

Fillable form 431 Non face-to-face Insurance Marketing Guide

For Independent Advisors/Agencies who sell life insurance through Telephone or Internet without meeting with clients in person

A. OVERVIEW

BMO Insurance currently supports two non face-to-face sales processes:

- The fillable form 431 non face-to-face sales process; and
- Non face-to-face sales using the Smart App

The following information (this Guide) is specific to the fillable form 431 non-face-to-face sales process.

Selling life insurance through telephone and internet (Non face-to-face) is becoming more and more popular in North America. The key to selling via non face-to-face methods is to keep the process simple and easy to understand.

The Fillable form 431 Non Face-to-Face Insurance Process from BMO® Insurance is a streamlined process expressly designed to help independent advisors/agencies who solicit and take insurance applications (Term, Critical Illness and Term 100) by phone or internet.

The Fillable form 431 Non face-to-face Insurance process takes into consideration “**keeping it simple and making it easy**”:

- All contracted BMO Advisors are eligible to submit non face-to-face Applications, **through participating MGAs**, who abide by the requirements stated in the Fillable form 431 Non face-to-face Insurance Marketing Guide, form 434 (This guide).
- Eligible insurance products available on this Fillable Form 431 Non face-to-face application process include term, critical illness and Term 100. Universal Life insurance and the BMO Insurance Whole Life plan are not available and must be sold face-to-face.
- A Non face-to-face Application for Life and Critical Illness Insurance (by Telephone or Internet), form 431, has been developed for these sales.
 - Section 1 through Section 12 of the application needs to be completed by the client’s / advisor keeping the phone / internet sale short and simple.
 - Medical questions (Section 14), testing (Section 19 and Section 20) and authorizations (Section 15 and 16) will be collected exclusively by an authorized paramedical professional from Watermark.
- In place of the traditional Temporary Insurance Agreement normally found in face-to-face sales, the fillable form 431 non face-to-face process has a Temporary Accidental Death Benefit (TADB) added at no additional cost to all eligible products. It is effective upon receipt of the application for a period of 90 days, with a maximum of \$1,000,000 or the amount of the insurance applied for, whichever is the lesser. For full details, refer to Section 19 of the Non face-to-face Application.

- ☑ The Watermark paramedical professional will confirm the client's identification (Section 15) and collect required signatures, so that the typical "direct" sales method of electronic and voice-recorded authorizations will not be required. This enables licensed advisors to focus only on what information they need to get prospects qualified and sold, **without addressing lengthy health questions** and authorization forms over the phone.
- ☑ The Advisor Report is completed by you before submitting the application to Watermark, so that we can release your compensation in a timely matter. This is your electronic signature to allow us to proceed with the application.
- ☑ Watermark and BMO Insurance have established a **unique, streamlined process** to deliver faster turnaround on apps to be submitted to BMO Insurance underwriting.

The following guidelines provide more information on:

- B. Eligible BMO Insurance Products, Additional Benefits & Riders
- C. Phone Sale - Application Process
- D. Internet Sale - Application Process
- E. Underwriting & Policy Issue Process
- F. Additional Requirements for Conducting Non face-to-face Telephone/Internet Sales

B. ELIGIBLE BMO INSURANCE PRODUCTS, ADDITIONAL BENEFITS & RIDERS

The following insurance products are available using the Non face-to-face Application:

Plan Name	Eligible Age	Available Face Amount	Additional Benefits or Riders
Term 10	18 to 75	\$100,000 to \$5,000,000	<ul style="list-style-type: none"> • Waiver of Premium Benefit • Critical Illness (Living Benefit 10/20) Rider† • Accidental Death Benefit (ADB)*
Term 15	18 to 70		
Term 20	18 to 65		
Term 25	18 to 60		
Term 30	18 to 55		
Term 100	18 to 80	\$50,000 to \$5,000,000	<ul style="list-style-type: none"> • Waiver of Premium Benefit • Term 10, 15, 20, 25 or 30 Rider • Accidental Death Benefit (ADB)* • Critical Illness (Living Benefit 10, 20, 75 or 100) Rider† • Joint Last-to-Die Conversion Rider
Living Benefit 10	18 to 65	\$25,000 to \$2,000,000	<ul style="list-style-type: none"> • Return of Premium on Death • Waiver of Premium Benefit • Accidental Death Benefit (ADB)*
Living Benefit 20	18 to 55		
Living Benefit 75	18 to 65	\$25,000 to \$2,000,000	<ul style="list-style-type: none"> • Return of Premium on Death • Return of Premium on Surrender Benefit • Return of Premium on Expiry Benefit • Waiver of Premium Benefit • Accidental Death Benefit (ADB)*
Living Benefit 100	18 to 65		
15 Pay-Living Benefit 100	18 to 65		

*Maximum issue age = 60, Maximum face amount = \$500,000

†Maximum issue age is 60. Maximum face amount \$750,000.

The following Underwriting rules are applicable to Non face-to-face Applications for Telephone and Internet Sales:

- All non-medical requirements will become paramedical backed up by a paramed visit.
- Only individual ownership is available.
- No third party policy ownership or third party payor. The owner(s) must be Proposed Insured 1 or Proposed Insured 2 or both. *Exception: Sole Proprietor. An eligible sole proprietor must be Proposed Insured 1 or Proposed Insured 2 AND own 100% of the business.*
- No Temporary Insurance Agreement. Instead, a *Temporary Accidental Death Benefit (TADB) is included at no cost, for all eligible plans.* The maximum amount of TADB is limited to the lesser of the amount of insurance applied for and \$1,000,000.
- All completed Non face-to-face applications must be uploaded (submitted) electronically to Watermarks secure website **through your MGA.**
- Delivery Receipt is required.

C. PHONE SALE - APPLICATION PROCESS

The following are guidelines for taking applications by phone using the Fillable form 431 Non face-to-face sales process:

1. (a) As a result of referral or other connection, the advisor may be working with a prospect located outside the advisor's local travel area. It may be more convenient and efficient to do business over the phone.
- (b) The advisor may operate a website and employ advertising to drive calls to a Call Centre or Internet site to get more information or request a quote.

Important: Advisors must be licensed life insurance agents with a Life Agency contracted by BMO Insurance in the province where the consumer/applicant resides.

Advisors should review the client's insurance needs, complete an insurance needs analysis and maintain a record of information regarding the quote and sale.

2. The advisor will generate a standard class quote for BMO Insurance eligible products.
3. Client proceeds to apply by phone with the assistance of a licensed advisor completing a PDF fill-able form 431, Non face-to-face Life and Critical Illness Insurance Application (by Telephone or Internet), **Sections 1 through 11 only.**

Note that the Non face-to-face Life and Critical Illness Insurance Application (by Telephone or Internet) includes a Temporary Accidental Death Benefit at no additional cost, however, it **excludes** a Temporary Insurance Agreement and there is no need to collect authorizations.

Section 13 and 14 (authorizations) and Section 15 and 16 (verification of identity, family & medical history) will be collected from Proposed Insured 1 and Proposed Insured 2 with the assistance of a Watermark paramedical professional as well as completing Section 17 and 18, the paramedical exam.

Section 19 and 20 (Temporary Accidental Death Benefit Agreement and Privacy) will be left with the client.

4. Section 3 is eligibility questions. Advisors must ask the eligibility questions to determine if the client/applicant is eligible to proceed with the application.
5. BMO Insurance will only accept term to term replacement. For all other replacements (critical illness and term 100), advise/arrange for the client to meet fact-to-face with an advisor. If the application is a term to term replacement for coverage, BMO Insurance cannot proceed with the application without replacement documentation in accordance to the rules established in the jurisdiction where the applicant resides.

It is your responsibility to ensure that the replacement is in the best interest of the client and maintain a record of such review. If replacement documentation is not practical, do not proceed with the application and advise / arrange for the client to meet face-to-face (refer to Section 7, Question 2 on the App).

6. When the phone sale application is complete, the advisor can establish a convenient time for the paramedical visit and transmit the application securely to your MGA. Proceed to E. Underwriting & Policy Issue Process.

To expedite the paramedical/underwriting process without delays, it is mandatory that Section 1 through Section 12 of the PDF fill-able Form 431 Non face-to-face Application are completed.

Recognizing that some applicants may prefer to complete payment authorizations (Section 11) at a later date, the Watermark paramedical professional will also ask the applicant to complete and sign the payment information.

The advisor must complete the Advisor Report (Section 12) before submitting the application to Watermark, so that we can release your compensation in a timely matter. This is your electronic signature to allow us to proceed with the application.

If the Call Centre has voice-recording technology, it is recommended that phone applications be recorded and stored for 7 years. However, voice-recording technology is NOT required for the Fillable form 431 Non face-to-face Insurance process.

7. BMO Insurance requires that the MGA uploads, on behalf of the advisor, the Non face-to-face application in electronic (PDF fill-able) form to Watermark's secure site. Watermark will autofax orders and application packages the same day to the paramedical nurse who will contact the applicant within 24 hours to arrange an appointment.

The full application package must include:

- Sections 1 through 11 with answers completed by the proposed insured(s) via the phone or Internet (if required, the paramedical professional from Watermark will collect signatures in Section 11).
- Section 12, Advisor Report completed by the life advisor.
- Sections 13 through 18, verification of identity, medical information, authorizations and paramedical exam forms completed by the paramedical professional.
- Section 19, Temporary Accidental Death Benefit Agreement (Paramedical professional will detach and leave with Proposed Insured).
- Section 20, Privacy and Personal Information Authorization and MIB Inc. Notice (Paramedical professional will detach and leave with Proposed Insured).

D. INTERNET SALE - ONLINE APPLICATION PROCESS

The following are guidelines for taking applications by Internet using the Fillable form 431 Non face-to-face process:

1. Advertising (broadcast, print, and internet) drives consumers to your insurance Internet site to get more information, request a quote, get an online quote or submit an application.
2. Consumer browses your Internet site that contains an insurance needs analysis tool, general product and life event information relevant to the insurance applied for. At a minimum, your Internet site should have access to an insurance needs calculator or worksheet that can be printed and completed.
3. Consumer completes online insurance quote form.

Basic info required for a quote: gender, date of birth, smoker/non-smoker, term 10, 20yr etc...

Name, email address, telephone number for follow up purposes may be requested.

4. BMO Insurance recommends that the online quotation engine generate a standard class quote for BMO Insurance products.
5. Client proceeds to apply online.

Client may also call your contact number to apply by phone (go to C. Phone Sales Process)

Client applying online will complete form 431, Non face-to-face Life and Critical Illness Insurance Application (by Telephone or Internet), **Section 1 through 11 only**.

The applicant's information must be encryption stored on a secure site at all times to ensure the safe protection of consumer data.

Note that the Non face-to-face Life and Critical Illness Insurance Application (by Telephone or Internet) includes a Temporary Accidental Death Benefit at no additional cost, however, **excludes** a Temporary Insurance Agreement and there is no need to collect authorizations.

Section 13 and 14 (authorizations) and Section 15 and 16 (verification of identity, family & medical history) will be collected from Proposed Insured 1 and Proposed Insured 2 with the assistance of a Watermark paramedical professional as well as completing Section 17 and 18, the paramedical exam.

Section 19 and 20 (Temporary Accidental Death Benefit Agreement and Privacy) will be left with the client.

6. Section 3 is eligibility questions which are completed online by the Client/Applicant to determine their eligibility to proceed with the application.
7. BMO Insurance cannot accept an application if this insurance is intended to replace or change any existing insurance with this or any other Company (Section 7, Question 2 on the App). In replacement situations, the client must connect with an advisor where replacement documentation must be completed (refer to C7 for details).

8. When Internet sale & application is complete, transmit the application securely to your MGA.

To expedite the paramedical/underwriting process without delays, it is mandatory that Section 1 through Section 11 of the PDF fill-able Form 431 Non face-to-face Application are completed.

The advisor must complete the Advisor Report (Section 12) before submitting the application to Watermark, so that we can release your compensation in a timely matter. This is your electronic signature to allow us to proceed with the application.

Recognizing that some applicants may prefer to complete payment authorizations (Section 11) at a later date, the Watermark paramedical professional will also ask the applicant to complete and sign the payment information.

9. BMO Insurance requires that the MGA uploads, on behalf of the advisor, the Non face-to-face application in electronic (PDF fill-able) form to Watermark's secure site. Watermark will autofax orders and application packages the same day to the paramedical nurse who will contact the applicant within 24 hours to arrange an appointment.

The full application package must include:

- Sections 1 through 11 with answers completed by the proposed insured(s) via the phone or Internet (if required, the paramedical professional from Watermark will collect signatures in Section 11)
- Section 12, Advisor Report completed by the life advisor
- Sections 13 through 18, verification of identity, medical information, authorizations and paramedical exam forms completed by the paramedical professional
- Section 19, Temporary Accidental Death Benefit Agreement (Paramedical professional will detach and leave with Proposed Insured).
- Section 20, Privacy and Personal Information Authorization and MIB Inc. Notice (Paramedical professional will detach and leave with Proposed Insured).

E. UNDERWRITING & POLICY ISSUE PROCESS

Watermark is BMO Insurance's chosen paramedical company to complete all Fillable form 431 Non face-to-face paramedical exams and to submit completed applications to BMO Insurance's New Business Dept.

Watermark will collect all medical questions and signatures on authorizations, complete the paramed exam and expedite results electronically to BMO Insurance New Business. Watermark provides the Advisor/Agency with online status inquiry for each paramedical order.

BMO Insurance and Watermark fully expect to deliver reduced turnaround time to process Life and Critical Illness phone or internet applications using this form 431 Non face-to-face application. Watermark's service quality target for Fillable form 431 Non face-to-face applications is within 10 business days of receiving the paramedical order (or within 2 business days of completing the visit).

To set up a Watermark account for your Life Agency or for further information contact: Watermark at HelpDesk@watermarkinsurance.com or call Toll-free 1-877-421-5130

1. The Watermark paramedical professional will meet face-to-face with the proposed life insured(s) and collect the following:
 - a) Proposed insured(s) signatures on the Notice, Representations, Acknowledgements, Authorizations and Signatures (Section 13)
 - b) Proposed insured(s) signatures on the Authorization to Share Information (Section 14)
 - c) Paramedical professional to detach and leave with the Proposed Insured(s) the Temporary Accidental Death Benefit Agreement and the Privacy and Personal Information authorization and MIB Inc. Notice (Section 19 and 20)
 - d) Proposed insured(s) signatures on PAD or credit card authorization, Section 11 (collect void cheque)
 - e) Proposed insured(s) initials as indicated at the end of Section 10 and 16
 - f) Proof of identification Section 15
 - g) Medical Information Section 16
 - h) Paramedical Exam and testing Section 17 and 18
2. Watermark will co-ordinate and send all completed and signed documentation including application, paramedical exam and Advisor Report electronically to BMO Insurance's New Business Dept. Lab results may be forwarded separately to BMO Insurance New Business.
3. The underwriting status of all applications will be available online to the Life Agency/MGA contracted by BMO Insurance. BMO Insurance Underwriting will arrange for any additional requirements if needed.
4. When the application is approved by BMO Insurance Underwriting, BMO Insurance New Business will issue a policy for delivery by the Life Agency/MGA as per our current "Delivery Receipt" process. It is important for Life Agency administrators to follow up with policy owners to ensure the policy was delivered and to get Delivery Receipts mailed to BMO Insurance.

F. ADDITIONAL REQUIREMENTS FOR FILLABLE FORM 431 NON FACE-TO-FACE TELEPHONE/INTERNET SALES

- Provide a contact number for applicants to reach licensed advisors or Agency employees regarding the status of their applications or to register a complaint.
- A referral process must be in place to handle coverage requests that do not fall within the Non-Face-to-Face guidelines stated in Non-Face-to-Face Insurance Marketing Guide (434) e.g. face amount or age limitations and ineligible plan types.
- Co-ordinate the completion of applications, paramedical exams, lab results through to submission to BMO Insurance's New Business Department. This includes following up with applicants regarding outstanding underwriting requirements and communicating changes to underwriting class and insurance premium costs previously quoted.
- The designation or appointment of a beneficiary may be recorded but it must be formalized with a signature from the Proposed Owner, which can be obtained at the time of the paramedical examination.
- As provided by the paramedical professional, the proposed insured(s) must review and agree to the terms of the Privacy and Personal Information Authorization and MIB Inc. Notice. If the proposed insured(s) does not indicate his or her clear agreement to the terms of the Privacy and Personal Information Authorization and MIB Inc. Notice, the application cannot be completed. An explanation should be provided as to why this is the case.
- Under no circumstances shall Temporary Insurance be offered when all or part of an application for a Policy is to be taken in a Non-Face-to-Face Channel.
- Retain appropriate documentation of the sale, such as a worksheet, conditions of the sale which include but are not limited to Agent Disclosure & Conflict of Interest, Needs Analysis and Replacement Analysis.
- Transmit all electronic applications /other information containing personal information between the Life Agency, authorized Paramedical and Lab Testing Companies using secure channels: by mail, courier or encrypted electronic communication such as encrypted FTP site or secure FTP site. All required signatures and client identification requirements will be obtained at the time of the paramedical visit.
- Provide on-going service to the policyholder.
- Ensure that a "Do Not Call" program is in place that prohibits making unsolicited sales calls to any telephone number that has been placed on the National DNC Registry. The Advisor/Agency is required to become familiar with the Company's DNC Program in addition to the Life and Health Insurance Industry Practice.
- Provide Call Centre Life Agents with formal call scripts and training on the products being offered. All information must be specific to the products being quoted and made available over the telephone or Internet. Provide the appropriate documentation regarding Agent Disclosure, Conflict of Interest, Needs Analysis and Replacement Analysis to Call Centre Agents ensuring that documentation is understood, followed and retained.

An application where the Owner is not a Proposed Insured must be taken in person and are not permitted in this channel.

For more information, contact your MGA or one of our Business Development offices in your area.

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Insurer: BMO Life Assurance Company.

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