RBC Insurance®

RBC Insurance News

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Life Insurance Replacement Declaration Forms

Since we last communicated with you there have been further changes across the country with respect to what an advisor is required to complete and submit both to the insurance companies and to clients when replacing a life insurance policy.

Many provinces have moved to the new, client-friendly Life Insurance Replacement Declaration (LIRD) Form. Effective January 26, 2012, British Columbia joined these provinces and if you are an advisor doing business in BC, you must use the new LIRD form.

Part of the replacement process also requires advisors to provide their clients with a written detailed explanation of the advantages and disadvantages faced by the client when replacing their life insurance policy. Although all provinces require a copy of both the LIRD and the written explanation to be left with their client, only the provinces of Newfoundland/Labrador and Ontario require that both be submitted to the new insurer and the LIRD to the existing insurer at the time of replacement. Note also that Manitoba requires a copy of the LIRD be sent to the new insurer.

As provinces are publishing slightly different versions of the LIRD form for use in their jurisdictions, it's best to download the proper version directly from the regulatory websites. Please refer to the chart below to ensure you understand what forms are required to be left with the client and submitted to insurance companies when replacing a life insurance policy.

Province	Client	New Insurer	Existing Insurer
Alberta	LIRD & Explanation		
British Columbia	LIRD & Explanation		
Manitoba	LIRD & Explanation	LIRD	
New Brunswick	LIRD & Explanation		
Newfoundland/ Labrador	LIRD & Explanation	LIRD & Explanation	LIRD
Nunavut	Optional		
Northwest Territories	Optional		
Nova Scotia	LIRD & Explanation		
Ontario	LIRD & Explanation	LIRD & Explanation	LIRD
PEI	LIRD & Explanation		
Saskatchewan	LIRD & Explanation		
Yukon	Optional		

Please note: There have been no changes to the regulations within the province of Quebec. They continue to accept only the Prior Notice of Replacement form. Although optional in Nunavut, Yukon and the Territories, the LIRD is recommended.

Questions?

Please see the attached guidelines from the CLHIA and view the specific provincial requirements on the regulator insurance council websites.

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