

## Transition

# STAY BY YOUR CHILD'S SIDE

Coping with a critical illness diagnosis for a child is very difficult. Transition critical illness insurance provides invaluable financial aid for parents who want to stay with their children during this time.



### Case study: Tyler and Lucy

#### Current situation

- Tyler and Lucy have 7-year-old twins: Sarah and Julia
- They live in a small town far from any major urban centre

#### Employment

Both parents work full time

#### Debts

A mortgage and a car loan

#### The situation

What would happen if one of the twins was diagnosed with a critical illness?

How would these parents take care of both their sick daughter and their healthy daughter?

Could Tyler or Lucy take unpaid leave?

How would they take care of their monthly financial obligations?

## The financial impact for Tyler and Lucy

If Julia were to be diagnosed with brain cancer, a critical illness like this could put a lot of financial strain on the family.

It would be a challenge to cover their fixed financial expenses as well as the additional expenses related to the illness. Dealing with a loss of income and continuing to take good care of Julia and Sarah would be very stressful for the parents.

|  |                 |
|--|-----------------|
| Loss of net income (seven-month leave)                   | \$20,000        |
| Travel and accommodation expenses during hospitalization | \$4,500         |
| Childcare expenses (for Sarah)                           | \$3,000         |
| Household maintenance expenses and meal preparation      | \$2,500         |
| Private tutoring service (for Julia and/or Sarah)        | \$3,500         |
| <b>Total</b>   | <b>\$33,500</b> |

## Transition solutions

### COVERAGE OPTION 1

#### T20 – 4 illnesses

Coverage: \$20,000

Premium: **\$18/month**  
(Sarah and Julia)

With this coverage, the couple could:

- Cover a loss of income if one of them had to take unpaid leave if that one of the twins became critically ill

### COVERAGE OPTION 2

#### T20 – 4 illnesses

Coverage: \$35,000

Premium: **\$26/month**  
(Sarah and Julia)

With this coverage, the couple could:

Benefit from the same advantages provided by Coverage Option 1

#### Plus...

- Cover expenses associated with travel and accommodations during hospital stays
- Pay to have help with housework
- Pay additional childcare and homework help expenses

### COVERAGE OPTION 3

#### T100 – 25 illnesses

20-year payment period  
Coverage: \$35,000

Premium: **\$80/month**  
(Sarah and Julia)

With this coverage, the couple could:

Benefit from the same advantages provided by Coverage Option 2

#### Plus...

- Provide critical illness insurance coverage to their daughters for their whole lives, with no premiums to pay after 20 years

## Advice Zone

If Tyler or Lucy choose permanent coverage for their twins, they can transfer the coverage to them when they become adults.

With the 20-year payment option, the premium would be fully paid and the twins would benefit from coverage for the rest of their lives. There is also a 10-year payment option available.

#### Important:

To be eligible for payment of the face amount, Julia's cancer diagnosis must be consistent with the definition provided in the policy. This definition may include certain exclusions or limitations. It is important to be aware of these.

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