

CRITICAL ILLNESS INSURANCE

Facing a critical illness can be one of the most difficult challenges in life. There is so much to consider from finding proper care to meeting your family's day-to-day needs. A Critical Illness policy is designed to help you when you need it most.

Most critical illness insurance plans provide a lump sum benefit to use in any manner you choose. For instance, you can use the money to:

- Make payments on your mortgage, business loans or other debts
- Make alterations to your home or vehicle, or other changes that accommodate your special needs
- Continue to contribute to retirement savings
- Supplement disability insurance coverage
- Pay for specialized medical treatment, private nursing or child care
- Pay for out-of-country treatments not covered by government health insurance plans

Who should purchase this type of coverage?

This coverage will be of value to you if you are between the ages of 18 and 65, and:

- You are concerned about the impact a critical illness could have on your family's finances
- You or your family wish to complement existing individual income protection plans
- Your health or income precludes you from qualifying for individual income protection
- You or your family wish to complement existing group or association disability plans

What are some of the key features?

- Benefit amount options range from \$25,000 to \$2,000,000.
- A "non-cancellable plan" means that for you, as long as premiums are paid, the insurer cannot change the provisions or premiums, or cancel the policy.
- A "guaranteed renewable plan" means that for you, as long as premiums are paid, the insurer cannot cancel the policy. The insurer may change future renewal premiums. This change will apply to all relevant policies that share a characteristic or combination of characteristics that the insurer determines as showing risk.
- Your choice of coverage to age 65, 75 or 100.

- **Early assistance benefit:** 10% of the critical illness benefit is payable (to a maximum of \$50,000) if the insured is diagnosed with and survives the covered conditions of early breast cancer, early prostate cancer, early skin cancer, or requires coronary angioplasty. Payment of this benefit does not reduce the critical illness benefit for future claims.
- **Long term care conversion option:** From age 55 and each year until age 65, you may convert all or a portion of your critical illness insurance coverage to a long term care insurance policy without medical underwriting at the time of your conversion.
- **Return of premium rider:** If you do not make a claim, the premiums you have paid will be refunded at the end of your coverage period. For greater flexibility, you may also choose to terminate all, or part of, your critical illness coverage at specified dates and receive a partial refund of the premiums you have paid, subject to the policy provisions.
- **Return of premium on death rider:** If you die while the policy is in force, any premiums you have paid will be refunded without interest to your estate.
- **Scheduled increase benefit rider:** Get pre-approved for a higher critical illness benefit today, but start your policy at a lower premium and a lower benefit amount. Every two years, your coverage and premiums will automatically increase according to a set schedule, making it easier on your budget.
- **Loss of independent existence rider:** If you develop a condition that leaves you unable to perform two or more activities of daily living (bathing, dressing, eating or toileting, to name a few), or if you suffer a cognitive impairment, a lump sum benefit will be paid to you.
- **Disability waiver of premium rider:** If you become disabled for 90 days, we will waive premiums that are due and will refund premiums paid during your 90-day waiting period.
- **Limited premium payment option:** This option allows you to accelerate your payment period to age 65 when no further premiums are payable. Your policy will remain in force until age 75.

What illnesses or injuries does it cover?

The plan pays a lump sum benefit, even if you recover fully or do not suffer a loss of income or reduced ability to work, in the event you meet the policy definition of any of the following covered critical illnesses:

- Alzheimer disease
- Aortic surgery
- Benign brain tumor
- Blindness
- Cancer
- Coma
- Coronary artery bypass surgery
- Deafness
- Heart attack
- Heart valve replacement
- Kidney failure
- Loss of independent existence*
- Loss of limbs
- Loss of speech
- Major organ failure on waiting list
- Major organ transplant
- Motor neuron disease
- Multiple sclerosis
- Occupational HIV infection
- Paralysis
- Parkinson disease
- Severe burns
- Stroke

* Loss of independent existence is included in non-cancellable plans.

Your benefit can be paid to you after a 30-day survival period for most conditions. Refer to the policy for specific definitions and exclusions.

Important: Not all Critical Illness policies cover all illnesses and injuries. It is imperative that you review these terms and conditions. As an example, Critical Illness Insurance issued by a bank for mortgage protection may only cover a very limited number of illnesses.

Notice:

The information contained in this section is intended solely for the readers' guidance and must not be considered as advice specific to the readers' financial situation and therefore not relied upon as advice or representations as to taxation and related matters. Readers should seek independent legal, tax, accounting and financial advice as to how the information contained here within relates to their own unique financial planning circumstances.

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