

Personal or corporate-owned critical illness insurance

Which one is best for **your needs?**

Critical illness insurance is a great way to help protect either yourself or your business, if you experience a life-threatening condition. Canada Life™ pays a tax-free critical illness insurance policy benefit to you (for a personal owned policy) or to the business (in a corporate-owned policy). This lump-sum payment can help fund additional expenses associated with a critical illness. Since we pay the benefit directly to the beneficiary, creditor protection may be available.

Let's review the following considerations to compare whether personal or corporate-owned critical illness insurance is right for your needs.

CONSIDERATIONS	WHICH ONE MAKES SENSE?	
	CORPORATE-OWNED POLICY	PERSONAL-OWNED POLICY
Require money for medical expenses, personal living expenses, other costs, etc. while you recover		X
Hire someone to replace a keyperson (or you) while they recover	X	
Personal loan protection (e.g. mortgage)		X
Business loan protection (e.g. mortgage, business line of credit, etc.)	X	
Business overhead expense protection	X	
Funding a buy-sell provision of a shareholder's agreement	X	X
Personal funds available to cover insurance premiums		X
Protect your personal financial portfolio		X
Protect your business financial portfolio	X	
Ability to claim a medical expense tax credit		X
Tax savings on premiums if using dollars earned from active business income ¹	X	

This comparison is for general information only and isn't legal or tax advice. You should always obtain your own tax or legal counsel before you make a purchasing decision, particularly in complex ownership situations.

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¹Subject to the small business tax deduction. Tax rules and interpretations subject to change.

Critical illness insurance pays a one-time lump-sum benefit if you are diagnosed with a critical condition (as defined in the policy) and satisfy the survival period (usually 30 days).

Creditor protection can vary between provinces and depends on court decisions and applicable provincial legislation. It can never be guaranteed. Clients should talk to their lawyer to find out more about the potential for creditor protection for their specific situation.

