



LIFE INSURANCE



## KEY POINTS

### Effective date

Insurance companies determine the age of an insured person by considering the nearest age between:

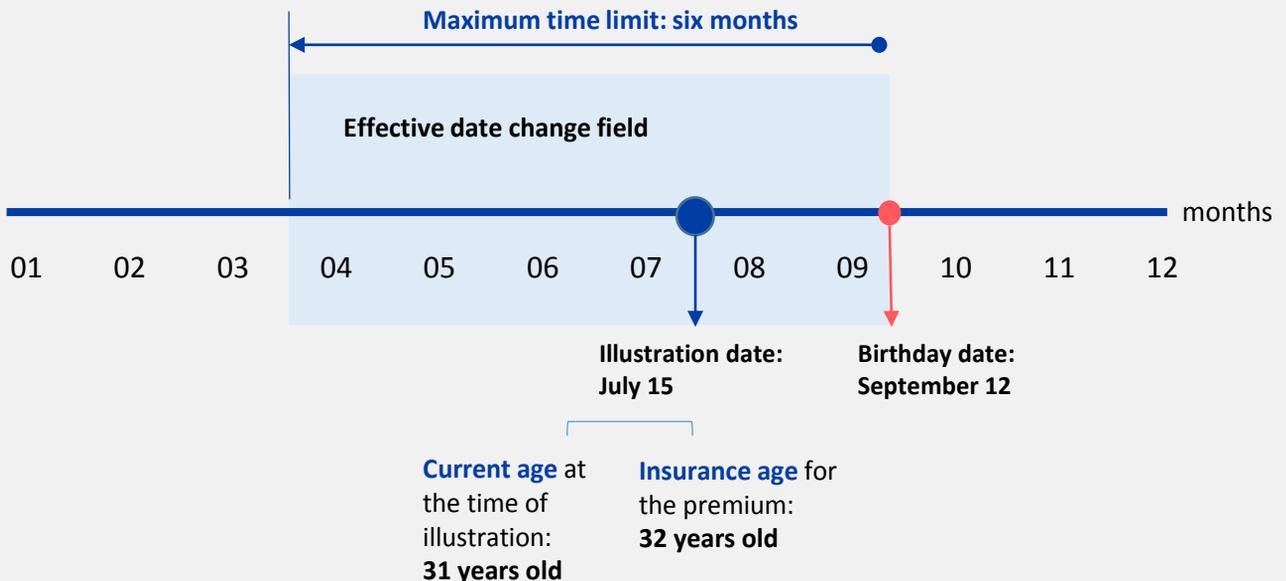
- the person's actual age
- the age at the nearest birthday if it occurs within six months.

In some cases, it may be beneficial to change the effective date of a contract for the sole purpose of allowing a more advantageous premium. Choosing to change the effective date of the contract has consequences that are important to be aware of (see reverse).

You will find in the illustration software an *Effective date* section, i.e. a choice of dates to backdate your illustration scenario. A date is proposed for each insured in your scenario if the latter has a birthday within the next six months. In some situations, it may not be possible to choose an effective date for your insured if his or her birthday is more than six months away.

Here is how the effective date works:

### Modify the effective date of a contract



# Effective date: how does it work

The tool offers you **one or more alternative dates to the default date**, within the permitted range, to issue the policy at the insured's actual age.

## Effective date



Insurance premiums increase with age. In some cases, it may be profitable to backdate a policy for it to be issued based on the age with the best rate. The term "save age" represents this option. [More details >](#)

### Available dates ?

Sep 28 2018
Default

Affected individuals (1)  
**JEAN CLIENT - 38 years**  
 JEANNE CLIENTE - 38 years

### Estimate(s) ?

Amount to be paid at issue  
 Savings by premium  
 Return on investment

\$941.85  
\$4.86  
13 years 11 months

### Premiums valid until

Mar 28 2019

## The rules to be considered when changing the effective date

<b>Time limit</b>	A maximum of six months
<b>Qualifying products</b>	All products except simplified issue products
<b>Premiums to be paid</b>	<b>All premiums due</b> from the retroactive date will be payable at the time of delivery of the contract and according to the selected payment method.
<b>Incidence</b>	Retroactivity applies to <b>all insureds under the contract</b> . A simulator integrated in the software helps you determine an ideal date for all insureds. Thus, changing the effective date of the contract to favour one person may also <b>affect</b> another insured person on the contract.
<b>Suicide - incontestability clauses</b>	The two-year rule begins on the <b>contract issue date</b> , regardless of the retroactive date chosen.
<b>Eligibility</b>	Based on the duration of the rating process, the retroactive date may no longer be available at the time the contract is issued. In this situation, the age used for illustration and financial projections could be affected. The proposal for a new effective date is a time-limited offer. Pay attention to the offer's <b>expiry date</b> .