

## CURRICULUM – LLQP

### MODULE: Accident and sickness insurance

DURATION OF THE EXAM: 75 minutes - NUMBER OF QUESTIONS: 35 questions (including 5 pilot questions that do not count in the candidate's score)

**Competency: Recommend individual and group accident and sickness insurance products adapted to the client's needs and situation**

%	COMPETENCY COMPONENTS
35	<p><b>1. Assess the client's needs and situation</b></p> <ul style="list-style-type: none"> <li>1.1. Determine the client's situation</li> <li>1.2. Assess the appropriateness of the client's existing coverage in regard to his or her situation</li> <li>1.3. Articulate the client's needs based on the risks that could affect his or her financial situation</li> </ul>
30	<p><b>2. Analyze the available products that meet the client's needs</b></p> <ul style="list-style-type: none"> <li>2.1. Analyze the types of contracts that meet the client's needs</li> <li>2.2. Analyze the riders that meet the client's needs</li> </ul>
25	<p><b>3. Implement a recommendation adapted to the client's needs and situation</b></p> <ul style="list-style-type: none"> <li>3.1. Consider the impact of underwriting criteria as they apply to the client's situation</li> <li>3.2. Propose a recommendation adapted to the client's needs and situation</li> <li>3.3. Confirm the requirements that must be met to implement the recommendation</li> </ul>
10	<p><b>4. Provide customer service during the validity period of the coverage</b></p> <ul style="list-style-type: none"> <li>4.1. Validate the appropriateness of contract amendment, renewal and termination applications in regards to the client's situation</li> <li>4.2. Inform the claimant of the claims process</li> </ul>



**COMPETENCY: RECOMMEND INDIVIDUAL AND GROUP ACCIDENT AND SICKNESS INSURANCE PRODUCTS ADAPTED TO THE CLIENT'S NEEDS AND SITUATION**

%	COMPETENCY COMPONENTS	COMPETENCY SUB-COMPONENTS	CONTENTS	
35	1. Assess the client's needs and situation	1.1 Determine the client's situation	<p><b>Individual client's personal situation</b></p> <ul style="list-style-type: none"> <li>• Family               <ul style="list-style-type: none"> <li>- Past and present marital status</li> <li>- Financial responsibilities and commitments between family members</li> <li>- Family generations</li> </ul> </li> <li>• Occupation               <ul style="list-style-type: none"> <li>- Type of job, profession or business</li> <li>- Daily job duties</li> <li>- Length of time in current role</li> <li>- Training and education</li> </ul> </li> <li>• Health and medical situation               <ul style="list-style-type: none"> <li>- Past and present health and personal care issues</li> <li>- List of past and present medications used</li> </ul> </li> </ul> <p><b>Group client's situation</b></p> <ul style="list-style-type: none"> <li>• Nature of business</li> <li>• Employee data sheet</li> <li>• Two years of claims experience</li> </ul>	<p><b>Individual client's financial situation</b></p> <ul style="list-style-type: none"> <li>• Sources of income               <ul style="list-style-type: none"> <li>- Earned income</li> <li>- Investment income</li> <li>- Unearned income</li> <li>- Pension income</li> <li>- Employee benefits</li> <li>- Insurance coverage benefits</li> </ul> </li> <li>• Net income</li> <li>• Assets and liabilities               <ul style="list-style-type: none"> <li>- Types of ownership of assets</li> <li>- Beneficiaries for assets</li> <li>- Tax consequences related to liquidation of assets</li> <li>- Details of all debt (type, amount, purpose, interest rate, repayment schedule, management by client)</li> </ul> </li> <li>• Participation in employer-sponsored registered and non-registered savings plans</li> <li>• Monthly and yearly cash-flow for family and business</li> <li>• Amount of savings available for emergencies</li> <li>• Prior years' tax returns and notices of assessment (at least past two years)</li> </ul>

**COMPETENCY: RECOMMEND INDIVIDUAL AND GROUP ACCIDENT AND SICKNESS INSURANCE PRODUCTS ADAPTED TO THE CLIENT'S NEEDS AND SITUATION**

COMPETENCY SUB-COMPONENTS	CONTENTS	
<p>1.2 Assess the appropriateness of the client's existing coverage in regard to his or her situation</p>	<p><b>Individual client's existing coverage</b></p> <ul style="list-style-type: none"> <li>• Personal coverage               <ul style="list-style-type: none"> <li>- Type of coverage (disability income replacement, accident and dismemberment, critical illness, long-term care)</li> <li>- Characteristics of coverage (benefit amount, waiting and benefit periods, main features, premium)</li> </ul> </li> <li>• Group coverage               <ul style="list-style-type: none"> <li>- Type of coverage, including extended health benefits</li> <li>- Characteristics of coverage, such as basis of coverage (salary, bonuses, non-evidence maximum)</li> </ul> </li> <li>• Government coverage               <ul style="list-style-type: none"> <li>- Employment Insurance (EI)</li> <li>- Canada Pension Plan (CPP)</li> <li>- Workers' Compensation</li> <li>- Provincial health and disability plans</li> <li>- Tax characteristics of government benefits (non-deductibility, taxation of benefits, eligibility and contribution criteria, calculation of benefit amounts, integration with privately-funded employment benefits)</li> </ul> </li> <li>• Lending institution coverage</li> <li>• Other resources (community and family resources, income, savings and post-retirement benefits)</li> </ul>	<p><b>Group client's existing coverage</b></p> <ul style="list-style-type: none"> <li>• Plan design and premium rates</li> <li>• Funding mechanisms</li> <li>• Claims administration</li> <li>• Satisfaction with current group provider</li> </ul> <p><b>Appropriateness of existing coverage</b></p> <ul style="list-style-type: none"> <li>• Comparison of available coverage and resources against anticipated expenses and need for liquidity and income, in cases of disability and sickness and during retirement</li> <li>• Advantages and disadvantages of existing coverage</li> </ul>

**COMPETENCY: RECOMMEND INDIVIDUAL AND GROUP ACCIDENT AND SICKNESS INSURANCE PRODUCTS ADAPTED TO THE CLIENT'S NEEDS AND SITUATION**

COMPETENCY SUB-COMPONENTS	CONTENTS	
<p>1.3 Articulate the client's needs based on the risks that could affect his or her financial situation</p>	<p><b>Needs analysis process</b></p> <ul style="list-style-type: none"> <li>• Determining needs and goals</li> <li>• Documenting the client's current financial position, obligations and risks</li> <li>• Comparing needs against existing resources (surplus, overlap, gaps)</li> <li>• Identifying suitable coverage or changes to existing coverage</li> <li>• Identifying the implications of changes to insurance coverage</li> </ul> <p><b>Client needs</b></p> <ul style="list-style-type: none"> <li>• Liquidity to achieve financial goals                             <ul style="list-style-type: none"> <li>- Time horizon and source of funds</li> </ul> </li> <li>• Income during retirement based on objectives                             <ul style="list-style-type: none"> <li>- Retirement duration vs. longevity of family</li> <li>- Desired budget considering inflation</li> </ul> </li> <li>• Additional capital required after a disability                             <ul style="list-style-type: none"> <li>- Expenses to be covered</li> <li>- Impact of disability on family, wealth accumulation goals, retirement and estate plan</li> </ul> </li> <li>• Additional capital required after a critical illness diagnosis                             <ul style="list-style-type: none"> <li>- Medical treatments and time off work</li> </ul> </li> <li>• Additional capital required after a long-term care diagnosis                             <ul style="list-style-type: none"> <li>- Loss of independence and daily care</li> </ul> </li> </ul>	<p><b>Risks</b></p> <ul style="list-style-type: none"> <li>• Financial risks associated with a loss of livelihood, or standard of living, including impact on estate planning initiatives, survivors' needs and tax consequences at death                             <ul style="list-style-type: none"> <li>- Client's exposure to financial risk</li> <li>- Client's risk tolerance</li> </ul> </li> </ul>

**COMPETENCY: RECOMMEND INDIVIDUAL AND GROUP ACCIDENT AND SICKNESS INSURANCE PRODUCTS ADAPTED TO THE CLIENT'S NEEDS AND SITUATION**

%	COMPETENCY COMPONENTS	COMPETENCY SUB-COMPONENTS	CONTENTS	
30	2. Analyze the available products that meet the client's needs	2.1 Analyze the types of contracts that meet the client's needs	<p><b>Individual disability insurance (DI)</b></p> <ul style="list-style-type: none"> <li>• Types of contracts</li> <li>• Specific provisions and their potential impact</li> <li>• Application in meeting client needs</li> <li>• Definitions of disability</li> <li>• Definitions: non-cancellable and guaranteed renewable</li> <li>• Benefit periods</li> <li>• Short-term and long-term disability insurance (STD and LTD)</li> <li>• Meaning and purpose of a waiting period</li> <li>• Limitations and possible modifications</li> <li>• Exclusions</li> <li>• Impact of offsets and integration of benefits</li> </ul> <p><b>Group disability insurance (DI)</b></p> <ul style="list-style-type: none"> <li>• Types of contracts</li> <li>• Definitions of disability as used by short-term and long-term income replacement plans</li> <li>• Rationale for the use of waiting periods in pricing plans</li> <li>• Qualification period</li> <li>• Coverage amounts               <ul style="list-style-type: none"> <li>- Non-evidence maximum amount</li> <li>- Maximum overall amount</li> <li>- All-sources maximum amount</li> </ul> </li> <li>• Benefit amounts and benefit period requirements of an STD plan to qualify for registration under the Employment Insurance Act for premium reduction purposes</li> <li>• Advantages to employers of having an STD plan that is registered with Human Resources Canada for premium reduction purposes</li> <li>• Rationale for having an employee pay the premiums for group LTD</li> <li>• Impact of coordination of benefits and subrogation on a group policy</li> </ul>	<p><b>Long-term care insurance (LTC)</b></p> <ul style="list-style-type: none"> <li>• Description of how policy benefits work</li> <li>• Definition of activities of daily living (ADLs)</li> <li>• Comparison between home care and facility care benefits</li> <li>• Guaranteed and non-guaranteed benefits</li> </ul> <p><b>Critical illness insurance (CI)</b></p> <ul style="list-style-type: none"> <li>• Types of contracts</li> <li>• Application in meeting client needs</li> <li>• Conditions that are generally covered</li> <li>• Circumstances that will result in a payment of benefit</li> <li>• Medical definitions</li> <li>• Role of critical illness insurance in financial planning</li> </ul>

**COMPETENCY: RECOMMEND INDIVIDUAL AND GROUP ACCIDENT AND SICKNESS INSURANCE PRODUCTS ADAPTED TO THE CLIENT'S NEEDS AND SITUATION**

**Characteristics of specialized types of accident and sickness (A&S) and disability coverage**

- Types and characteristics of business insurance
  - Disability business overhead expense (BOE) insurance
  - Disability buyout coverage
  - Business loan protection
  - Key person coverage
- Types and characteristics of corporately owned policies
  - Health and welfare trusts (HWTs)
  - Employee health trusts (EHTs)
  - Personal health spending plans
  - Private health Services Plans (PHSPs) for business owners
  - Grouped policies
  - Tax implications of a personal insurance policy being corporately held
- Mortgage DI and CI insurance
- Options for clients unable to qualify for traditional DI, such as special risk DI
- Clients whose needs cannot be fully met by traditional DI
- Underwritten and guaranteed plans

**Individual extended health insurance products**

- Types of contracts, including accidental death and dismemberment (AD&D)
- Specific provisions and their potential impact
- Application in meeting client needs
- Rationale to supplement provincial and territorial coverage

**Group extended health insurance products**

- Types of contracts, including AD&D
- Types of medical services usually included
- Rationale for the inclusion of deductibles and co-payments
- Typical limitations and exclusions
- Coverage and coordination of benefits
- Coverage offered by group extended health plans
- Primary features of a typical Employee Assistance Program (EAP)

**Contract analysis**

- Current contract offerings
- Client needs vs. products available in marketplace
- Implications of statutory provisions for the administration of A&S contracts
- Taxation of A&S premiums and benefits
  - Tax-free return of premium benefit on critical illness (CI) or disability
  - Sales tax applicable to employee benefits (federal and provincial)
- Policy guidelines

**Group insurer's services**

- Claims adjudication
- Member enrolment
- Premium billing

**COMPETENCY: RECOMMEND INDIVIDUAL AND GROUP ACCIDENT AND SICKNESS INSURANCE PRODUCTS ADAPTED TO THE CLIENT'S NEEDS AND SITUATION**

COMPETENCY SUB-COMPONENTS	CONTENTS	
2.2 Analyze the riders that meet the client's needs	<p><b>Types of riders</b></p> <ul style="list-style-type: none"> <li>• Future purchase option (FPO)</li> <li>• Cost of living adjustment (COLA)</li> <li>• Accidental death and dismemberment (AD&amp;D)</li> <li>• Long-term injury protection</li> <li>• Specific injury benefits</li> <li>• Rehabilitation program benefit</li> <li>• Hospitalization benefit</li> <li>• Homecare</li> <li>• Recurrent disability</li> <li>• Partial and residual disability</li> <li>• Presumptive disability</li> <li>• Waiver of premium</li> <li>• Return of premium (ROP)</li> <li>• Definitions of occupation (regular, own or any)</li> </ul>	<p><b>Rider analysis</b></p> <ul style="list-style-type: none"> <li>• Customization and enhancement of coverage</li> <li>• Meaning and value of coverage in spite of limitations, modifications and exclusions</li> <li>• Differences between each carrier's equivalent riders</li> <li>• Advantages and disadvantages of policy options</li> </ul>



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25	3. Implement a recommendation adapted to the client's needs and situation	3.1 Consider the impact of underwriting criteria as they apply to the client's situation	<table border="0"> <tr> <td style="vertical-align: top;"> <p><b>Underwriting concepts and criteria</b></p> <ul style="list-style-type: none"> <li>• Standards, coverage limits, premium rates and underwriting requirements relating to client characteristics                             <ul style="list-style-type: none"> <li>- Income</li> <li>- Employment</li> <li>- Lifestyle</li> <li>- Health</li> <li>- Family history</li> </ul> </li> <li>• Basic underwriting criteria for disability insurance (DI), critical illness insurance (CI) and long-term care insurance (LTC)</li> <li>• Resulting exclusions and modifications</li> <li>• Circumstances under which benefits might not be payable or when the coverage might be rescinded</li> <li>• Group insurance underwriting criteria                             <ul style="list-style-type: none"> <li>- Makeup of the group</li> <li>- Nature of the business</li> <li>- Comparative businesses</li> <li>- Employee data sheet</li> <li>- Coverage offered</li> <li>- Claims experience</li> </ul> </li> </ul> </td> <td style="vertical-align: top;"> <p><b>Underwriting process</b></p> <ul style="list-style-type: none"> <li>• Factors that are relevant in the development and pricing of an accident and sickness insurance product                             <ul style="list-style-type: none"> <li>- Morbidity rates</li> <li>- Administrative costs</li> <li>- Expenses</li> <li>- Cost drivers for group products</li> </ul> </li> <li>• Key components of the policy application                             <ul style="list-style-type: none"> <li>- Agent comments section</li> <li>- Medical questions</li> <li>- Financial information</li> <li>- Product selection</li> <li>- Additional requirements</li> </ul> </li> <li>• Impact of incomplete or inaccurate information in the application</li> <li>• Steps head office undertakes in processing an application received from the field                             <ul style="list-style-type: none"> <li>- Medical exam</li> <li>- Attending Physician's Statement (APS)</li> <li>- Medical Information Bureau (MIB)</li> <li>- Inspection reports</li> <li>- Hazardous sports and occupations</li> <li>- Financial underwriting</li> <li>- Potential additional questionnaires or client interview</li> </ul> </li> </ul> </td> </tr> </table>	<p><b>Underwriting concepts and criteria</b></p> <ul style="list-style-type: none"> <li>• Standards, coverage limits, premium rates and underwriting requirements relating to client characteristics                             <ul style="list-style-type: none"> <li>- Income</li> <li>- Employment</li> <li>- Lifestyle</li> <li>- Health</li> <li>- Family history</li> </ul> </li> <li>• Basic underwriting criteria for disability insurance (DI), critical illness insurance (CI) and long-term care insurance (LTC)</li> <li>• Resulting exclusions and modifications</li> <li>• Circumstances under which benefits might not be payable or when the coverage might be rescinded</li> <li>• Group insurance underwriting criteria                             <ul style="list-style-type: none"> <li>- Makeup of the group</li> <li>- Nature of the business</li> <li>- Comparative businesses</li> <li>- Employee data sheet</li> <li>- Coverage offered</li> <li>- Claims experience</li> </ul> </li> </ul>	<p><b>Underwriting process</b></p> <ul style="list-style-type: none"> <li>• Factors that are relevant in the development and pricing of an accident and sickness insurance product                             <ul style="list-style-type: none"> <li>- Morbidity rates</li> <li>- Administrative costs</li> <li>- Expenses</li> <li>- Cost drivers for group products</li> </ul> </li> <li>• Key components of the policy application                             <ul style="list-style-type: none"> <li>- Agent comments section</li> <li>- Medical questions</li> <li>- Financial information</li> <li>- Product selection</li> <li>- Additional requirements</li> </ul> </li> <li>• Impact of incomplete or inaccurate information in the application</li> <li>• Steps head office undertakes in processing an application received from the field                             <ul style="list-style-type: none"> <li>- Medical exam</li> <li>- Attending Physician's Statement (APS)</li> <li>- Medical Information Bureau (MIB)</li> <li>- Inspection reports</li> <li>- Hazardous sports and occupations</li> <li>- Financial underwriting</li> <li>- Potential additional questionnaires or client interview</li> </ul> </li> </ul>
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**COMPETENCY: RECOMMEND INDIVIDUAL AND GROUP ACCIDENT AND SICKNESS INSURANCE PRODUCTS ADAPTED TO THE CLIENT'S NEEDS AND SITUATION**

COMPETENCY SUB-COMPONENTS	CONTENTS	
<p>3.2 Propose a recommendation adapted to the client's needs and situation.</p>	<p><b>Recommendation process</b></p> <ul style="list-style-type: none"> <li>• Quotes for appropriate coverage options based on needs                             <ul style="list-style-type: none"> <li>- Group brokerage services</li> </ul> </li> <li>• Adjustments to recommendation based on client input</li> <li>• Management of client expectations regarding underwriting</li> </ul> <p><b>Factors that impact the recommendation</b></p> <ul style="list-style-type: none"> <li>• Client situation                             <ul style="list-style-type: none"> <li>- Age</li> <li>- Occupation</li> </ul> </li> <li>• Investments</li> <li>• Family structure and dynamics</li> <li>• Health, disability and potential exclusions</li> <li>• Risk management</li> <li>• Retirement planning</li> <li>• Taxation                             <ul style="list-style-type: none"> <li>- Strategies to maximize taxation efficiency (medical expense tax credit, health and welfare trust or PHSP for business owners)</li> </ul> </li> <li>• Risk tolerance</li> <li>• Time horizon</li> <li>• Factors that impact the group insurance recommendation                             <ul style="list-style-type: none"> <li>- Funding</li> <li>- Responsibility for premium payment</li> <li>- Costs</li> <li>- Claims administration</li> <li>- Coordination of benefits</li> </ul> </li> </ul>	<p><b>Characteristics of the recommendation</b></p> <ul style="list-style-type: none"> <li>• Selected product(s)</li> <li>• Amount of coverage</li> <li>• Premium</li> <li>• Recommended riders</li> <li>• Beneficiaries</li> <li>• Exclusions</li> <li>• Important clauses</li> </ul>
<p>3.3 Confirm the requirements that must be met to implement the recommendation</p>	<p><b>Requirements</b></p> <ul style="list-style-type: none"> <li>• Requirements to issue the contract, according to product type</li> <li>• Required documents (physician's report, income tax report, financial statements, identification)</li> </ul>	<p><b>Implementation process</b></p> <ul style="list-style-type: none"> <li>• Ratings (medical or risk ratings) and exclusion riders under which a contract is issued</li> <li>• Full disclosure in case of modification</li> <li>• Identification of timelines to review or remove exclusions, limitations and ratings</li> </ul>

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10	4. Provide customer service during the validity period of the coverage	4.1 Validate the appropriateness of contract amendment, renewal and termination applications in regards to the client's situation	<div style="background-color: #92d050; padding: 5px;"><b>Client services</b></div> <ul style="list-style-type: none"> <li>• Policy feature opportunities and options               <ul style="list-style-type: none"> <li>- Future purchase</li> <li>- Guaranteed insurability</li> <li>- Conversion</li> <li>- Timed modifications</li> <li>- Timed ratings</li> </ul> </li> <li>• Review or removal of exclusions, limitations and ratings based on policy timelines</li> <li>• Policy service forms</li> <li>• Basic form processing rules</li> </ul> <div style="background-color: #92d050; padding: 5px; margin-top: 10px;"><b>Review process</b></div> <ul style="list-style-type: none"> <li>• Determining suitability or changes needed</li> <li>• Providing full disclosure and taking notes</li> <li>• Providing the client with a rationale for recommended action</li> <li>• Assessing the implications of changes to insurance coverage</li> <li>• Developing a client service strategy to remain aware of client's needs and situation</li> <li>• Re-setting client expectations</li> </ul>
		4.2 Inform the claimant of the claims process	<div style="background-color: #92d050; padding: 5px;"><b>Claims process</b></div> <ul style="list-style-type: none"> <li>• Requirements for a claim</li> <li>• Factors that could result in lower benefits</li> <li>• Time requirements</li> <li>• Tax treatment of benefits</li> </ul> <div style="background-color: #92d050; padding: 5px; margin-top: 10px;"><b>Agent's role in the claims process</b></div> <ul style="list-style-type: none"> <li>• Describing the claims process</li> <li>• Knowing where to access and send forms and how they should be completed</li> <li>• Communicating with the benefit's adjudicator</li> <li>• Understanding the carriers' expectations of the agent's role</li> </ul>

