



EquiLiving – Children’s critical illness (CI) insurance

Forced savings for education funding



Provide clients with 20 years of children’s CI insurance PLUS a cheque to help fund education if they never make a claim.¹

Case study: Children’s EquiLiving® critical illness insurance with a return of premiums at surrender/expiry rider.

The situation	The need
<ul style="list-style-type: none"> Molly and Joe welcome baby Ben. Both parents are well educated with good careers and want the same for Ben. As a nurse, Molly has seen the impact on a family when a child gets sick. While they hope it won’t happen to them, if it does, Molly wants to help ensure she’ll be able to stay with Ben through his treatment and recovery without impacting the family’s finances. 	<ul style="list-style-type: none"> Money to help protect the family’s finances should Ben become seriously ill. Money, after 20 years, that can help fund Ben’s education or other needs. Lifetime critical illness coverage for Ben that’s paid-up.

The solution – 20 Pay coverage for life

Children’s EquiLiving critical illness insurance, 20 pay coverage for Life, with return of premiums at surrender/expiry (ROPS/E) rider.

In the future

At year 20 when the critical illness plan becomes paid-up, Ben’s parents transfer ownership of the policy to him. The same year, Ben does a partial surrender of his policy, reducing his coverage amount from \$139,869 to \$20,000. Upon surrender, Ben will receive a tax-free ROPS/E rider payment of \$23,419 to use as he likes – whether to help with his education expenses, starting a small business or any other need. He will continue to have a paid-up critical illness policy for \$20,000 – which he can fully surrender at any time for the remaining return of premium benefit amount of \$6,581.

EquiLiving critical illness insurance (male, age 0)	Monthly premium ²	Payment on partial surrender at year 20 \$23,419 tax-free³
\$139,869 EquiLiving CI, 20 pay coverage for Life	\$116.66	
Return of premium on surrender/expiry rider	\$4.00	
Policy Fee	\$4.34	
Total monthly premium	\$125.00	

Advisor use only

¹ Critical illness insurance amount and return of premium on surrender/expiry benefit amount will decrease on partial surrenders.

² Rates in effect October 5, 2024.

³ Upon surrender on the 15th policy anniversary, 75% of the premiums to be returned are payable. This percentage increases by 5% each year, reaching 100% on and after the 20th policy anniversary. Some limitations may apply. See contract for full details.

Spend it or invest it...which provides the better return?

If your clients think the money spent on the ROPS/E rider might be better invested for their children's education, they might want to think again...

ROPS/E rider	Investment ⁵
<ul style="list-style-type: none">For a total investment of \$960⁴, clients would receive a tax-free payment of \$30,000 if the policy is fully surrendered at year 20 and no claim has been paid¹.	<ul style="list-style-type: none">\$960⁴ invested as \$4.00 monthly over a 20-year period would require an annual rate of return of approximately 51.83% to accumulate the same amount after tax.

**Critical illness insurance pays if the child gets sick.
ROPS/E rider coverage pays if they don't.**

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⁴ Total amount of premiums paid for the ROPS/E rider over 20 years.

⁵ Assumes a non-registered investment vehicle that is subject to annual taxation on the interest earned and a personal tax rate of 50%.

This information does not constitute legal, tax, investment or other professional advice.

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