

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

<b>Policy Restrictions and/or Exclusion</b>	<b>Commentary</b>
<p><b>1. Right To Change Premiums:</b></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 style="text-align: center;"><b>LifeBeat premiums are fully GUARANTEED.</b></p>
<p><b>2. Right To Terminate Policy:</b></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 style="text-align: center;"><b>LifeBeat's policy is fully GUARANTEED and NONCANCELLABLE.</b></p>
<p><b>3. Adjustable Premiums:</b></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 style="text-align: center;"><b>LifeBeat's premiums are fully GUARANTEED.</b></p>
<p><b>4. Guaranteed Renewal Provisions:</b></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 style="text-align: center;"><b>LifeBeat's premiums CAN'T be increased.</b></p>
<p><b>5. Taxes:</b></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 style="text-align: center;"><b>LifeBeat does NOT have such a provision.</b></p>
<p><b>6. Beneficiary For Return Of Premium Upon Death To Be Estate:</b></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 style="text-align: center;"><b>LifeBeat permits a designated Named Beneficiary.</b></p>
<p><b>7. Cancer Detected Within 90 Days Of Issue - Coverage Excluded and Policy Terminated:</b></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 style="text-align: center;"><b>LifeBeat will NOT pay any cancer benefit; but will NOT Terminate the remaining covered conditions in the policy.</b></p>

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<p><b>8. Cancer (Hodgkin's &amp; Leukemia Not Covered):</b></p> <p>"Life-Threatening Cancer means a tumor characterized by the uncontrolled growth and spread of malignant cells and the invasion of tissue. The following forms of cancer are excluded from coverage under this Insured Condition definition: a) Early prostate cancer, diagnosed as T1N0M0 or equivalent staging, b) Non-invasive cancer in situ, c) Pre-malignant lesions, benign tumours or polyps, d) Any skin cancer other than invasive malignant melanoma into the dermis or deeper, e) Any tumour in the presence of any Human Immunodeficiency Virus (HIV)."</p>	<p>The wording of this covered condition definition does not allow for the protection against Hodgkin's or Leukemia since neither are classified as "a tumor".</p> <p align="center"><b>LifeBeat covers Leukemia and Hodgkin's disease.</b></p>
<p><b>9. Cancer, Any Tumour in the presence of HIV:</b></p> <p>"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"><b>LifeBeat covers all eligible cancers, even in the presence of HIV.</b></p>
<p><b>10. Non-Life Threatening Cancer (Partial Benefit):</b></p> <p>"Non-Life Threatening Cancer means that an insured is diagnosed with one of the following types of cancer: (i) Early prostate cancer, (ii) Cancer in the presence of human immunodeficiency virus (HIV); or (iii) Any malignant melanoma with a depth of less than 0.75 mm; or (iv) Ductal carcinoma in-situ of the breast."</p>	<p>A partial benefit for superficial non-life threatening cancers tends to make the definition subjective, as Disability plans are when severity is assessed. A partial benefit can't help but become confusing to consumers. Benefits should be all or nothing. Partial benefits begin the erosion process towards an interpretative assessment, rather than a definitive one.</p> <p align="center"><b>LifeBeat does NOT provide partial benefits. Full benefits are paid for all covered conditions.</b></p>
<p><b>11. Heart Attack (Myocardial Infarction):</b></p> <p>"The death of a portion of heart muscle as a result of inadequate blood supply to the relevant area. The diagnosis must be based on: i) new electrocardiographic changes indicative of a myocardial infarction, and ii) elevation of cardiac biochemical markers to levels considered diagnostic for infarction. We will not pay a Covered Condition Benefit for Heart Attack if it is diagnosed by any other method, unless the diagnosis is confirmed 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"><b>LifeBeat accepts either the elevation of Cardiac Enzymes or Cardiac Biochemical Markers.</b></p>
<p><b>12. Kidney Failure (Renal Failure):</b></p> <p>"Kidney failure means the irreversible failure of both kidneys necessitating kidney dialysis."</p>	<p>This definition indicates that <b>both</b> kidneys must have totally failed before a benefit qualifying period commences.</p> <p align="center"><b>LifeBeat begins the qualifying period upon the diagnosis of end stage renal disease necessitating dialysis.</b></p>
<p><b>13. Loss of Limbs:</b></p> <p>"Loss of Limbs shall mean Diagnosis of the complete and permanent loss of the use of two or more limbs through dismemberment confirmed by a Physician."</p>	<p>The definition is extreme. Normally, severance above the ankle or wrist is deemed to be sufficient to satisfy such a definition.</p> <p align="center"><b>LifeBeat accepts the severance of two or more limbs above the wrist or ankle joint to satisfy the definition.</b></p>
<p><b>14. Cystic Fibrosis (Covered Event In An Adult Policy):</b></p> <p>"The diagnosis of cystic fibrosis."</p>	<p>To have such a covered condition in an adult policy causes one to question the knowledge or intent of such a carrier.</p> <p align="center"><b>LifeBeat does NOT offer this coverage in an Adult policy.</b></p>
<p><b>15. Stroke (Cerebrovascular Incident):</b></p> <p>"Any cerebrovascular event producing neurological sequelae lasting more than 30 days and caused by intracranial thrombosis or hemorrhage, or embolism from an extra-cranial source. Exclusion: We will not pay a Covered Condition Benefit for Stroke unless there is evidence of measurable, objective neurological deficit lasting longer than 30 days. Transient Ischemic Attacks are specifically excluded."</p>	<p>This definition is very disturbing because it requires some form of paralysis (ie: objective measurable neurological deficit) to be present and persistent for 30 continuous days, something that frequently doesn't happen. Many victims of strokes will not exhibit paralysis lasting 30 days.</p> <p align="center"><b>LifeBeat does NOT require paralysis lasting 30 days.</b></p>

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<p><b>16. Major Organ Transplantation:</b></p> <p>“Diagnosis of irreversible failure of the heart, liver, both lungs, both kidneys or bone marrow, and followed by the actual undergoing as a recipient of a transplant of a heart, lung, liver, kidney, or bone marrow. Exclusion: A transplantation that is not medically necessary is specifically excluded.”</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"><b>LifeBeat’s definition states a “lung” or a “kidney”, NOT Both Lungs or Both Kidneys, and also covers an entire pancreas transplant.</b></p>
<p><b>17. Multiple Sclerosis:</b></p> <p>“Multiple Sclerosis means the clinically definite multiple sclerosis: (i) where there are at least 2 separate clinically documented episodes of well defined neurological abnormalities separated by at least one month and persisting for a continuous period of at least 6 months; and (ii) with objective evidence of lesions at more than one site within the central nervous system as confirmed by modern investigative or imaging techniques in accordance with the criteria listed in Paty DW et al. MRI in the Diagnosis of MS (Neurology 1988;38:180-185).”</p>	<p>This definition is extremely harsh. Not only does it require 2 separate incidents; but, it insists that each episode be separated by at least one month. The definition is not clear whether each episode must persist for at least 6 months.</p> <p align="center"><b>LifeBeat’s definition requires a single episode to qualify, as outlined in the policy.</b></p>
<p><b>18. Alzheimer’s Disease:</b></p> <p>“The diagnosis by a doctor, who is either a certified neurologist or a certified psychiatrist, that the insured person has Alzheimer’s Disease, supported by evidence of a progressive degeneration of the brain, memory and the ability to reason and perceive. The insured person must exhibit the loss of intellectual capacity involving impairment of memory and judgment, which results in such a significant reduction of mental and social functioning, as to require continuous daily supervision. All other dementing organic brain disorders and psychiatric illnesses are specifically excluded.”</p>	<p>Alzheimer’s is an incurable and progressive disease. This definition does not provide coverage until the insured requires continuous daily supervision, which is normally in the end stage of the disease.</p> <p align="center"><b>LifeBeat’s definition only requires a minimum of 8 hours of daily supervision. Continuous daily supervision is NOT required to satisfy this definition.</b></p>
<p><b>19. Parkinson’s Disease (ADLs):</b></p> <p>“The diagnosis by a neurologist that the insured person has primary idiopathic Parkinson’s Disease which is characterized by two or more of the following clinical manifestations: i) muscle rigidity, ii) tremor, iii) bradykinesia (abnormal slowness of movement, sluggishness of physical and mental responses). Exclusion: We will not pay a Covered Condition Benefit for Parkinson’s Disease unless: (i) the insured person meets the criteria described above and (ii) the insured person requires substantial physical assistance from another adult to perform two or more of the activities of bathing, dressing, toileting, transferring and eating. In this contract: (1) Bathing means the ability to wash oneself completely in a tub, a shower or by sponge bath, with or without the aid of equipment (2) Eating means the ability to consume food that has already been prepared and made available with or without the use of adaptive utensils. Eating does not mean an ability or inability to prepare food (3) Dressing means the ability to: (i) put on and take off all garments and/or braces or artificial limbs; and (ii) secure and unfasten the garments or devices (4) Toileting means the ability to do all of the following, with or without the aid of equipment: (i) get to and from the toilet; (ii) get on and off the toilet; and (iii) maintain a reasonable level of personal hygiene for the body (5) Transferring means the ability to move in and out of a chair (including a wheelchair) or bed. If a person can move with help of equipment such as a cane, walker, crutches, grab bars or other support devices, then he or she will be considered able to transfer positions.”</p>	<p>This definition is extremely harsh and prevents an insured from receiving benefits until the condition is so advanced that they are usually in the end stage of life.</p> <p align="center"><b>LifeBeat’s definition does NOT require that the insured is unable to perform 2 or more ADLs (activities of daily living).</b></p>

<b>Policy Restriction and/or Exclusion</b>	<b>Commentary</b>
<p><b>20. Benign Brain Tumour:</b></p> <p>No benefit will be payable if the earlier of a) the date of diagnosis or b) the date of signs &amp;/or symptoms &amp;/or medical consultations or tests that led to diagnosis of a benign brain tumour, is within 90 days following the issue date and last reinstatement date, of the policy. Company must receive written request in order to maintain policy in force. Otherwise policy will terminate</p>	<p><i>LifeBeat's definition does NOT have a 90 day moratorium for the initial diagnosis of a Benign Brain Tumour and the policy remains in force, without requiring a written request.</i></p>
<p align="center"><b><i>If A Covered Condition Results Directly or Indirectly from The Following Events or Actions Payment Will Be Denied:</i></b></p>	
<p><b>21. Exclusion (Poison):</b></p> <p>"results from poisoning or the inhalation or administration of gas of any kind, whether voluntary or otherwise;"</p>	<p>What happens if the insured is under a general anesthetic during an operation and something happens?</p> <p align="center"><i>LifeBeat does NOT list this exclusion.</i></p>
<p><b>22. Exclusion (Public Demonstration):</b></p> <p>"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?</p> <p align="center"><i>LifeBeat's exclusion is only for war (declared or undeclared).</i></p>
<p><b>23. Exclusion (Advice):</b></p> <p>"failure to seek or follow the medical advice of a licensed physician"</p>	<p>At what stage of an illness does this exclusion apply?</p> <p align="center"><i>LifeBeat does NOT list this exclusion.</i></p>
<p><b>24. Exclusion (Sports):</b></p> <p>"is 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.</p> <p align="center"><i>LifeBeat does NOT list this exclusion.</i></p>
<p><b>25. Exclusion (Flying):</b></p> <p>"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?</p> <p align="center"><i>LifeBeat does NOT list this exclusion.</i></p>
<p><b>26. Exclusion (DWI):</b></p> <p>"is directly or indirectly caused by or associated with the insured person operating a vehicle while their blood alcohol level is more than 80 milligrams of alcohol per 100 milliliters of blood. A vehicle includes any form of ground, air or marine transportation that can be put into motion by any means, including muscular power. We do not take into account whether or not the vehicle is in motion."</p>	<p>"You are sitting in a canoe which is tied to a dock, after having had a few drinks, and a power boat races by capsizing the canoe and causing you to hit your head and become paralyzed." According to the definition quoted you would not be covered.</p> <p align="center"><i>LifeBeat's exclusion only covers the operation of motorized vehicles.</i></p>
<p><b>27. Exclusion (Gas):</b></p> <p>" inhaling any type of gas, whether voluntarily or otherwise."</p>	<p>What happens if you are given gas during dental work?</p> <p align="center"><i>LifeBeat does NOT list this exclusion.</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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<i>LEGEND of Carriers</i>	<i>Applicable Restrictions &amp; Exclusions Points</i>
1. AIG Life	8, 10,11, 12, 15, 16, 18, 19, 20
2. Assumption Life	9, 11, 12, 15, 16, 22
3. LifeBeat (AXA)	n/a
4. AXA Assurances	8, 11, 12, 15, 16, 18, 19, 20
5. Blue Cross	8, 11, 21, 22, 26, 27
6. Canada Life	6, 8, 9, 10, 11,12, 15, 17, 18, 19,
7. Clarica Life	11, 12, 15, 16, 17, 18, 19, 20, 21, 22, 26, 27
8. Co-operators	7, 8, 9, 10, 11, 12, 15, 16, 18, 19, 20, 22, 26
9. Desjardins Financial Security	7, 10, 11, 12, 15, 16, 17, 18, 20, 22
10. Empire Life	9, 11, 12, 15, 16, 18, 20
11. Equitable Life	9, 11, 12, 15, 16, 18, 19, 20, 21, 23
12. Great-West Life	6, 8, 9, 10, 11, 12, 15, 16, 17, 19
13. Industrial Alliance	11, 12, 14, 15, 16, 18, 21, 22, 27
14. La Survivance	8, 10, 11, 12, 15, 16, 18, 19, 20, 22
15. Manulife Financial	6, 10, 11, 12, 15, 16, 18, 19, 20
16. RBC Life (Unum)	7, 9, 11, 12, 15, 16, 18, 22, 26
17. Standard Life	5, 8, 10, 11, 12, 15, 16, 18, 19, 20
18. Sun Life	10, 11, 12, 15, 16, 17, 18, 19, 20, 22, 26
19. Transamerica Life	1, 2, 3, 7, 9, 12, 16, 17, 22
20. Unity Life	7, 11, 12, 16, 18, 19, 23
21. Wawanesa Life	7, 9, 11, 12, 15, 17, 18, 22
22. Western Life	4, 9, 11, 12, 15, 17, 23, 24, 25

**Note:** Point #11 has been applied to all plans that permit only biochemical markers or only elevated cardiac enzymes, not both, in their definition of a myocardial infarction (heart attack).

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