



Wealth Management  
Dominion Securities

# Critical Illness Insurance: Smart investing for your child's future.



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When a family welcomes a new child, parents and grandparents are eager to do something meaningful. Sometimes that's opening a trust, setting up an education fund, or helping with a down payment on a home. But there's another option that can offer considerable peace of mind and financial security: a critical illness policy.

While no parent wants to consider the possibility of their child becoming sick, the reality is that it does happen. And while you can't prevent a critical illness, you can minimize the financial worry. Here's how critical illness insurance can help.

A critical illness policy pays a tax-free lump sum benefit in the event that your grandchild or child is diagnosed with a qualifying illness (such as cancer, heart attack or stroke). This benefit can help your family navigate a difficult time, enabling you to focus on the child's health rather than family finances.

### You can use the tax-free benefit to:

- Pay for specialized or alternative treatments not covered by group or government-sponsored plans
- Cover expenses so that you can take a leave from work to be by a sick child's side during treatment and recovery
- Cover travel expenses to and from the hospital
- Pay for in-home nursing or home care support
- Pay for respite care so that you can share some personal time with the other children in your family
- Pay for home or vehicle modifications to improve accessibility
- Continue saving for a special family vacation, your children's education, or your retirement



## Case Study: A unique way to use critical illness insurance

This example demonstrates how you can provide your child with critical illness insurance protection plus access to cash that could help you fund their education or start a business if they never make a claim.

### The situation:

Suzanne and Cameron welcome baby Evan, their first child. Both parents are well educated with good careers, and want the same for Evan. As a nurse, Suzanne has seen the impact a child's illness can have on a family. While they hope it won't happen to them, if it does, Suzanne wants to know she'll be able to stay with Evan through his treatment and recovery without impacting the family's finances.

### The need:

- Money to protect the family's financial plan should Evan become ill
- Access to cash after 20 years if there's never a claim
- Lifetime critical illness coverage for Evan that is paid in full after 20 years

### The solution:

- A critical illness insurance policy with a \$83,168 benefit
- 20 years of \$125.01 monthly premiums and then the policy is paid in full
- Coverage to age 75 with return of premiums at surrender/expiry rider (ROPS/E)

### In the future:

At age 20, Evan does a partial surrender, reducing his coverage amount from \$83,168 to \$20,000. Upon surrender, Evan will receive a tax-free return of premiums of \$22,787, which he can use to fund his education or start a business. Following the surrender, Evan will continue to have paid-up critical illness protection of \$20,000 until age 75. At any time, he can fully surrender his policy for the remaining \$7214.

Critical Illness insurance pays if the child gets sick.  
ROPS/E pays if they don't.

**Premium Summary:**

Total Initial Monthly Premium: \$125.01  
 Total Initial Annual Premium: \$1,389.01

**Illustrated Premium Mode: Monthly**

**Selected Coverage:**

	<u>Sum Insured</u>	<u>Coverage Provided To Age</u>	<u>Initial Monthly Premium</u>
EquiLiving 20 Pay coverage to Age 75	\$83,168	75	\$71.18
Return of Premiums at Surrender/Expiry		75	\$14.30
Return of Premiums on Death		75	\$35.03
Policy Fee:		20	\$4.50

Age	Year	Sum Insured**	Total Monthly Premium	Total Annual Premium	Return of Premiums on Death	Return of Premiums at Surrender/ Expiry
1	1	\$83,168	\$125.01	\$1,389.01	\$1,500	\$0
2	2	\$83,168	\$125.01	\$1,389.01	\$3,000	\$0
3	3	\$83,168	\$125.01	\$1,389.01	\$4,500	\$0
4	4	\$83,168	\$125.01	\$1,389.01	\$6,000	\$0
5	5	\$83,168	\$125.01	\$1,389.01	\$7,501	\$0
6	6	\$83,168	\$125.01	\$1,389.01	\$9,001	\$0
7	7	\$83,168	\$125.01	\$1,389.01	\$10,501	\$0
8	8	\$83,168	\$125.01	\$1,389.01	\$12,001	\$0
9	9	\$83,168	\$125.01	\$1,389.01	\$13,501	\$0
10	10	\$83,168	\$125.01	\$1,389.01	\$15,001	\$0
11	11	\$83,168	\$125.01	\$1,389.01	\$16,501	\$0
12	12	\$83,168	\$125.01	\$1,389.01	\$18,001	\$0
13	13	\$83,168	\$125.01	\$1,389.01	\$19,502	\$0
14	14	\$83,168	\$125.01	\$1,389.01	\$21,002	\$0
15	15	\$83,168	\$125.01	\$1,389.01	\$22,502	\$16,876
16	16	\$83,168	\$125.01	\$1,389.01	\$24,002	\$19,202
17	17	\$83,168	\$125.01	\$1,389.01	\$25,502	\$21,677
18	18	\$83,168	\$125.01	\$1,389.01	\$27,002	\$24,302
19	19	\$83,168	\$125.01	\$1,389.01	\$28,502	\$27,077
20	20	\$83,168	\$125.01	\$1,389.01	\$30,002	\$30,002
60	60	\$83,168	\$0.00	\$0.00	\$30,002	\$30,002
65	65	\$83,168	\$0.00	\$0.00	\$30,002	\$30,002
70	70	\$83,168	\$0.00	\$0.00	\$30,002	\$30,002
75	75	\$83,168	\$0.00	\$0.00	\$30,002	\$30,002