

Children's Critical Illness Insurance

Forced savings for education funding

Provide your 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 know 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 financial plan should Ben become ill. Money, after 20 years, that can help fund Ben's education. Lifetime coverage for Ben that's paid-up.

THE SOLUTION

Children's EquiLiving® critical illness insurance, 20 Pay coverage to age 100, with return of premiums at surrender/expiry rider (ROPS/E).

IN THE FUTURE

At year 20, Ben does a partial surrender of his policy, reducing his coverage amount to \$20,000. Upon surrender, Ben will receive a tax-free return of premiums at surrender/expiry payment to use for things like funding education or starting a business. He will continue to have paid-up critical illness protection for \$20,000 which he can fully surrender at any time for the remaining ROP benefit amount of \$6,830.

EquiLiving critical illness insurance (male, age 0)	Monthly premium ²	Payment on partial surrender at year 20 \$23,170 tax free³
\$134,561 EquiLiving CI, 20 Pay coverage for Life	\$116.50	
Return of premium on surrender/expiry rider	\$4.00	
Total	\$4.50	
Total 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 February 12, 2022.

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.

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Spend It Or Invest It...Which Provides The Better Return?

If your clients think the money spent on the return of premium on surrender/expiry 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 your clients would receive a tax-free payment of \$30,000 if the policy is fully surrendered at year 20. 	<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 PAYS IF THEY DON'T.

ADVISOR USE ONLY

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