

Term Plus

Needs Analysis Total Disability Rider

The Total Disability Rider is a credit protection that can be added on Term Plus life insurance.

By choosing the Total Disability Rider to cover credit insurance needs, insureds will receive a monthly benefit in case of a total disability to help maintain their financial commitments and relieve financial worries.

Disability rider with guarantee – Proof of loan upon purchase: Guarantees monthly indemnity payments up to \$2,000 when proof of loan is provided at the time of purchase

Disability rider without guarantee – Proof of loan upon claim: Proof of loan is required at the time of claiming

Importance of a needs analysis for disability protection as insurance needs change

The monthly benefit amount requested should be based on a needs analysis, considering eligible loans and monthly loan payments eligible for disability coverage. It is important for advisors and clients to meet periodically to ensure that the disability protection at any given time corresponds to the client's needs.

Needs analysis

Name of client: _____

Stay at home spouse or spouse on parental leave: Yes No (if yes, maximum monthly indemnity is \$1,000)

Loans to insure	Balance	Monthly payment	Loan already insured?*	Monthly indemnity requested
Mortgage loan	\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Mortgage line of credit	\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Personal line of credit	\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Personal loan	\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Car loan	\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Student loan	\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Other loans				
	\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
	\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Total	\$	\$	Insurance need Report this amount in section C of the insurance application.	\$

* A loan already covered under another disability insurance is not eligible. For the indemnity period up to age 65, only residential mortgage loans or mortgage lines of credit are eligible for the disability rider with guarantee (proof of loan upon purchase).

X

Signature of client

Y | Y | Y | Y | M | M | D | D

Date

X

Signature of advisor

Y | Y | Y | Y | M | M | D | D

Date

Eligibility

The insured must:

- Take out Term Plus life insurance
- Work at least 21 hours per week
- Have worked at least 8 months out of the year, at least 21 hours per week

A stay at home spouse or spouse on parental leave:

- is eligible for a monthly indemnity only when the working spouse subscribes to Term Plus life insurance (the spouse's name must appear on the loan document for which insurance is requested); and
- is eligible to subscribe to a maximum monthly indemnity of up to \$1,000 for a benefit period of 2 years.

Note that a spouse on parental leave must have a regular occupation insurable according to our criteria to be eligible for a maximum amount of \$1,000.

Eligible loans

To be eligible for coverage in case of total disability, a loan must have been taken out with a financial institution in Canada and the object of the loan must be located in Canada. The name of the insured as holder of the loan or line of credit, the monthly amount required and the remaining balance of the loan or line of credit must be indicated in the document of the financial institution.

The following loans are eligible:

- a mortgage loan or line of credit;
 - a personal loan or line of credit;
 - a loan for the purchase or lease of an automobile, motorcycle, boat or recreational vehicle;
 - a student loan;
 - a commercial loan; and
 - a loan for investment purposes (as long as the object of the loan does not generate rental income).
- For the indemnity period up to age 65, only residential mortgage loans or mortgage lines of credit are eligible for the disability rider with guarantee (proof of loan upon purchase).

The following loans are not covered:

- loans between individuals and credit card balances; and
- any loan already covered under another disability insurance policy.

Loan for an apartment building with rental units

A loan for an apartment building with rental units is considered eligible if:

- the insured owns and lives in the building; and
- the building has no more than 6 apartments, including that of the insured.

Loan for a building housing a business

A loan for a building housing a business is considered eligible if:

- the insured owns the business;
- the business occupies at least 50% of the building's inhabitable area; and
- the business revenues are generated from the occupation carried out at this location.

Benefit payable upon disability

Disability rider with guarantee – Proof of loan upon purchase

This entitles the insured to a guaranteed indemnity amount of at most \$2,000 when proof of eligible loan and monthly payments is provided at the time of purchase.

At claiming: When the monthly indemnity indicated in the policy is \$2,000 or less: No additional proof of loan will be requested and the payable benefit will be the amount indicated in the policy. When the monthly indemnity indicated in the policy is more than \$2,000: Additional proof of loan and monthly payments at the time of claiming will be required to justify the full amount of the payable monthly indemnity, not just the amount in excess of the \$2,000.

In this case, the payable benefit is the higher of the following amounts: \$2,000.

The total of the eligible monthly payments without exceeding the monthly benefit amount indicated in the policy.

Disability rider without guarantee – Proof of loan upon claim

The payable benefit is based on the proof provided at claiming and the eligibility of the monthly payments.

At the time of claiming, the payable benefit corresponds to the lesser of the following amounts: The monthly indemnity indicated in the policy

The total of the eligible monthly payments

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