necessary and occasionally complicated provision for GSI business. Please contact your insurance advisor if you have further questions.

What is a Group/Association Offset Amendment?

GSI policies may be issued with a Group Offset Amendment. If your client has group and/or association coverage in force or pending, this amendment allows RBC Insurance to offer additional individual coverage where income limits may prohibit any more coverage.

A Group Offset Amendment is placed on the policy as a protection against over-insurance should the individual or group as a whole move carriers. This may entitle them to more group long-term disability coverage. Thus, the Group Offset Amendment is placed on the policy to ensure that coverage from all sources falls within the RBC Insurance individual Issue and Participation Limits.

In the event that this combination exceeds the published Issue and Participation Limits, this amendment will be applied to only the excess portion as specified in your client's policy.

Integrated Benefit Solutions

What is Integrated Benefit Solutions?

RBC Insurance provides a full range of group and individual insurance products, designed to work together to best serve the income and lifestyle protection needs of your employees, while protecting the current and future price stability of a plan.

Customize a complete benefit package for your employees with individual income and lifestyle protection obtained through the GSI program coupled with RBC Insurance Group Benefit Solutions: Group Life and Accidental Death & Dismemberment, Group Long Term Disability and Group Health & Dental.

Note: Selecting a non-cancellable individual disability plan ensures the price cannot change for the life of the plan, stabilizing prices within the benefit package.

Advantages of integrated benefits:

- Executives who are under-insured due to their high income, LTD caps and increasing percentages of incentive compensation receive coverage
- Provides important LTD rate containment and stabilization, both today and in the future

- Ensures there are effective return to work initiatives in place including early intervention, proactive claims management and contract features that help employees to get back to work
- Provides benefit flexibility to accommodate the differing needs within an organization
- Makes it easier for executives to move around and, thus, easier for businesses to attract and retain talent
- Provides important savings associated with integrated employee assistance programs
- Offers protection that maximizes the value associated with every dollar invested
- Obtain coverage under a GSI program at a blended rate per employee like group insurance (also known as composite billing)
- Receive ONE BILL for integrated benefits with RBC Insurance
- Premiums for RBC Insurance group benefits and individual disability income protection insurance can be conveniently paid with one cheque

This guide is meant to provide a general framework for the GSI program. The requirements for GSI case submissions are subject to Underwriting approval.

RBC Insurance, through its operating entities, provides a wide range of travel, life, health, home, auto, wealth and reinsurance products and solutions, as well as creditor and business insurance services, to individual and group clients. RBC Insurance has more than five million clients in Canada, the U.S. and internationally. We are the largest Canadian bank-owned insurance group of companies, and among the fastest growing insurance organizations in the country. We have a significant presence in life and health markets with offerings that include various life, critical illness, disability and long term care insurance solutions, as well as group benefits. Our wealth management solutions include segregated funds and payout annuities. For more information, please visit www.rbcinsurance.com



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All plan designs are subject to underwriting approval. Limitations and exclusions apply.

Benefit features and maximums may vary based on group size. Any modification of this document without our prior consent is prohibited.