

# Benefits Bulletin

## Information Update for Group Benefits Plan Sponsors and Plan Advisors

### QUEBEC *INSURANCE ACT* & LIFE CONVERSION

Quebec passed new regulations under the *Insurance Act*, effective September 10, 2009. Under these regulations, new contracts issued after September 10, 2009 require a life conversion limit of \$400,000, up from the \$200,000 in the previous regulation. In addition, conversion to individual contracts must be provided for a member's spouse and dependant children, subject to the specified limit. Since September 10, 2009, Manulife has administered new contracts in compliance with these new obligations.

Also under the change, the minimum amount required for the conversion of a plan member's coverage is \$10,000. The minimum amount required for conversion of a spouse's or dependant's coverage is \$5,000. In the event that an individual dies within the 31-day conversion period, the eligible benefit amount is the amount of their group life coverage.

In follow-up to requests to extend the new conversion limits to existing contracts, group life insurance conversion privileges will be revised for all residents of Quebec under existing contracts effective March 1, 2010.

The changes to life conversion apply to all existing Manulife Financial group life insurance policies for residents of Quebec in which the conversion is due to a termination effective March 1, 2010 or later.

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Again, new contracts issued on or after September 10, 2009 have been administered with the new limits.

Contracts and booklets will be updated with the change at their next amendment. New sales will have the appropriate wording reflected when their policy comes into effect. At this time there is no impact to rates as a result of these changes.

**For more information please contact your Manulife Financial representative.**

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