



CRITICAL ILLNESS
INSURANCE

Transition

MAINTAIN YOUR FINANCIAL INDEPENDENCE

Transition critical illness insurance can be an invaluable support for single-parent families who are facing a critical illness and want to maintain their financial independence.



Case study: Laurie

Current situation

36 years old and single mother of an 8-year-old girl

Occupation

IT consultant

Individual disability insurance coverage

Maximum benefit period of 6 months

Debts

A mortgage loan and a car loan

Her situation

What would happen if Laura was diagnosed with a critical illness?

How would she pay for her mortgage, her car, her groceries? Who would take care of her daughter while she's sick?

The financial impacts on Laura

If Laura was diagnosed with a critical illness and needed a nine-month recovery period, her income would be reduced for the first six months as her insurance covers 70% income replacement for that period.

After that, she would have to cover all of her expenses, with no income.

Loss of net income (disability income of 70%)	\$7,110
Loss of net income (from 6 to 9 months)	\$23,700
Subtotal:	\$30,810
Help with housework	\$7,400
Childcare expenses	\$5,200
Homework tutoring (private)	\$5,600
Total	\$49,010

Transition solutions

COVERAGE OPTION 1

T25 – 4 illnesses

Coverage: \$30,000
Face amount decreasing to 50%

Premium: **\$19/month**

With this coverage, Laura could:

- Cover her financial obligations during her leave from work while her child is fully dependent on her
- Cover her loss of revenue during her recovery

COVERAGE OPTION 2

T25 – 4 illnesses

Coverage: \$50,000
Face amount decreasing to 50%

Premium: **\$25/month**

With this coverage, Laura could:

Benefit from the same advantages provided by Coverage Option 1

Plus...

- Pay to have help with housework
- Pay additional childcare and homework help expenses

COVERAGE OPTION 3

T25 – 25 illnesses

Coverage: \$50,000

Face amount level

Premium: **\$35/month**

With this coverage, Laura could:

Benefit from the same advantages provided by Coverage Option 2

Plus...

- Ensure complete coverage

Advice Zone

Laura could also take out critical illness insurance for her 8-year-old daughter.

That way, if her daughter became critically ill, Laura would be able to take unpaid leave to stay by her side, while keeping up with her financial obligations.

T20 - 4 illnesses → Coverage: \$50,000 → **\$13/month**

Important :

To be eligible for payment of the face amount, Laura's critical illness 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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