



## Financial security in case of disability



**Desjardins**  
Insurance

LIFE • HEALTH • RETIREMENT

Cooperating in building the future

# If you couldn't work and earn an income, would you still be able to afford your mortgage payments? Would you be able to repay your other loans?

**SOLO™ Loan Insurance** from Desjardins Insurance repays your loans if you're unable to work because of an illness or accident.

Studies show that nearly 50 percent of bankruptcies and mortgage foreclosures are caused by disability.<sup>1</sup> Life today is challenging, so take some pressure off your shoulders...

<sup>1</sup> Robertson, Christopher T., Egelhof, Richard and Hoke, Michael, *Get Sick, Get Out: The Medical Causes of Home Mortgage Foreclosures*. *Health Matrix: Journal of Law-Medicine*, Vol. 18, No. 65, 2008.

## How to get started?

It's easy. Your advisor can help you:

1. Make a list of your current monthly loan payments
2. Evaluate your monthly loan repayment amount in case of disability
3. Complete a Desjardins Insurance application for **SOLO Loan insurance**

### Eligible loans

- Mortgage and mortgage line of credit with repayment of capital (+25% for taxes)
- Line of credit
- RRSP loan or any other loan to finance an investment
- Renovation loan
- Personal loan
- Car, motor home, boat, motor bike loan or long-term leasing
- Student loan
- Credit card
- All other fixed-term loans with regular payments available from financial institutions authorized to do business in Canada.

Financial evidence of loans or other eligible monthly liabilities will be requested only at the time of the claim.

**SOLO Loan Insurance is not granted on specific loans but rather on the sum of your eligible loans at time of claim.**

This insurance is flexible because it takes into account that your loans may vary over time. This means that between the time you apply for the insurance and when a claim is submitted, as one debt commitment is repaid it may be replaced by others. For example, if you pay off your mortgage and you take out a long-term lease for a motor home or a renovation loan, at the time of the claim, your loans will be fully covered, up to your amount of insurance.



Let's take a look at some of the decisions you need to make...

### 1. Monthly benefit

How much per month do you need?

\$

Your advisor will help you itemize your current loans and evaluate your current insurance protection and monthly needs outlined by your budget.

### 2. Waiting period

In case of disability, how long would you be able to make your loan payments without insurance benefits?

- 30 days       60 days       90 days

The waiting period is the length of time that must elapse before the benefit is paid. The longer the waiting period, the lower the cost of insurance. Consider whether your emergency fund is sufficient enough to allow you to wait 90 days before benefits begin. If it isn't, then choose the 30- or 60-day period.

**Keep in mind that the DFS benefit is calculated starting on the first day in the event of hospitalization or day surgery.**

### 3. Benefit period

How long would you like to receive the monthly benefit?

- 2 years       5 years       Up to age 65

Your decision should be based on the loan amortization period. If you aren't able to afford the third option, keep in mind that two years is still long enough to allow you to make changes to your life that would reduce your liabilities.

# Options available

## 1. Partial disability

If you were partially disabled, you would likely work fewer hours or reduce your responsibilities, resulting in a lower income. In such a case, would you be interested in receiving 50% of your monthly benefit?

Yes  No

While many individuals select the partial benefit option, you should discuss your needs with your advisor.

## 2. Future insurability option

If your monthly loan payments were to increase, would you want to top up your loan insurance by paying higher premiums, without having to provide evidence of insurability?

Yes  No

Evidence of insurability means you provide health information and undergo medical exams to show the insurer your current health status. Generally speaking, as we get older, we have more health issues and it is more difficult to obtain insurance.

## 3. Regular Occupation Period Extender rider

Do you value your work so much that you wouldn't want to do anything else?

Yes  No

If you become disabled, you will be entitled to receive benefits if you are unable to perform your regular occupation. This definition applies for the first 24 months of the benefit period.

After this period, you will continue to receive benefits if you are unable to perform a replacement occupation, which is defined as an occupation for which you are reasonably qualified and that could provide you with at least 60% of the annual income you were receiving before you became disabled.

However, if you opt for a Regular Occupation Period Extender rider, you will still receive benefits if you are unable to perform your regular occupation, and even if you are able to perform a replacement occupation.

Don't let a disability, caused by an unexpected or untimely accident or illness, create more stress and debt or threaten your lifestyle. Once you're covered with **SOLO Loan Insurance**, if you call your advisor to tell them you're unable to work, they'll say:

**“Don't worry about your loan payments; your insurance covers them.”**



# What loans do you currently hold?

Current loan	Monthly payment (\$)	Responsibility (%)	Part of your monthly payment that you have responsibility for (\$)	Remaining amortization period
	A	B	A x B	
<b>TOTAL</b>				

## FIVE REASONS why you will love SOLO Loan Insurance

1. You get just **ONE** insurance contract to cover all your loans.
2. You are **INDEPENDENT** from your creditors.
  - You own your insurance, so it remains in force even if you change financial institutions.
  - Your monthly benefit is paid to you rather than to your creditors.
3. You make your **OWN DECISIONS** to fit your monthly benefit needs.
4. You benefit from great **FLEXIBILITY** because a re-paid loan can be replaced by another.
5. You receive the full benefit because it is **NOT TAXABLE** and **NOT INTEGRATED** nor **COORDINATED**, meaning it is not reduced by other disability benefits except with insurance covering the same loan(s).

## That's not all!

**SOLO Loan** offers you even more advantages:

- In case of disability, there is no clause for pre-existing medical conditions, as is generally the case for this type of insurance. That's right, your health is fully evaluated before your contract is issued. Once your contract is issued, the payment of your benefits cannot be refused due to pre-existing medical conditions that you have declared at the time you applied.
- It includes a free expert medical opinion program. Advance Medical gives you access to the world's top physicians in order to confirm your diagnostic, if you feel the need, and determine the best course of care.
- If you changed your job, and that you no longer had group insurance, you would probably want to cover your income rather than your loans. You could then exchange your Loan Insurance for a Disability Income insurance plan.

# A SOLID FOUNDATION FOR YOUR FINANCIAL SECURITY

## DESJARDINS INSURANCE

Desjardins Insurance is a subsidiary of Desjardins Group, the sixth largest financial institution in Canada. Desjardins Insurance ranks fifth among life and health insurers in Canada and first in Québec. For over a century, Desjardins Insurance has provided life insurance, health insurance and retirement savings products to its employees, clients and partners. The company employs nearly 3,800 people in offices across the country, including Vancouver, Calgary, Winnipeg, Toronto, Ottawa, Montréal, Québec, Lévis, Halifax and St. John's.



[desjardinslifeinsurance.com](http://desjardinslifeinsurance.com)



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