

Understanding Critical Illness Insurance

Critical Illness Policies pay the face amount to the insured or beneficiary upon occurrence of one of the insured specified illness events.

Disability Policies pay a monthly income during the period that the insured is deemed unable to work under the terms of the contract.

Life policies pay the face amount to the beneficiary in the event of the death of the insured.

In selecting which type coverage is most suitable to meet the needs of a situation, it is important to compare the relative probability of occurrence based on age group and the relative costs of coverage.

Probability of a Claim for Critical Illness, Disability for 180+Days, or Death Prior to Age 65

	Critical Illness Claim		Disability Claim for 180+ Days	Death Claim	
	Male	Female	Unisex	Male	Female
Age 30	30%	25%	19%	9%	7%
Age 35	29%	24%	19%	9%	7%
Age 40	28%	23%	18%	9%	7%
Age 45	25%	21%	17%	7%	6%
Age 50	20%	16%	16%	5%	4%
Age 55	13%	10%	13%	4%	3%

Source: Critical Illness - Canada Life Actuarial Study

Claims Statistics are Based on Canada Life's *Living Advantage Policy*, which was a *Specified Diseases & Illnesses Only Policy*, not available.

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Critical Illness Markets:

- Physicians
- Non Working Spouses
- Succession Planning
- Debt—Mortgage
- Investment depletion
- Charitable Giving
- DI overlay
- Grandparent coverage (parent) (grandchild)
- Self Employed (DI)
- Out of Pocket Health expense
- Out of Network treatment
- Home renovation (due to illness)
- Increase deductible
- Rated DI and non covered occupations
- Singles
- Caregivers
- Occupational retraining
- Invest for better retirement horizon
- Provide travel for you and family for treatment
- Take a needed vacation
- ????

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