



Protecting Yourself and Your Family with Critical illness and Term life insurance

Critical illness insurance is sometimes called a “selfish purchase”. If you suffer from a critical illness, you receive a payment. But when it comes to protecting your family’s financial security, it can actually be one of the most unselfish purchases you make. Bundle it with life insurance, and it will definitely be one of the smartest!

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. • \$200,000 mortgage for 25 years. 	<ul style="list-style-type: none"> • 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. • Life insurance: An analysis uncovered a need for \$750,000 each of life insurance. Term insurance is an affordable way to cover their debt, replace their income and have funds available for Heather’s education.

TODAY’S SOLUTION:

\$100,000 of critical illness insurance (CI) with \$750,000 of Term life insurance on each life.

	Jim’s plan	Susan’s plan
	Monthly premiums	
\$100,000 EquiLiving® CI, 10 year renewable to age 75	\$30.15 ¹	\$28.26 ¹
\$750,000 10 year renewable & convertible Term rider	\$31.22	\$19.76
Total	\$61.37	\$48.02
Combined premium	\$109.39²	

By bundling CI with a Term rider instead of a stand-alone plan, Jim and Susan each save the policy fee, a combined total of \$108 a year.

FUTURE FLEXIBILITY:

In the next 5 years:

They can exchange³ their Term 10 riders for Term 20 riders to lock in a level premium for the remainder of their mortgage.

In the next 6+ years:

As their financial situation changes and they start to focus on long-term needs, they can:

- Change their 10 year renewable CI plans to a level pay plan or to a 20 Pay plan.⁴
- Switch their Term riders to permanent insurance to address lifelong insurance needs.⁵
- Buy critical illness insurance on Heather to make funds available to cover expenses, so if she gets sick, they can take a leave from work to be by her side during treatment and recovery.

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

ADVISOR USE ONLY

¹ Includes monthly policy fee of \$4.50. ² Assumes standard non-smoker rates. Rates effective February 12, 2022.

³ Exchange must occur prior to the 5th anniversary or up to age 65, whichever comes first. ⁴ The change must occur prior to the anniversary nearest the insured’s 60th birthday (with the exception of 20 Pay coverage to age 75 where it is the 54th birthday). ⁵ The change must occur prior to age 71 of the life insured.

This information does not constitute legal, tax, investment or other professional advice. ® denotes a trademark of The Equitable Life Insurance Company of Canada.