

# Conversion and Replacement guidelines

Note: Conversion and Replacement transactions are not currently compatible with the Sun eApp

## Replacement Form Guidelines

PROVINCE	FORM REQUIRED	NOTE
Alberta and British Columbia	A Life Insurance Replacement Declaration (LIRD) form ( <a href="#">E4432</a> ) specific to the province is required.	
Saskatchewan, Manitoba,	Life Insurance Replacement Declaration form ( <a href="#">E4357</a> ).	
Ontario	Life Insurance Replacement Declaration form ( <a href="#">E4357</a> ) and a copy of the written analysis	The written analysis can be submitted by completing either written analysis to accompany Life Insurance Replacement Declaration form ( <a href="#">E4459</a> ) or the advisor's own version of the written analysis.
Quebec	<p>A Notice of Replacement of Insurance of Persons Contract form is required (available online in electronic format only on the Autorité des marchés financiers website).</p> <p><i>The advisor has an obligation to send a copy of the notice of replacement <b>signed</b> by him/her within 5 days of the application signed date. The client signatures can be a settlement requirement, however, we will not issue the policy if we didn't receive the forms and/or the advisor did not sign)</i></p>	<p>Note: For each new policy, a separate Notice of Replacement of Insurance of Persons Contract form is required for each original policy that is being replaced (i.e. if 2 new policies are replacing one original policy, each new application needs a Notice of Replacement of Insurance of Persons Contract policy form for that original policy). If the new number is replacing more than one original number, a Notice of Replacement of Insurance of Persons Contract form must be completed for each original number.</p> <p>The Client signature, date and the advisor signature must be on the form. If any of these are missing the form must be returned to the advisor for completion.</p>
<b>PEI, Nova Scotia, New Brunswick, Yukon, Northwest Territories, Nunavut and Newfoundland</b>	<p><b>Either of the following:</b></p> <p>Life Insurance Replacement Declaration form (<a href="#">E4357</a>).</p> <p>Disclosure replacement form (only available in hardcopy).</p>	

## Conversion Applications

Product	Individually owned	Corporately owned
If PAR, UL, PERM	<ul style="list-style-type: none"> <li>○ <a href="#">E260</a></li> <li>○ <a href="#">4830</a> form required</li> <li>○ Signed illustration (not required for Sun Permanent Life)</li> <li>○ If partial conversion appropriate Disclosure forms will be required prior to issue (check the Replacement form guidelines chart to determine which form is applicable)</li> <li>○ If increasing coverage/adding benefits/changing smoking status (from S to NS)/Term to term rider more than 3X the base amount/ -&gt; Evidence required</li> </ul>	<ul style="list-style-type: none"> <li>○ <a href="#">E260</a></li> <li>○ <a href="#">4831</a>, <a href="#">4545</a> and <a href="#">5091</a> forms required</li> <li>○ Signed illustration (not required for Sun Permanent Life)</li> <li>○ If partial conversion appropriate Disclosure forms will be required prior to issue (check the Replacement form guidelines chart to determine which form is applicable)</li> <li>○ If increasing coverage/adding benefits/changing smoking status (from S to NS)/Term to term rider more than 3X the base amount/ -&gt; Evidence required</li> </ul>
If term or critical illness	<ul style="list-style-type: none"> <li>○ <a href="#">E260</a></li> <li>○ If partial conversion appropriate Disclosure forms will be required prior to issue (check the Replacement form guidelines chart to determine which form is applicable)</li> <li>○ If increasing coverage/adding benefits/changing smoking status (from S to NS)/Term to term rider more than 3X the base amount/ -&gt; Evidence required</li> </ul>	<ul style="list-style-type: none"> <li>○ <a href="#">E260</a></li> <li>○ If partial conversion appropriate Disclosure forms will be required prior to issue (check the Replacement form guidelines chart to determine which form is applicable)</li> <li>○ If increasing coverage/adding benefits/changing smoking status (from S to NS)/Term to term rider more than 3X the base amount/ -&gt; Evidence required</li> </ul>

# Tips and Tricks for replacement and conversion applications:

- A policy cannot be issued without the Life Insurance Replacement Declaration (LIRD) form/replacement forms.
- We require a LIRD any time the full amount of coverage is not being kept. For example, if a Client converts 500K and cancels the remaining 250K balance, they are walking away with less insurance than they started with. This means a LIRD is required. If converting 500K and keeping the remaining 250K in force, a LIRD is not required.
- Rating/exclusion on original policy:
  - If the original policy is rated, the policy is reviewed by the Underwriter and they determine if the rating is carried over or removed
  - If completing a cross channel conversion, the advisor of record must be changed prior to the conversion being processed. [A Request for Service Advisor](#) form can be completed to change the advisor of record.
- We need release form ([E37](#)) for policies that have collateral assignments and the ownership is changing. This form is required before we make any ownership changes.

## Changing the ownership structure while Converting/Replacing:

### Individual to a third-party individual owner

- If partially converting and the remainder is staying in force under the original owner:
  - Form [E229](#) required (original owner needs to sign)
  - The new policy can be issued under the new ownership as applied for
- If full conversion, we require form [E82](#), Transfer of ownership, to be completed on the original policy so the owner can be changed and match the owner of the new business policy.

### Individual to a corporate owner

- If partially converting and the remainder is staying in force with the original owner:
  - We need to issue the new business policy under the original owner
  - Form [E82](#), transfer of ownership
  - You can do the ownership change in advance or submit the [E82](#) with settle documents. Ownership change will be processed prior to settling
- If full conversion, we require form [E82](#), Transfer of ownership, to be completed on the original policy so the owner can be changed and match the owner of the new business policy.

### Corporate ownership to an individual

- If partially converting and the remainder is staying in force with the original owner, we need to issue under the corporate owner. The transfer of ownership will be processed after settlement.
- If it's a full conversion, the ownership can be changed on the original policy before the submission of the conversion application,. Or, we send the [E82](#), transfer of ownership, as a settle document. This is before the case manager terminates the original policy. The owner must be changed to match the new policy owner.

### Splitting a multi life policy

- Form [E229](#) is required
- If Clients A & B own a multi life contract and Client A is converting their portion and Client B is remaining on the original plan, Client B must sign the [E229](#) to "release" Client A's portion to the new plan.
- If full conversion, we require form [E82](#), Transfer of ownership, to be completed on the original policy so the owner can be changed and match the owner of the new business policy.

**Note: If converting or replacing to a UL, Par or Sun Permanent Life product AML requirements apply**