



Life Insurance

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Critical Illness Insurance Worksheet

This worksheet has been developed from conversations with actual clients who have developed critical illness covered conditions and didn't have critical illness coverage. The determination of amounts is based partially on their feedback as to how much coverage they felt they should have had. The recommendations on the specific policies were developed after comparing and contrasting over 15 of the top critical illness contracts in Canada.

Please note that before purchasing critical illness insurance you must ensure that you have sufficient life insurance and long term disability insurance.

Critical illness is a complex product. This worksheet is a brief summary of a large amount of material listed on our website. We recommend you use it in conjunction with the details provided in our critical illness pages on our website. Please pay particular attention to the pages on the pitfalls of critical illness insurance as well as the various covered conditions and general contract provisions. You can read these pages by visiting www.lifeinsurancecanada.com and clicking on the Critical Illness Tab.

The worksheet is split into three sections designed to focus on the important parts of your purchase decision. These three sections are:

1. How much critical illness insurance?
2. What type of critical illness insurance?
3. Choosing a company/comparing critical illness quotes.

At any time please feel welcome to call our offices, toll free, at (866) 662-5433 for a personal consultation with an expert. We hope that you'll select Life Insurance Canada.com Inc. as your broker of choice when you make the decision to proceed.

1. How much critical illness insurance?

Determining how much insurance is always a matter of determining your losses (or additional expenses) that occur. In the case of critical illness insurance, consumers frequently also want coverage for potential services that they don't currently have; services such as experimental drug coverage and out of country medical treatment. For each of the line items below, consider how much coverage you need and write the number into the spreadsheet. Your total is the amount of coverage you should consider. Note that well insured (life insurance and long term disability coverage) families have indicated coverage amounts in the amount of approx. \$25,000 to \$50,000. Sources indicate that industry averages are in the neighbourhood of \$100,000.

Loss/Expense Estimates

	Insured #1	Insured #2
Loss of income (# of months X monthly income)	_____	_____
Loss of spouse's income (# of months X monthly income)	_____	_____
Travel/food/hotel costs to be near treatment center	_____	_____
Additional expenses (child care, house cleaning, etc)	_____	_____

Other Consideration Estimates

Out of country treatment (\$50,000-\$100,000?)	_____	_____
Experimental or other drugs (\$25,000-\$50,000?)	_____	_____

TOTAL	_____	_____
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What type of critical illness insurance?

Like life insurance, there are two basic types of critical illness insurance; term and permanent.

If you expect to need critical illness insurance forever, then you should purchase permanent critical illness insurance. Permanent coverage provides lifetime coverage with level premiums. Initial premiums for this type of coverage are higher than term coverage. Permanent critical illness coverage is also known as Term to 100.

If you expect to need the coverage only for a specific period of time – perhaps to retirement age, or until your children are self-sufficient, then you should consider term critical illness insurance. Term coverage has premiums that are level for a period of time (the 'term') then the premiums increase for a similar term. So 10 year term critical illness coverage provides premiums that are level for 10 years, then the premiums increase for another 10 years. 20 year term provides coverage with premiums that are level for 20 years. Term coverage eventually expires, after which point the coverage is cancelled.

In summary, if you expect to keep the coverage forever consider permanent or Term to 100 critical illness. If you expect to cancel the coverage in the future, consider 10 year or 20 year term critical illness coverage.

Note: Many critical illness policies offer 'return of premium', sold with the jingle “get all your money back if you don't have a claim”. This option comes at a higher price. We recommend not purchasing this option. See our www.lifeinsurancecanada.com under critical illness return of premium for more information.

Choosing a Company/Critical Illness Quotes

For this section, you'll need to run critical illness quotes on our website (visit www.lifeinsurancecanada.com and click on the Critical Illness tab to run your instant quotes).

Looking at the printout of companies, premiums, and covered conditions, eliminate all the companies that use non-standard contract wording. From there, looking at the companies that offer coverage for the most covered conditions. The least expensive 2 or three companies that meet this criteria will be your starting point.

Next determine if you want coverage for “Complications due to Infections diseases (E. Coli, Lyme disease, west nile, and flesh eating disease)”. Compare the difference in premium between Desjardins Harmony (which has this coverage) and your current selections. If you want this coverage for the additional price, choose Desjarins Harmony. Otherwise, keep your existing selection.

Finally, if you want coverage for Loss of Independence, compare the difference in premium between your current selection and Manulife's critical illness policy. Note that Manulife's policy does not cover bacterial meningitis, superficial malignant melanoma and aplastic anemia. If you want this coverage for the additional premium, choose Manulife. Otherwise keep your existing selection.

With your selection in hand, the last step is to review company underwriting and service. This isn't something we're able to easily summarize. Instead, with your selections handy, please call our office at (866) 662-5433 and ask for Glenn. He'll step you through finalizing your company selection as well as the application process.