

**Critical Illness Insurance Policy
Restrictions & Exclusions
To Be Avoided**

Policy Restrictions and/or Exclusion	Commentary
<p>1. Right To Change Premiums:</p> <p>“We reserve the right, upon thirty one day’s notice to you prior to any renewal date, to change at any time, and from time to time, renewal premium rates for the Policy. When such change is made, it shall be applicable to all policies of this kind then in force.”</p>	<p>This provision appears to give the carrier an open invitation to increase premiums at will. The scary part is that it doesn’t stipulate a maximum amount of such increases. Increases will also retroactively affect in force policies.</p> <p>LifeBeat premiums are fully GUARANTEED.</p>
<p>2. Right To Terminate Policy:</p> <p>“We may terminate this Contract at any time by giving written notice of termination to the Owner. . . .” “where it is mailed to the Owner, 90 days of notice of termination will be given . . .”</p>	<p>This policy does not provide any assurance that you will have coverage when you need it. The company could terminate coverage at a time when you are uninsurable.</p> <p>LifeBeat’s policy is fully GUARANTEED and NONCANCELLABLE.</p>
<p>3. Adjustable Premiums:</p> <p>“Premiums on this product renew every ten years and are adjustable. Premiums will never be increased by more than 25% of the premium shown in the premium schedule.”</p>	<p>It would be prudent to budget for a 25% increase, at time of purchase.</p> <p>LifeBeat’s premiums are fully GUARANTEED.</p>
<p>4. Guaranteed Renewal Provisions:</p> <p>“We will not cancel this policy, reduce the benefits or add any restrictive riders. We do retain the right to increase premiums for all members of your insured class.”</p>	<p>This provision does not limit the amount of potential increases. Such increases are not restricted by region or province and it is unclear whether or not the limits are by gender, age or what?</p> <p>LifeBeat’s premiums CAN’T be increased.</p>
<p>5. Taxes:</p> <p>“Any taxes (other than premium taxes) applicable under this policy are to be paid by the Owner when due. We accept no responsibility for any unpaid taxes owed by the Owner in respect of this policy.”</p>	<p>Obviously the carrier is attempting to discreetly turn the policy into an adjustable plan in order to pass on future taxes of any kind. What do they define as a “Tax”?</p> <p>LifeBeat does NOT have such a provision.</p>
<p>6. Beneficiary For Return Of Premium Upon Death To Be Estate:</p> <p>“The reason we are not allowing beneficiaries is because our review of both the insurance act and the income tax act indicates that critical illness Insurance cannot be defined as life insurance. If it isn’t life insurance, there can’t be a beneficiary. Accident and sickness insurance which is what this (C.I.I.) is (has) a benefit paid to the policy owner.”</p>	<p>In the event of the insured’s death, the Return of Premium Benefit will not pass to the intended beneficiary tax free. Instead, it will become part of the deceased’s estate, require probate and definitely incur unnecessary charges and costs.</p> <p>LifeBeat permits a designated Named Beneficiary.</p>
<p>7. Cancer Detected Within 90 Days Of Issue - Coverage Excluded and Policy Terminated:</p> <p>“There shall be no coverage under the Insured Condition definition of Cancer, if any symptom or medical problem of yours, which initiated any investigation leading to the Diagnosis of Cancer, commenced within the 90 days following the later of the Issue date and the date of last Reinstatement, of the policy. In the event of any Diagnosis based on such a symptom or medical problem, the policy is terminated, and our sole liability in respect of the policy shall be limited to a refund, to the Policyowner, of the premiums due and paid since the latter of the Issue date and the date of the last Reinstatement of the policy.”</p>	<p>This provision gives the carrier the right to cancel the entire policy at a time when the insured is unable to purchase another critical illness policy. Definitely, no benefit should be paid for cancer; however, it seems unfair and extremely harsh to terminate the entire policy considering the insured might suffer a totally unrelated event, at some future date, that would be covered by another listed condition.</p> <p>LifeBeat will NOT pay any cancer benefit; but will NOT Terminate the remaining covered conditions in the policy.</p>

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<p>8. Cancer (Hodgkin's & Leukemia Not Covered): Cancer (Life-Threatening) is defined as "a definite diagnosis of a tumour characterized by the uncontrolled growth and spread of malignant cells and the invasion of tissue. The diagnosis of Cancer must be made by a Specialist. Exclusion: No benefit will be payable under this condition for the following non-life-threatening cancers: ■ carcinoma in situ, or ■ Stage 1A malignant melanoma (melanoma less than or equal to 1.0 mm in thickness, not ulcerated and without Clark level IV or V invasion) or, ■ any non-melanoma skin cancer that has not metastasized, or ■ Stage A(T1a or T1b) prostate cancer."</p>	<p>The wording of this covered condition definition does not allow for the protection against Hodgkin's or Leukemia since neither is classified as "a tumor".</p> <p align="center"><i>LifeBeat covers Leukemia and Hodgkin's disease.</i></p>
<p>9. Cancer, Any Tumour in the presence of HIV: "The following forms of cancer are excluded: Cancer in situ and any skin cancer, other than malignant melanoma into the dermis or deeper; Early prostate cancer (stage A or equivalent staging); Any tumour in the presence of any human immunodeficiency virus (HIV)."</p>	<p>Excluding coverage for cancer in the presence of HIV is underwriting at time of claim.</p> <p align="center"><i>LifeBeat covers all eligible cancers, even in the presence of HIV.</i></p>
<p>10. Heart Attack (Myocardial Infarction): Heart Attack is defined as "a definite diagnosis of the death of heart muscle due to obstruction of blood flow, that results in: Rise and fall of biochemical cardiac markers to levels considered diagnostic of myocardial infarction, with at least one of the following; ■ heart attack symptoms ■ new electrocardiogram (ECG) changes consistent with a heart attack ■ development of new Q waves during or immediately following an intra-arterial cardiac procedure including, but not limited to, coronary angiography and coronary angioplasty. The diagnosis of Heart Attack must be made by a Specialist. Exclusion: No benefit will be payable under this condition for: elevated biochemical cardiac markers as a result of an intra-arterial cardiac procedure including, but not limited to, coronary angiography and coronary angioplasty, in the absence of new Q waves, or ECG changes suggesting a prior myocardial infarction, which do not meet the Heart Attack definitions as described above."</p>	<p>Although cardiac biochemical markers, namely troponin, are becoming increasingly popular in detecting heart attacks they are not in universal use. Many smaller cities and/or towns still employ the elevated cardiac enzyme tests. This definition causes concern for older policies if troponin is used and new policies if cardiac enzyme tests are conducted to determine the occurrence of a heart attack.</p> <p align="center"><i>LifeBeat accepts either the elevation of Cardiac Enzymes or Cardiac Biochemical Markers.</i></p>
<p>11. Coma (No Medically Induced Coma Acceptable): Coma is defined as "a definite diagnosis of a state of unconsciousness with no reaction to external stimuli or response to internal needs for a continuous period of at least 96 hours, and for which period the Glasgow coma score must be 4 or less. The diagnosis of a Coma must be made by a Specialist. Exclusion: No benefit will be payable under this condition for: ■ a medically induced coma; or, ■ a coma which results directly from alcohol or drug use; or, ■ a diagnosis of brain death."</p>	<p>The Glasgow coma scale or score ranges from 15 to 3, with the lower the score the more severe the condition. This definition only covers extreme comas which are undoubtedly on the brink of death; however, to exclude a medically induced coma required to save a patient's life is unreasonable.</p> <p align="center"><i>LifeBeat covers serious comas but doesn't require a Glasgow coma score and a medically induced coma is not excluded.</i></p>
<p>12. Kidney Failure (Renal Failure): Kidney failure is defined as "a definite diagnosis of chronic irreversible failure of both kidneys to function, as a result of which regular haemodialysis, peritoneal dialysis or renal transplantation is initiated. The diagnosis of Kidney Failure must be made by a Specialist."</p>	<p>This definition indicates that both kidneys must have totally failed before a benefit qualifying period commences.</p> <p align="center"><i>LifeBeat begins the qualifying period upon the diagnosis of end stage renal disease necessitating dialysis.</i></p>

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<p>13. Stroke (Cerebrovascular Accident): Stroke is defined as “a definite diagnosis of an acute cerebrovascular event caused by intra-cranial thrombosis or haemorrhage, or embolism from an extra-cranial source, with: ▪acute onset of new neurological symptoms, and ▪new objective neurological deficits on clinical examination, persisting for more than 30 days following the date of diagnosis. These new symptoms and deficits must be corroborated by diagnostic imaging testing. The diagnosis of Stroke must be made by a Specialist. Exclusion: No benefit will be payable under this condition for: ▪Transient Ischaemic Attacks; or, ▪Intracerebral vascular events due to trauma; or, ▪Lacunar infarcts which do not meet the definition of stroke as described above.”</p>	<p>This definition is very disturbing because it requires some form of paralysis or cognitive impairment (ie: objective measurable neurological deficit) to be present and persistent for more than 30 continuous days, something that frequently doesn’t happen. Many victims of strokes will not exhibit paralysis lasting 30 days.</p> <p align="center">LifeBeat does NOT require paralysis or cognitive impairment lasting 30 days or more.</p>
<p>14. Stroke (Cerebrovascular Trauma): Stroke is defined as “a definite diagnosis of an acute cerebrovascular event caused by intra-cranial thrombosis or haemorrhage, or embolism from an extra-cranial source, with: ▪acute onset of new neurological symptoms, and ▪new objective neurological deficits on clinical examination, persisting for more than 30 days following the date of diagnosis. These new symptoms and deficits must be corroborated by diagnostic imaging testing. The diagnosis of Stroke must be made by a Specialist. Exclusion: No benefit will be payable under this condition for: ▪Transient Ischaemic Attacks; or, ▪Intracerebral vascular events due to trauma; or, ▪Lacunar infarcts which do not meet the definition of stroke as described above.”Exclusion: No benefit will be payable under this condition for: ▪Transient Ischaemic Attacks; or, ▪Intracerebral vascular events due to trauma; or, ▪Lacunar infarcts which do not meet the definition of stroke as described above.”</p>	<p>This definition does not cover Strokes caused by trauma. This means if a Stroke was induced due to a fall or being accidentally struck in the head by an object at any sporting event, such as Baseball game or Ice Hockey game, you wouldn’t be covered.</p> <p align="center">LifeBeat does NOT exclude Strokes caused by accidental trauma.</p>
<p>15. Major Organ Transplantation: Major Organ Transplantation is defined as “a definite diagnosis of the irreversible failure of the heart, both lungs, liver, both kidneys or bone marrow, and transplantation must be medically necessary. To qualify under Major Organ Transplant, the Insured Person must undergo a transplantation procedure as the recipient of a heart, lung, liver, kidney or bone marrow, and limited to these entities. The diagnosis of the major organ failure must be made by a Specialist.</p>	<p>This definition indicates “both” kidneys or lungs. If an insured lost a kidney due to an injury or possibly donated it to a sibling and later suffered renal failure of the remaining kidney he/she wouldn’t be covered under this definition. Also a pancreatic transplant, although rare, wouldn’t be covered.</p> <p align="center">LifeBeat’s definition states “a lung” or “a kidney”, NOT Both Lungs or Both Kidneys, and also covers a pancreas transplant.</p>
<p>16. Multiple Sclerosis: Multiple Sclerosis is defined as “a definite diagnosis of at least one of the following: ▪two or more separate clinical attacks, confirmed by magnetic resonance imaging (MRI) of the nervous system, showing multiple lesions of demyelination; or, ▪well-defined neurological abnormalities lasting more than 6 months, confirmed by MRI imaging of the nervous system, showing multiple lesions of demyelination; or, ▪a single attack, confirmed by repeated MRI imaging of the nervous system, which shows multiple lesions of demyelination which have developed at intervals at least one month apart. The diagnosis of Multiple Sclerosis must be made by a Specialist.</p>	<p>This is an extremely harsh definition in that it requires a significant degree of severity which is indicative of an advanced stage of the disease. Requesting repeated MRIs is extremely impractical and normal wait times for such tests are considerable. “Multiple lesions” creates a subjective and interpretive claim process which can lead to delays or denials, especially when mild or moderate cases of Multiple Sclerosis are involved.</p> <p align="center">LifeBeat only requires a single episode and does not require multiple MRIs.</p>

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<p>17. Parkinson's Disease (ADLs): Parkinson's Disease is defined as "a definite diagnosis of primary idiopathic Parkinson's Disease, which is characterized by a minimum of two or more of the following clinical manifestations: muscle rigidity, tremor, or bradykinesia (abnormal slowness of movement, sluggishness of physical and mental responses). The Insured Person must require substantial physical assistance from another adult to perform at least two of the following 6 Activities of Daily Living. The diagnosis of Parkinson's Disease must be made by a Specialist. Activities of Daily Living are: ▪ Bathing - the ability to wash oneself in a bathtub, shower or by sponge bath, with or without the aid of equipment. ▪ Dressing - the ability to put on and remove necessary clothing including braces, artificial limbs or other surgical appliances. ▪ Toileting – the ability to get on and off the toilet and maintain personal hygiene. ▪ Bladder and Bowel Continence – the ability to manage bowel and bladder function with or without protective undergarments or surgical appliances so that a reasonable level of hygiene is maintained. ▪ Transferring – the ability to move in and out of a bed, chair or wheelchair, with or without the use of equipment. ▪ Feeding – the ability to consume food or drink that already has been prepared and made available, with or without the use of adaptive utensils. Exclusion: No benefit will be payable under the condition for all other types of Parkinsonism."</p>	<p>This definition is very extreme and only someone who has been institutionalized or is in the end stage of the disease would be able to qualify. Parkinson's Disease is a progressive disease which can be definitively diagnosed. There is no logical reason to delay payment until such time as the Insured is unable to perform 2 of 6 ADLs (Activities of Daily Living), however long that might be. Under this definition the Insured might not be eligible to claim for years or could possibly die prior to satisfying the definition's restrictive and severe requirements.</p> <p align="center"><i>LifeBeat's definition does NOT require that the Insured be unable to perform 2 or more of 6 ADLs.</i></p>
<p>18. Benign Brain Tumour: Benign Brain Tumour is defined as "a definite diagnosis of a non-malignant tumour located in the cranial vault and limited to the brain, meninges, cranial nerves or pituitary gland. The tumour must require surgical or radiation treatment or cause irreversible objective neurological deficit(s). The diagnosis of Benign Brain Tumour must be made by a Specialist. Exclusion: No benefit will be payable under this condition for pituitary adenomas less than 10 mm.</p>	<p>Since this definition requires surgical or radiation treatment or paralysis or cognitive impairment it doesn't address many inoperable tumours. This definition is targeting advanced staged tumours.</p> <p align="center"><i>LifeBeat does NOT require any surgery, radiation treatment, paralysis or cognitive impairment.</i></p>
<p>19. Benign Brain Tumour (Moratorium): No benefit will be payable under this condition if: Within the first 90 days following the later of: ▪ the effective date of the policy, or ▪ the effective date of last reinstatement of the policy, the Insured Person has any of the following: ▪ signs, symptoms or investigations that lead to a diagnosis of Benign Brain Tumour, regardless of when the diagnosis is made, ▪ a diagnosis of Benign Brain Tumour. This medical information as described above must be reported to the Company within 6 months of the date of the diagnosis. If this information is not provided, the Company has the right to deny any claim for Benign Brain Tumour or, any critical illness caused by any Benign Brain Tumour or its treatment."</p>	<p>All Critical Illness policies have a 90 day moratorium period designed to avoid anti-selection, because there are so many types of cancer. However, to impose a 90 day moratorium for a Benign Brain Tumour is completely without merit. This definition places the Insured at an unnecessarily risk for at least 90 days.</p> <p align="center"><i>LifeBeat does NOT impose a 90 moratorium for a Benign Brain Tumour.</i></p>

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<p>20. Exclusion (Public Demonstration): “results from wars, armed conflicts, riots, insurrections or public demonstrations, regardless of whether or not the insured was an active participant;”</p>	<p>What happens if the Blue Jays win the world series and the insured happens to be walking by the Sky-Dome as the crowd rushes out into the streets and tramples everything in its wake? <i>LifeBeat’s exclusion is only for war (declared or undeclared).</i></p>
<p>21. Exclusion (Advice): “failure to seek or follow the medical advice of a physician who is licensed and practicing medicine”</p>	<p>At what stage of an illness does this exclusion apply? <i>LifeBeat does NOT list this exclusion.</i></p>
<p>22. Exclusion (Intoxicant): “ the use of any drug, poisonous substance, intoxicant (including alcohol) or narcotic other than as prescribed and administered by or in accordance with the instruction of a legally Licensed Physician.</p>	<p>How many individuals receive a medical prescription for alcohol usage? This appears to be setting the stage for a dispute at claim time under an “ indirect cause” if the insured has consumed any alcohol at all. <i>LifeBeat does NOT list this exclusion.</i></p>
<p>23. Exclusion (Poison): “taking a poisonous substance or inhaling toxic gases or fumes.”</p>	<p>What happens if the insured is accidentally exposed to an odorless toxic gases or fumes and something happens? <i>LifeBeat does NOT list this exclusion.</i></p>
<p>24. Exclusion (Flying): “flying, except as a fare paying passenger on an established public service.”</p>	<p>What happens if you are a non fare paying passenger on a private corporate jet and something happens? <i>LifeBeat does NOT list this exclusion.</i></p>
<p>25. Exclusion (Sports): “You are engaged in any hazardous sport including but not limited to sky or scuba diving; ballooning; hang gliding; bungee cord jumping; racing in any form (other than on foot) and all professional sports. This does not include normal vacation sports such as skiing or snorkeling. We will deny claims when we determine that undue risk or negligence was a factor. Other sports will also be excluded where they involve a higher risk due to inexperience, lack of care or adequate knowledge of conditions.”</p>	<p>This exclusion is extremely subjective and very open-ended. <i>LifeBeat does NOT list this exclusion.</i></p>
<p>26. Exclusion (DWI): “Operation or control of any vehicle which is moved or operated by any means other than your muscular power, while your blood alcohol concentration is in excess of 80 milligrams of alcohol per 100 milliliters of blood.”</p>	<p>“You are sitting in a small windsurf water vehicle which is tied to a dock, after having had a few drinks, and a power boat races by capsizing the vehicle and causing you to hit your head and become paralyzed.” According to the definition quoted you would not be covered. <i>LifeBeat’s exclusion only covers the operation of motorized vehicles.</i></p>

General Comment:

If someone tells you that their Critical Illness Insurance policy has no pre-existing conditions; just consider the following. If an insured had a significant pre-existing condition that would directly or indirectly have a bearing on a covered condition in the policy two things could happen. If the condition was fully disclosed and investigated at the time of underwriting then in all likelihood the policy would be declined or modified. On the other hand, if the condition was not revealed at time of underwriting and a policy was subsequently issued then a claim is liable to be denied on the grounds of material misrepresentation of facts. **Remember to always read the policy.**

Notice:

The opinions expressed above are based entirely upon the interpretation of the policy wordings arrived at from extensive discussions and research conducted by Megacorp Insurance Agencies Inc.. This information is provided for general information purposes as a convenience for our brokers. This information is not a substitute for obtaining professional advice from a qualified person, firm or corporation. Therefore, although every effort has been made to ensure the accuracy of the information contained in this article Megacorp Insurance Agencies Inc. is not liable for errors or omissions.

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