

Universal Loan Insurance



MORTGAGE  
INSURANCE

# FLEXIBLE COVERAGE FOR ALL LOANS UNDER ONE ROOF



For advisor use only

We can't prevent the unexpected, but we can prepare for it.

### The facts speak for themselves

**1 in 7 Canadians** are disabled at any given time.

Source: Statistics Canada, Commissioners disability table A

**1 in 2 Canadians** live paycheque to paycheque.

Source: BDO Canada Affordability Index 2019

**48% of bankruptcies and mortgage foreclosures** are due to a disability

Source: *Get sick, get out: the medical causes of Home Mortgage foreclosures*

**The average length of a disability over 90 days is 2.9 years.** In Canada, this represents an average loss of income of \$150,000

Source: Statistics Canada

### Universal Loan Insurance

A preferred option that helps your clients make full or partial monthly payments on all their eligible loans in the event of a disability after an illness or an accident.

- One single contract for all their loans
- Monthly, non-taxable benefits up to \$10,000 depending on your client's occupation class
- Benefits are not integrated and are paid directly to the insured
- Coverage can be transferred from loan to loan throughout the life of the contract (some loans may end and others may be added)
- Rent for the primary residence is considered an eligible loan
- For all types of workers, including employees, business owners and self-employed workers



## All your clients' loans under the same insurance policy

All loans in the insured's name with financial institutions or recognized organizations that involve minimum payments at regular intervals are eligible, such as:

<b>Mortgages</b>	Coverage for the primary residence of up to 125% of the mortgage payment to include fixed expenses (taxes, utilities, etc.) Coverage for apartment buildings (monthly benefit limited to \$3,000 for a building with 4 or more apartments) and commercial buildings
<b>Lines of credit</b>	Coverage for monthly interest payments, whether payable or not, as well as an additional monthly amount equal to 0.5% of the balance owing When a monthly minimum payment is required, benefits are limited to the amount required by the financial institution, to a maximum of 3% of the balance owing In the case of predetermined monthly payments, these may determine the monthly benefit The maximum benefit period shall be the lesser of 15 years or the selected benefit period
<b>Rent</b>	100% of the monthly cost for renting a primary residence The maximum benefit period is 2 years
<b>Car, boat, motorcycle or recreational vehicle loans</b>	Lease or purchase
<b>Personal, joint, commercial or corporate loans</b>	The maximum benefit period for a commercial or corporate loan is limited to 2 years
<b>Leverage loans for investment purposes</b>	Coverage for monthly payments corresponding to the monthly interest payments on the borrowed capital The maximum benefit period shall be the lesser of 15 years or the selected benefit period
<b>Credit cards</b>	Coverage for monthly payments consisting of the average minimum payment required for the 3 months preceding the disability and 3% of the balance owing at the beginning of the disability The maximum benefit period shall be the lesser of 15 years or the selected benefit period

### Note:

- For loans partially covered by other insurance, the non-insured portion is considered an eligible loan.
- When a loan is taken out by several parties, with a solidary obligation, that loan is 100% eligible for each of the insureds, to a maximum of the loan's total monthly payments.
- For a spouse who is not engaged in remunerative work, the maximum benefit period is 2 years.
- No benefit shall be payable beyond the maturity date for eligible loans.



## Eligibility

- Between 18 and 59 years old, inclusive, at the time of entry into force; and
- Working, at least:
  - 21 hours per week on a regular and continuous basis; or
  - 8 months per year totalling 1,050 hours; or
  - 4 months per year totalling 1,050 hours (rider for seasonal workers required)
- Spouses not engaged in remunerative work also eligible
- Insurance open to newcomers under certain conditions



## Built-in benefits at no additional cost

<b>Gradual return to work</b>	When an attending physician recommends a gradual return to work, the monthly disability benefit paid before the return to work is adjusted by the number of days worked.  Minimum waiting period of 30 days, maximum benefit period of 2 months.
<b>Coverage from day 0</b>	For day surgery or hospitalization over 18 hours
<b>Extension to age 75</b>	For insureds who are still working full time at age 65, disability coverage for accidents only may be extended to age 75, without evidence of insurability.  Maximum benefits equal to 50%, maximum benefit period of 2 years and waiting period of 90 days.
<b>Waiver of premiums in the event of total disability</b>	At the end of the waiting period, subject to a 30-day minimum, when total disability occurs before age 60.
<b>Maintenance of coverage in the event of temporary loss of full-time work</b>	Disability insurance coverage maintained for a period of up to 12 months
<b>Coverage in the event of a recurring disability</b>	No waiting period for a successive period of total disability separated by less than 6 or 12 months (based on occupation class) when the disability is due to the same illness or accident.
<b>Reinstatement of benefits</b>	Within the two years following the reduction of insured monthly benefits, the possibility to reinstate monthly benefits up to the initial level, subject to a short declaration of health

## Enhance your clients' coverage with options adapted to their reality

<b>Partial disability</b>	Insured eligible for up to 50% of the monthly benefit starting from the end of the waiting period for a maximum of 12 months.
<b>Extension of the regular occupation period</b>	Coverage period for regular occupation extended from 2 to 5 years (except for occupation class C) or up to age 65 (except for classes B and C).
<b>Broader definition for seasonal or contractual workers</b>	Eligibility for insurance extended if the insured works 1,050 hours per year, but within only 4 months per year.
<b>Return of premiums</b>	With this option, 50% of all premiums paid by the insured for disability insurance are returned. In the event of a claim, the return will be 50% of the premiums paid less all claims paid for disability insurance coverage. Premiums may be returned at age 55, 60 or 65 and the contract must have been in force for at least 120 months. Payment of a return terminates the disability insurance coverage. This coverage is available only with the level premiums to age 65 option.
<b>Coverage for a spouse without remunerative work</b>	Allows the insured to cover their spouse without remunerative work. Maximum coverage of \$1,000 per month, with a waiting period of 90 days. Maximum benefit period of 2 years.

## Even more coverage with our riders

<b>Death, dismemberment or loss of use</b>	Up to \$350,000 following an accident
<b>Accidental fracture</b>	Up to \$10,000
<b>Extended medical care</b>	Lifetime maximum of \$100,000 Medical care further to an accident: hospitalization expenses, ambulance, private home nursing, chiropractor, osteopath, physiotherapist, medications, dental accident, etc.

This documentation is a short summary of the coverages and conditions in the contract. Please refer to the policy provisions, including limitations and exclusions.

We require proof of rent or loan only at time of claim.

In case of disability, your clients only need to submit one single claim for all their active loans!

## Coverage

<b>Coverage</b>	Accident and illness
<b>Monthly benefits</b>	From \$300 to \$10,000. Maximum of \$3,000 for buildings with 4 or more apartments.
<b>Benefit period</b>	2 years   5 years   Up to age 65 Non-integrated benefits
<b>Regular occupation period</b>	2 years   5 years   Up to age 65
<b>Waiting period (in days)</b>	30/30+   60/60+   90/90+ With the “+” option, benefit payment can commence from the first medical consultation in the case of an accident. In all cases, in the event of day surgery or hospitalization of at least 18 hours, benefits are payable from the first day.
<b>Premium payments</b>	Level for 5-year periods   Level up to age 65
<b>Underwriting</b>	Based on coverage selected as well as age, occupation, gender and smoking status.
<b>Occupation classes</b>	4A, 3A, 2A, 1A, B and C Occupation class enhancement available based on certain criteria related to type of employment, years of experience and income, except for class C.

### A few tips

- It may be worth it to recommend that your clients opt for a longer regular occupation period for a few dollars more so that they can avoid the ups and downs of the real estate market. If your client has 5 years to sell their home if needed, this could be a reassuring and beneficial option.
- Combine Universal Life Insurance with 10-, 15-, 20- or 25-year term life insurance for comprehensive coverage and to save your clients money on policy fees!
- Recommend Universal Loan Insurance as a complement to group or individual disability insurance to maximize potential coverage.



## Target markets

Most of your clients have debts and you want to help them protect themselves in case of disability?

Here are a few specific examples to narrow it down!

1

Clients who have group insurance

In the event of disability, most group insurance plans provide an average of 66% of the client's income, at the most. Also, a change in employment could cause them to lose their group insurance.

**With Universal Loan Insurance:**

- ✓ Your clients keep their full disability insurance coverage
- ✓ Benefits are not integrated and do not affect the income replacement payments from their group insurance

2

Business owners, self-employed workers and professionals

With traditional disability insurance, the eligible benefit amount is based on income and is subject to maximums that can easily be insufficient for your clients' needs.

**With Universal Loan Insurance:**

- ✓ Your clients benefit from financial flexibility with disability benefits up to \$10,000 per month, non-integrated

3

Families

A disability can put a significant strain on families, who often have multiple financial commitments.

**With Universal Loan Insurance:**

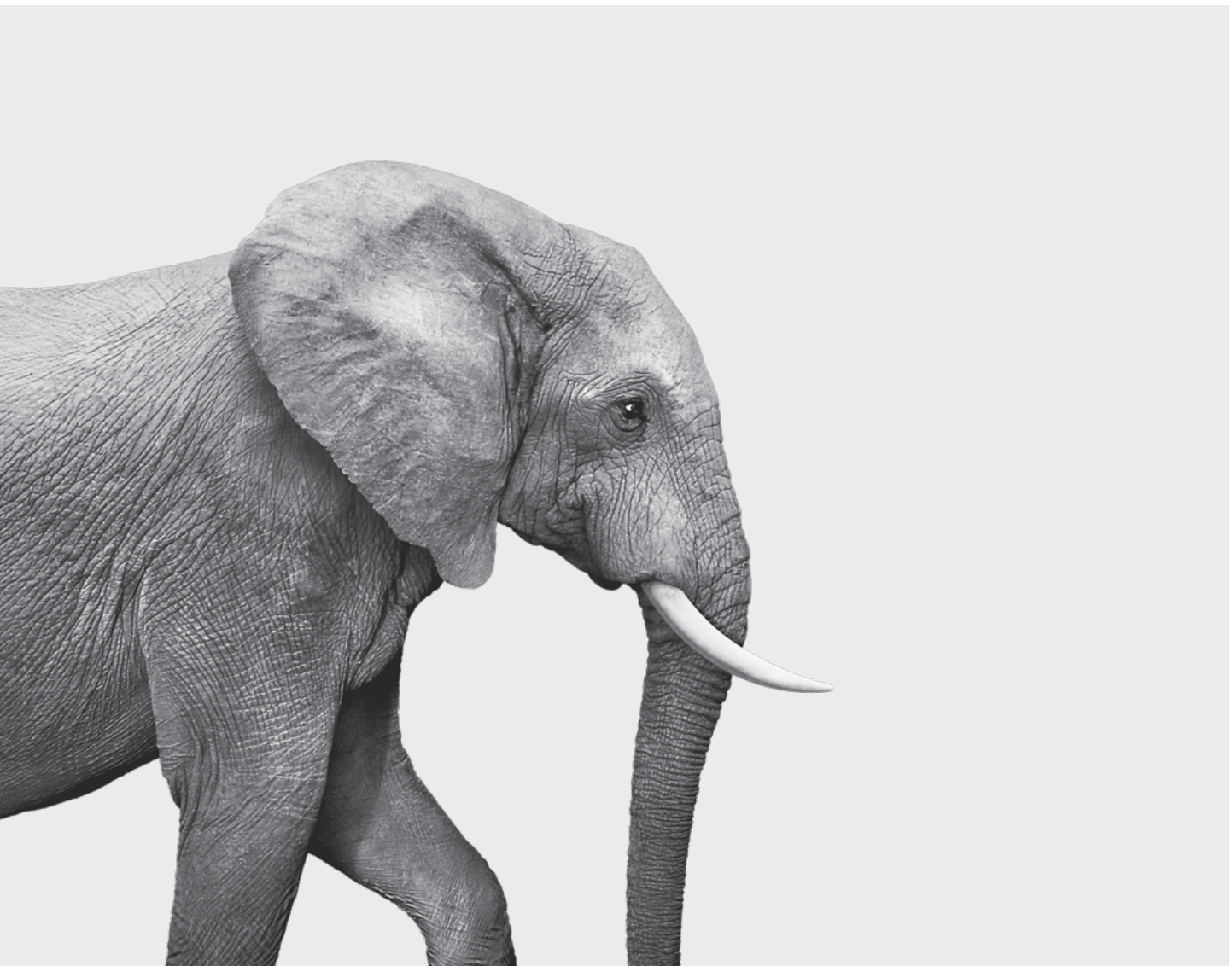
- ✓ Your clients can make monthly payments on all their loans, including rent, if applicable (limitations apply)
- ✓ Spouses not engaged in remunerative work can also be protected under this coverage

Universal Loan Insurance does not require any proof of income. Clients only have to show proof of the status of their debts when making a claim.



## Learn more

For an overview of the product features, please refer to the document F13-1090A, [Living Benefits Product Summary](#), available in the Document Centre.



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