

# Evidence of Insurability

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## Quick Start Guide

Your group insurance policy may require Evidence of Insurability for employees and dependents. This requirement may vary by policy, timing of enrollment and other factors. This Quick Start Guide will answer some basic questions about Evidence of Insurability. For more information, please see your group policy or contact your Sun Life Financial Account Manager.

### What is Evidence of Insurability?

Evidence of Insurability is a statement or proof of an employee's or dependent's medical history. We use it to determine whether we will or will not provide coverage.

### How do I know if Evidence of Insurability applies to my plan?

First, check your group policy. If your plan allows employees to:

- A) enroll in group life or disability coverage after the initial eligibility period, and/or
- B) increase their group life coverage above your guaranteed issue amount, then Evidence of Insurability applies to your plan. Please contact your local Account Manager if you have any questions.

### When is this information required?

Evidence of insurability requirements vary by policy. In general, Evidence of Insurability is required when the amount of insurance applied for under the policy is greater than the guaranteed issue amount. The guaranteed issue amount is the maximum amount of coverage offered, without requiring medical information, for new hires or on the initial enrollment for a new policy.

In addition, Evidence of Insurability is required for contributory benefits if any of the following situations apply:

- A) The employee fails to enroll himself or his dependent(s) within the initial eligibility period, then subsequently elects coverage. The employee or dependent is known as a late entrant.
- B) The employee initially enrolls himself or his dependent(s), then subsequently elects to increase coverage.
- C) It is a part of the benefit design. For example, a benefit offering coverage of one to five times earnings may require evidence of insurability on coverage of "four times earnings or more."

### What if an employee receives a salary increase that puts him or her over the guaranteed issue amount?

Sometimes, salary increases eventually cause the insurance amount to exceed the guaranteed issue amount. **Evidence of Insurability is required:**

- A) The first time a salary increase causes coverage to go over the guaranteed issue amount.
- B) For any subsequent salary increases which cause the amount of life insurance coverage to increase by the greater of 15% or \$20,000.

Failure to comply with Evidence of Insurability requirements may result in denial of benefits to the employee or dependent(s).

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### Evidence of Insurability Examples:

#### Example 1:

An employee named Ruth earns \$300,000 a year. She has basic coverage of 1 times her salary (\$300,000) and elects optional coverage of 1 times her salary (\$300,000), for total coverage of \$600,000.

The choice of 1 times salary optional coverage does not require Evidence of Insurability. However, the \$600,000 coverage amount exceeds the guaranteed issue amount of \$500,000. The \$100,000 over the guaranteed issue amount requires Evidence of Insurability.

**Note:** If Ruth is declined for \$100,000 optional coverage, she would still receive coverage of basic plus optional totaling \$500,000.

#### Example 2:

An employee named Zack earns \$50,000 a year. He has basic life coverage of 1 times his salary (\$50,000) and elects optional coverage of 4 times his salary (\$200,000). His total coverage, \$250,000, does not exceed the guaranteed issue limit (\$500,000) for optional coverage. However, the 4 times salary exceeds the 3 times salary guaranteed issue limit. Therefore, \$50,000 of the optional amount would require Evidence of Insurability.

**Note:** If Zack is declined for \$50,000 optional coverage, he would still receive coverage of basic plus optional of 3 times salary for a total amount of \$200,000.

### What is the process for providing this evidence?

To be considered for coverage, the employee must complete an Evidence of Insurability application, either online or on paper. To access our online application, employees visit [www.sunlife-usa.com/planmembers](http://www.sunlife-usa.com/planmembers). To start their application, the employee clicks on Evidence of Insurability and follows the directions. Our secure site even allows the employee to sign electronically and print his or her application before submitting.

For employees who cannot use our online application, a printable version of the EOI application is available at [www.sunlife-usa.com/planmembers](http://www.sunlife-usa.com/planmembers) > Insurance Forms.

All health information on the application is kept strictly confidential and is used for underwriting purposes only.

### What is the Evidence of Insurability application?

The Evidence of Insurability application is a questionnaire on which the employee and/or dependent answers “yes” or “no” to questions concerning certain medical conditions. If the applicant answers “yes” to one or more questions, he or she is asked to provide details of the condition, such as pertinent dates, treatments and names of physicians.

### Is an application automatically approved if all of the answers on the form are “no”?

In most cases, the application is approved. However, even when an applicant does not have a prior medical history, paramedical exams and routine lab work may be required based on the applicant’s height, weight, age and/or amount of insurance being applied for.

### What happens if the applicant answers “yes” to some of the questions?

If the situation is not life threatening, non-disabling, and not indicative of an ongoing and/or significant medical expense, further medical records and/or a paramedical examination may not be necessary. In some cases, we will ask the applicant to provide additional information such as medical or hospital records.

### When Evidence of Insurability is required, are there situations when paramedical exams are always necessary?

Yes. Routine paramedical exams are required at specific ages when the amount being applied for exceeds the amount of coverage described in the table below. Anyone electing an amount of \$250,000 or more requires a paramedical exam including blood and urine samples.

This table applies to all late entrants or for increases in existing optional coverage:

Age	Group Life Amount
Under 39	\$250,000 or more
40 to 49	\$200,000 or more
50 to 59	\$100,000 or more
60 and over	\$ 50,000 or more

## **What about insurance benefits other than Group Life?**

For Long Term Disability and Short Term Disability benefits where Evidence of Insurability is required, we may also require routine paramedical exams for late entrants who are over age 55.

## **What is a paramedical examination?**

A paramedical exam generally includes questions about medical history, height and weight measurements, and blood pressure and pulse measurements

Sometimes, blood and/or urine samples are collected at the time of the exam.

## **Who performs the examination?**

Sun Life Assurance Company of Canada uses a professional paramedical examination company to perform the exam. An experienced health care professional will perform the exam.

## **How is a paramedical exam arranged?**

The paramedical examination company contacts the applicant directly to schedule a convenient time and place for the exam.

## **What happens with the information obtained during the paramedical exam?**

All information is forwarded directly to us. We consider all information private and confidential and use it for underwriting purposes only.

## **Who pays for the paramedical exam?**

Sun Life pays the cost of the examination.

## **How does the employer check the status of employee applications?**

You should log into CustomerLink and go to the Evidence of Insurability section. There, you'll see up-to-date status of all recent evidence of insurability applications.

For employers not on CustomerLink, our medical underwriting department will send status information to the benefits manager via mail or email.

## **When is coverage effective?**

Coverage is effective as of the approval date, provided the employee or dependent is otherwise eligible for coverage under the terms and conditions of your group policy.

## **How long does the approval process take?**

As soon as we have a complete EOI application, and the coverage amount is certified by the employer, often we can give approval within minutes and notify the employee and employer via our online system or email. For applications that require a review by a member of our medical underwriting team, the process usually takes five to seven business days but is dependent on the employee returning a complete EOI application and our ability to obtain the necessary health information.

## **When should premium be paid?**

You should pay all premiums on or before the date they are due. However, do not pay premiums for any coverage amounts still pending our approval. As soon as we approve new coverage amounts, we will post the approval status on our online Evidence of Insurability system on CustomerLink. After you receive notification of an approval, include payment for the newly-approved coverage in your next month's premium payment.

For example, if an employee's application is approved on June 3, and he or she meets all other eligibility requirements, follow these procedures:

If you pay premiums using our self-billing form, add the premium for the employee's new amount of insurance to your July 1st premium payment.

If you receive a bill from Sun Life Financial, the new premium amount will automatically be added to your July bill.

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