



Protecting Yourself and Your Family

Joint Term life insurance with Critical Illness insurance protection

Jim and Susan are on a tight budget. They just bought their first house. Their daughter Heather was born only one year ago. Jim and Susan are both young professionals with plans for their whole lives ahead of them. A death or critical illness of either of them at this stage in their lives would seriously impact their ability to pay back their debts and save for Heather's education.

The Situation	The Need
<ul style="list-style-type: none"> • Jim (33) and Susan (30) and daughter Heather (1). • Young professionals with a household income of \$160,000. • Combined personal debt of \$65,000 for car and student loans. • \$350,000 mortgage for 25 years. 	<ul style="list-style-type: none"> • Life insurance: An analysis uncovered a need for \$750,000 of life insurance should one of them die. Term life insurance is an affordable way to cover any debt, replace lost income and have funds available for Heather's education. • Critical illness insurance: Should Jim or Susan suffer from a critical illness, it makes funds available to offset the cost of treating and managing their illness without impacting their family's financial security.

The Solution

Joint First to Die Term Life Insurance: A joint 10 year term renewable and convertible policy provides protection to the family on the death of the first spouse. It is the most affordable solution for Jim and Susan given their tight budget.

EquiLiving® Critical Illness insurance: Adding 10 year renewable critical illness insurance as riders on each of Jim and Susan means that they are both covered should they be diagnosed with a covered critical illness.

\$750,000 of Joint First to Die Term Life insurance and \$100,000 of critical illness insurance on each life.

	Jim's plan	Susan's plan
	Monthly premiums (Standard, non-smoker rates)	
\$750,000 Joint First to Die Term life insurance, 10 year renewable and convertible	\$44.01 (includes the monthly policy fee of \$4.34)	
\$100,000 EquiLiving CI, 10 year renewable to age 75	\$24.71	\$22.89
Combined premium	\$91.61*	

*Rates effective February 5th, 2024

Future Flexibility

Equitable offers Term life insurance options with built-in flexibility so that Jim and Susan can change their coverage as their needs change.

In the next 5 years:

They can exchange their Joint Term 10 life insurance coverage for Joint Term 20 life insurance coverage. They must do this before the 5th policy anniversary or before the oldest insured turns age 65, whichever comes first. Doing this allows them to lock in a level premium for the remainder of their mortgage.

In the next 6+ years:

As their finances change and they start to focus on long-term needs, they can:

- Change their 10 year renewable CI rider to a CI level pay rider or to a 20 Pay CI standalone plan. They can do this change anytime before the policy anniversary nearest the insured's 60th birthday. If they decide to change the rider to a 20 Pay to age 75 CI plan, the change must occur before the policy anniversary nearest the insured's 54th birthday.
- Switch their Joint Term life insurance plan to a Joint permanent life insurance before the oldest insured person turns age 71. This can help them to address lifelong insurance needs with cash value.
- Buy a critical illness insurance plan on Heather to make funds available to cover expenses if she gets sick. They can take a leave from work to be by her side during treatment and recovery.

Joint First-to-die Term insurance at time of the first insured's death:

- The death benefit is payable to the surviving spouse and the Joint First-to-die Term insurance coverage ends.
- The critical illness insurance rider on the surviving spouse will continue as a standalone plan on the surviving spouse.
- Within 60 days of the spouse's death, the surviving spouse will be able to buy a new single life Term policy for the same amount of coverage. They do not need to give proof of continued good health.
- If within 60 days of the spouse's death, the surviving spouse also dies and is younger than age 70, an additional death benefit is paid to the beneficiary in the amount payable on the first spouse's death.

Critical illness insurance + Term life insurance. A flexible combination for life.

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1309 (2024/02/03)
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