

# Insurance solutions For you and your family

## **Creditor Insurance** **Protection for those you care about**

Creditor insurance products (which are sometimes called credit insurance or creditor's group insurance) are voluntary protection products that provide families with peace of mind in knowing that financial debts will not become a burden during the difficult times that life's uncertainties can bring.

### **Why Creditor Insurance?**

If you're like most of us, you likely have a mortgage, line of credit or personal loan. If you die or become disabled and are unable to work, creditor insurance can help reduce or pay off your financial obligations. It's a smart way to make sure you and your family are protected.<sup>i</sup>

### **What are the benefits?**

Creditor insurance is an affordable option available through your credit union. The premiums are easy to pay and in some cases are included in the loan balance. You can apply for creditor insurance any time you borrow and you'll rest easy knowing your loved ones are protected.<sup>ii</sup>

## **Mortgage Insurance** **Protection for your home**

Chances are your home is the single largest purchase that you will make in your lifetime. This is why it is important to protect your investment. Mortgage insurance covers the payments on your mortgage if you pass away unexpectedly or are unable to work due to an illness or injury. It can provide financial security for you and your family.

### **Life Coverage**

In the event of your death, mortgage insurance helps pay off or reduce your outstanding balance. The coverage remains in effect throughout the term of your mortgage, for up to 30 years or to your 75th birthday, whichever comes first.

### **Disability Coverage**

If you become disabled due to a covered illness or injury, after the first 60 days your mortgage payments may be covered up to a maximum of 24 months of your disability. The maximum lifetime benefit is \$72,000.

### **Easy to apply**

If you are between the ages of 18 and 65, you can apply for mortgage insurance directly through your credit union either at the same time you apply for your mortgage or at any time while you still have the mortgage.

### **Convenient to pay**

With your authorization, each month the premium will be automatically deducted from your chequing account. You'll never have to worry about forgetting a payment and, unlike other programs, your premiums will not increase as you get older.

## **Line of Credit Insurance** **Protection for your line of credit**

You draw on a line of credit to provide you with financial flexibility. Credit insurance in connection with your line of credit helps provide you with payment protection each time you borrow. With both life and disability coverage to choose from, you can prevent your loan from becoming a burden in difficult times.

### **Life Coverage**

In the event of your death, credit life insurance is designed to reduce or eliminate the balance on your line of credit, up to a maximum of \$100,000.

### **Disability Coverage**

If you cannot work due to a covered illness or injury, credit disability insurance can help pay your monthly loan payment. In the event of total disability, after the first 30 days, your line of credit payments may be covered up to a maximum of \$3,000 per month for up to 24 months. This is in addition to the other insurance or employee benefits you may have.

### Easy to apply

You can apply for credit life insurance at your credit union if you are between the ages of 18 and 69. For credit disability insurance, you must be between the ages of 18 and 59 and actively working. Available in both single and joint coverages.

### Affordable and convenient

For just a few dollars a month, you can protect yourself from the worry of making payments if something should happen to you. Plus, with automatic deductions from your account, paying your monthly premium is easy.

## Personal Loan Insurance Protection for your personal loans

Who will make your loan payments if you can't? That's a worry you won't have to face with credit insurance on your personal loans. If you die or become disabled, your loan may be reduced or paid off, or your monthly payments may be made for you. It's one less thing to worry about.

### Life Coverage

In the event of your death, credit life insurance is designed to reduce or eliminate the balance on your personal loan, up to a maximum of \$100,000 per loan.

### Disability Coverage

If you become disabled due to a covered illness or injury, disability coverage can help make your monthly loan payment if you are unable to work. Coverage begins after a 30-day waiting period and could be paid up to a maximum of \$1,500 per month for up to 72 months.

### Easy to apply

You can enrol for credit life insurance if you are between the ages of 16 and 65 and coverage is automatic. To apply for credit disability insurance, you must be between 16 and 59, and must be working at least 20 hours a week at the time of application.

### Joint Coverage

Coverage is available for up to four borrowers. If you have multiple borrowers, be sure they are also protected with joint life and disability coverage. You can include them in the affordable Credit Life and Disability plans, ensuring complete peace of mind for your family.

### Convenient to Pay

With the premium financed within the loan, you never have to worry about missing a premium payment.

## Critical Illness Insurance Protection for your recovery

Being diagnosed with a critical illness can take an emotional and financial toll on you and your loved ones. Have you considered how you would care for yourself and your family in the event of a critical illness where working may not be possible while you recover?

### What it can do for you

Critical Illness Insurance could free up money you can use to support your recovery. When critical illness strikes, this optional protection helps you focus on your family and your recovery, not your finances.

### How it works

Critical Illness Insurance is available as a rider on life insurance for your mortgage, line of credit or loan. It provides coverage in the event you are diagnosed with a covered illness (cancer, stroke or heart attack). The coverage provides a lump sum payment that may help reduce or pay off your outstanding mortgage, loan or line of credit. It can help you manage your costs without affecting your savings or standard of living.

### Did you know?

1  49 years old

The average age of a Critical Illness Insurance claim. <sup>1</sup>

2  70,000

The estimated number of heart attacks in Canada each year. <sup>3</sup>

## Is your family ready for life's uncertainties?

Help protect yourself and your loved ones from the burden of financial obligation with credit life and disability coverage. It's protection you can count on – and so can they.

Use the following worksheets to see if your existing coverage would be enough to meet your financial obligations in the event of death or disability.

### Life Insurance coverage

\$ \_\_\_\_\_ Current Life Insurance

\$ \_\_\_\_\_ Savings/Investments after tax<sup>iii</sup>

### Minus obligations

\$ \_\_\_\_\_ Burial expenses

\$ \_\_\_\_\_ Mortgage

\$ \_\_\_\_\_ Child care/education

\$ \_\_\_\_\_ New loan

\$ \_\_\_\_\_ Credit Cards/Lines of Credit

\$ \_\_\_\_\_ Existing Loans

\$ \_\_\_\_\_ Other Debts

\$ \_\_\_\_\_ Total Obligations

\$ \_\_\_\_\_ Net proceeds

### Disability coverage

\$ \_\_\_\_\_ Monthly Net Income

\$ \_\_\_\_\_ Disability Plan

\$ \_\_\_\_\_ Disability pay

\$ \_\_\_\_\_ Disability Plan

### Minus monthly obligations:

\$ \_\_\_\_\_ Mortgage/rent

\$ \_\_\_\_\_ Utilities

\$ \_\_\_\_\_ Food

\$ \_\_\_\_\_ New loan

\$ \_\_\_\_\_ Credit cards/lines of credit

\$ \_\_\_\_\_ Existing loans

\$ \_\_\_\_\_ Car insurance

\$ \_\_\_\_\_ Other insurance costs

\$ \_\_\_\_\_ Child care/education

\$ \_\_\_\_\_ Other monthly expenses

\$ \_\_\_\_\_ Total monthly expenses

\$ \_\_\_\_\_ Remaining income

For more information about your protection needs, speak to your credit union.

i All insurance products referenced herein provide a general description of the benefits of creditor life and disability insurance. Limitations, exclusions and eligibility requirements also apply to these products. For a full explanation of coverages, limitations, exclusions and eligibility requirements and applicable premiums, please contact your credit union.

ii Creditor insurance is voluntary and there is no obligation to purchase.

Check with your credit union for information on products, rates and exclusions.

iii Assets of the deceased are deemed to be sold at current fair market value and taxed at the deceased's marginal tax rate (certain exceptions may apply). This rate is suggested to create an estimate and does not reflect personal financial or tax advice. This information is based on the current Income Tax Act (Canada). You should obtain independent tax/financial advice for your tax plan.

<sup>1</sup>Munich Reinsurance Co., 2005

<sup>2</sup>The Heart and Stroke Foundation Research Report 2014/2015



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