



PROTECTING YOUR ASSETS

Before...after...and during retirement

Case Study: EquiLiving Critical illness insurance for temporary and permanent protection

THE SITUATION:	THE NEED:
<ul style="list-style-type: none"> John (35) non-smoker Income \$100,000, 40% tax-bracket \$500 monthly RRSP contribution Goal: retiring at age 60 	<ul style="list-style-type: none"> Keeping his savings and retirement goal from being derailed should he suffer from a critical illness

THE SOLUTION:

Use the tax refund from his RRSP contribution to pay the premiums for:

- \$75,000 EquiLiving CI Level to Age 75 with Return of Premiums on Surrender/Expiry (ROPS) Rider, and
- \$75,000 EquiLiving CI Level to Age 100, (no ROPS Rider)

	John's Plan:
Approximate tax refund from RRSP contribution ¹	\$2,400.00
CI protection before retirement \$75,000 CI, Level to Age 75, with Return of Premiums on Surrender/Expiry Rider (ROPS)	- \$1,250.00 ²
CI protection during and after retirement \$75,000 CI, Level to Age 100 (without ROPS)	- \$1,074.50 ²
Balance remaining from tax refund	= \$ 75.50

¹ Assumes a \$500 monthly contribution and 40% tax bracket ² Annual premium including policy fee. Assumes standard non-smoker rates.

THE FUTURE:

Before retirement:

- Buying both temporary and permanent Critical illness insurance today allows John to take advantage of cheaper rates and generally better health at younger ages.
- If John suffers from a critical illness, the benefit payment from his policies can cover expenses, leaving his retirement intact.

After and during retirement:

- When John retires at age 60, assuming he hasn't made a claim, he surrenders his Level to Age 75 policy with ROPS and receives a return of premiums of \$31,250³
- He uses that money to buy a Life Annuity that provides him with an annual income of about \$1,718⁴. John uses part of that to pay the annual premium on the Level to Age 100 CI policy and invests the rest.
- If he suffers from a critical illness after he retires, the Level to Age 100 policy will help cover expenses.
- With no need to earmark savings to cover possible critical illness expenses, John is free to use all of his RRSP savings to live the retirement of his dreams!

Critical illness insurance pays if John is diagnosed with a covered condition while his policy is in force. The Return of Premiums on Surrender/Expiry Rider returns those premiums³ if he isn't.

ADVISOR USE ONLY

³ The amount of premiums to be returned includes the sum of premiums paid for the CI Level to Age 75 policy including those for any insurance ratings, administration fees, premiums for Return of Premiums on Surrender/Expiry, (if requested in the application and issued with the policy), including any insurance ratings applicable to these Riders. Premiums paid for any other Riders, interest on premiums or premiums waived by Equitable Life under a Disability Waiver of Premium or Applicant's Death and Disability Waiver, will not be returned. Some limitations may apply. Refer to the policy contract. ⁴ Assumes a payout annuity product, single premium investment. Rates as of December 2012. These rates are subject to change and are not guaranteed.

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