

# Critical Illness Impact Calculator

INSURANCE CONCEPT FOR INDIVIDUALS

## Protect your hard earned retirement savings

The Critical Illness Impact Calculator is designed to demonstrate how an unforeseen critical illness could impact the savings that you have put aside for retirement. By providing a comparison of four scenarios relating to your health, we consider your options for critical illness insurance coverage. The numbers are based on your needs, your savings and your plans for the future.



<sup>1</sup>not available with Health Priorities Term 10 and Term 20 coverages. The amount of refund available is based on when the policyholder applies for it and will be reduced by any benefits previously received.

## How can this work for you?

If you are actively working and saving for retirement, this concept is designed to help you conceptualize the effects that a diagnosed critical illness could potentially have on your retirement portfolio. The dual impact of making withdrawals from investments and lost accumulation time can compound the effect of such an unfortunate scenario.

This tool can also help illustrate the potential value of a critical illness insurance contract, whether through a claim or with the optional return of premium upon cancellation<sup>1</sup> that is available with most coverage types.

This concept could assist if you are:

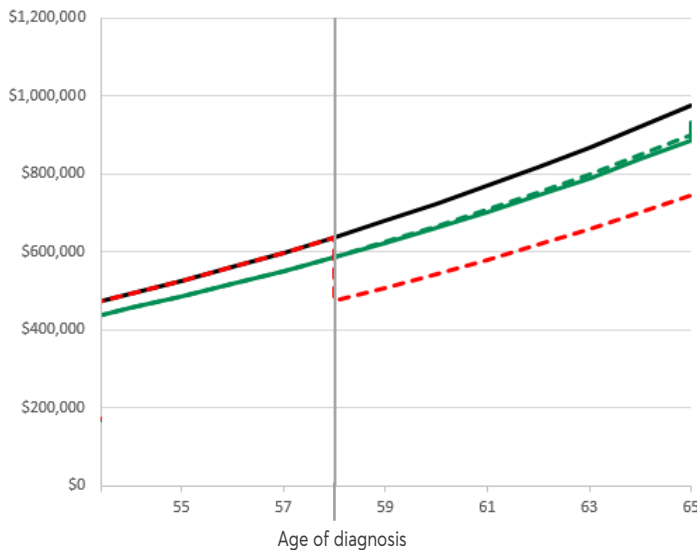
- Working hard to achieve your personal and financial goals.
- Actively investing into your retirement portfolio.
- Concerned about having sufficient assets to retire comfortably.
- Interested in maintaining your financial independence, now and into retirement.

## Shield your savings from a potential critical illness

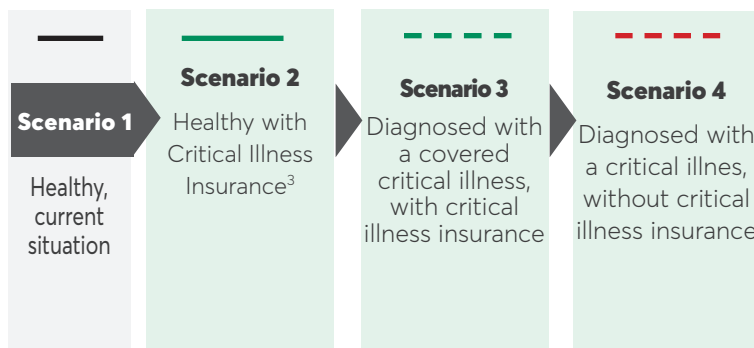
Should you be diagnosed with a critical illness, you may need to take time away from work to seek treatment. The duration of the treatment will depend upon the type and severity of the illness. Insurance is not a replacement for health, however, it may help you maintain your financial independence while you recover.

If your retirement savings are used to support your recovery, this could have a significant impact on the funds that remain available for retirement. Even after returning to work, making up for lost time in the market and potentially missed investment gains, especially within a tax-deferred investment vehicle, can be extremely costly to recover.

### SAVINGS WITH AND WITHOUT COVERAGE<sup>2</sup>



### COMPARING SCENARIOS



<sup>3</sup>assumes that a full refund of premium is obtained at age 65

## Understanding Critical Illness insurance

Given the advances in healthcare, people are now surviving conditions that were once a life sentence. Patients are living for many years after being diagnosed with cancer, suffering a heart attack or stroke, and receiving treatment for other critical illnesses.

Reducing stress during recovery is important. With a critical illness insurance policy, the financial burden of recovering from a covered critical illness diagnosis can be reduced, allowing you to focus on what matters most, your health.

### COVERAGE BENEFITS

In order for a benefit to be payable, the diagnosed critical illness must be a covered condition expressly mentioned in the insurance contract. When benefits are received, the insurance amount is not subject to income tax and can be used at your discretion, for example, to:

- Replace your income should you be required to take time away from work.
- Replace your spouse's income should they take time to care for you during recovery.
- Provide for your current living expenses, debt payments, and retirement savings.
- Pay for medical and non-medical expenses that could arise during treatment.



<sup>2</sup>This graph is based on the example of a client who is contributing regularly to their investment portfolio and the investments are growing until the planned retirement at age 65. The client receives a diagnosis of a covered critical illness condition at age 58 and is faced with additional expenses related to the illness. Scenario 3 assumes that the full critical illness insurance benefit is paid upon diagnosis. Scenario 4 assumes that withdrawals are made from the investment portfolio to provide for these expenses.

## Your quality of life is priceless

Investing in your future should include both a retirement savings portfolio and a health investment account.

The Critical Illness Impact Calculator will allow you to evaluate the possible financial implications of four different scenarios, calculated based upon your desired retirement age. You've worked hard to get to where you are today, keep the momentum going by investing in your health and your future.

If you are diagnosed with a covered critical illness, Desjardins Insurance can help alleviate the financial stress of treatment so that you can focus on recovery.

### Plan to protect your retirement savings with the Critical Illness Impact Calculator

**Maintain your financial independence, now and into retirement.**

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