Life and Health Insurance Shopping Guide

Step-By-Step Approach to Buying Insurance

Desjardins Financial Security™

Money working for people

Life, health, retirement

Life and Health Insurance Shopping Guide

Step-By-Step Approach to Buying Insurance

Table of Contents

Introduction

Shopping for individual life and heath insurance, but don't know where to start?

We've put together the main information you'll need to know and laid out the steps involved to help you with this important task.

Step 1: First, you have to **Analyze your Situation**

Step 2: You should learn more about the **different insurance companies, the services they offer and the products they distribute**.

To do this, refer to **I'm Shopping Around for Insurance** to see what to keep in mind when comparing products.

Desjardins Financial Security also invites you to take a look at **the main features** of the various types of insurance products available on the market. This will help you think of questions to ask insurance representatives and will guide you in the process ahead.

Step 3: You must **prepare for your Meeting With a Representative.**

So you've decided to meet with a representative and are wondering "What **questions should I ask myself before** the meeting? What should I do to **prepare myself** for the encounter? What **questions should I ask the representative?** What should I **expect**?"

To answer these questions, here is some information that will help you prepare for the meeting, feel more comfortable and take an active part in it.

- What I Should do **Before** the Meeting
- What I Should do **During** the Meeting
- What are our mutual Responsibilities and Expectations?

To learn more, refer to the following sections:

- What you should know about Term Life Insurance
- What you should know about Universal Life Insurance
- What you should know about Critical Illness Insurance
- What you should know about the Optional Benefits offered with these types of products?
- How to prepare for the meeting with the representative

Shopping for individual life and health insurance products? Play it smart - follow our guide!

Step 1

I Need to Analyze my Situation

First off, you must make sure you know what to watch out for. After all, your financial security is at stake!

You have to start by analyzing your situation. For assistance, contact **your financial security advisor or life insurance representative**. If you do not have one, call 1-866-838-7553.

What are my needs?

If you're not exactly sure what your **life and health insurance needs are**, there are various tools on the market that will help you determine precisely how much protection you should have.

Desjardins Financial Security offers a **complete range of calculators**[1] that can help you plan every aspect of your personal finances. If you would like to know how much insurance you should take out, **try** one of the two calculators below:

- Life Insurance: **How Much Life Insurance Will I Need?**
- Critical Illness Insurance: **How Much Critical Illness Insurance Will I Need?**

What is my budget?

Another crucial factor to bear in mind when shopping for insurance is how much **you can afford**.

Using our **budget calculator,** Where's My Money Going?[2] you'll get a better idea of your current situation and the changes you should make. You'll have the information you need to make adjustments and work toward your financial goals.

What is my situation?

Whether you're single, in a relationship with or without children, a single parent, or even approaching retirement, **it's important that your insurance products grow and evolve with your changing needs** and correspond to your present and future situation.

We've put together various examples of customizing for personal or family situations similar to yours. See how you can adapt the protection you choose to meet your current and future needs. Examples are available on the Desjardins Financial Security Website under **I Need Advice Tailored to My Situation**.

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[2] The calculators are available on the Desjardins Financial Security Website at http://www.dsf-dfs.com/en-CA/Prtclrs/Prtclrs.htm

What are my priorities?

Finding it hard to make ends meet? Build your financial security step by step according to your priorities, financial means, and family situation. For examples of how Desjardins Financial Security's products can make this possible, contact our experts for specialized advice.

For assistance, contact **your financial security advisor or life insurance representative**. If you do not have one, call 1-866-838-7553.

Next sections in your Insurance Shopping Guide

- How to Choose Insurance
- Term Life Insurance
- Universal Life Insurance
- Critical Illness Insurance
- Optional Benefits
- Meeting With a Representative

Step 2

I'm Shopping Around for Insurance

There's really not much difference between shopping for insurance products and shopping for other kinds of consumer products.

For example, when you're looking for a car, do you care only about price or do you get to know the main features of the various models on the market? Do you inquire about after-sales service? Do you take the time to learn about consumer satisfaction levels?

Below you'll find all the information you need to comparison shop for life and health insurance products and make the right choice!

Comparison Shop for Insurance

- About the company
- About the services it offers
- About the products it distributes

About the company

It's important to know who you're dealing with, particularly since you're buying their products. You should therefore check the following:

- **The company's reputation and financial strength.** For Desjardins Financial Security, see Information on the Company (hyperlien) on our Website.
- **Whether the company is a member of Assuris**. Assuris is to the life and health insurance industry what the Canada Deposit Insurance Corporation is to banks, trust companies, and loan companies.

About the services it offers

Informed advice: When it comes to financial products, getting informed advice from qualified staff is essential. After all, your financial security is at stake!
At Desjardins Financial Security, our advice is provided by specialists and comes complete with **personalized service for all your special needs.** Don't hesitate to contact one of our advisors at **1-866-838-7553.**

- For **professional guidance and suggestions tailored to your needs and budget** as you set about the important task of ensuring your financial security.
- **Customer service:** What could be better than the red-carpet treatment, the kind you can only get from staff who are qualified, available, attentive to your queries, and able to offer you personalized service. Inquire about after-sales service - the key to good customer service - and make sure you get the advice you need. Don't settle for anything less!

- **Information:** Information is available from many sources in the industry. Whether it's in the form of publications, Websites, conferences, seminars, or tradeshows, get to know what's out there. Staying well informed is always a big help when it comes time to make a decision.

Visit our online Resource Centre and discover the complete range of information Desjardins Financial Security makes available to you, including articles, handy links, tools, FAQs, and much more.

About the products it distributes

- **Quality:** Good products at great prices? You'll find some on the market that fit this bill. But when your financial security is at stake, some other questions have to be asked. Do the products meet your needs? Are they flexible enough to evolve with your needs when you need them? Will they cover your needs for a sufficient period of time? Can you insure your whole family? A quality product is your only guarantee of satisfaction: Choose one that meets your expectations.

- **Features:** Before shopping for insurance products, you need to arm yourself with information on the various product features available. That way, you'll be better able to compare.

Take a quick look at the tables showing **the main features of the various types of products offered by the insurance industry.** This information will guide you in the process ahead.

To learn more, consult:

- What you should know about Term Life Insurance
- What you should know about Universal Life Insurance and how you can take advantage of this product
- What you should know about Critical Illness Insurance
- What you should know about the Optional Benefits offered with these types of products
- Meeting with the representative

Price: Some people only consider price when making a purchase. Others take into account aspects they consider equally important such as after-sales service, or else compare product features to help them in their decision.

Whichever way you shop for insurance products, make sure they're sold at competitive rates and that they meet your requirements.

To find out more on the costs of the life and health insurance products offered by Desjardins Financial Security, don't hesitate to contact **your financial security advisor or life insurance representative**. If you do not have one, call 1-866-838-7553.

Term Life Insurance

Term life is the most common type of life insurance on the market.

Generally inexpensive, at least in the beginning, term life insurance meets specific temporary or short-term needs. It's therefore important that the product you choose be the right one for your situation.

What you should know about term life insurance

- How term life is sold
- Coverage
- Insuring other people
- Premiums
- Special features and optional benefits
- When should you consider taking out term life insurance?

How term life is sold

Term life is sold on its own or combined with other kinds of life and health insurance coverage.

It's also possible to get term life coverage through a universal life product and thereby enjoy more advantages and flexibility. To learn more about universal life, consult **What you should know about universal life insurance**.

If you would like to learn more about the term life insurance offered by Desjardins Financial Security, don’t hesitate to contact **your financial security advisor or life insurance representative**. If you do not have one, call 1-866-838-7553.

Coverage

Age and coverage limits

The limits vary from product to product and from company to company and apply to:

- the amount of insurance coverage you can purchase, and
- the age of the insured. (Insurers use two main ways to determine age: some use the age of the insured on their last birthday and others use their age on their closest birthday.)

Term

The term is the duration of the temporary insurance coverage. The terms most frequently offered on the market are 1, 5, 10, 20 and 100 years.

Renewable
Renewable means you can renew your insurance coverage at the end of each term for another one. This can be repeated up to a certain age, at which time the coverage will cease. You should check:

- whether you have the right to renew and, if so,
- whether you can renew without having to provide evidence of insurability, and
- the age up to which coverage can be renewed.

Convertible
Convertible means you have the right to convert the term life coverage into permanent coverage that will cover you for as long as you live without having to provide evidence of insurability. You should therefore check:

- whether you have the right to convert and, if so, up to what age, and
- whether permanent coverage premiums are preset and guaranteed for life.

Insuring other people

Perhaps you want other people, such as your spouse or business partners, to be insured under your term life coverage. If so, make sure you have the flexibility of the following options, just in case:

- each person can be insured individually, but under the same term life policy;
- each person can be insured jointly with the others on a first-to-die or last-to-die basis.

Premiums

Guaranteed premium
What exactly does a guaranteed premium mean? To determine if your premium is guaranteed, answer the following questions:

- Are the term premiums fixed and locked in for the duration of the selected term?
- Does this apply each time the term is renewed? Note that with term life, the premium rises with each renewal to reflect the insured's age at the time of renewal.
- Do you already know what premiums will be payable at each renewal? Are they guaranteed?

Preferred rate
Some companies may also offer discounts on premiums because of the insured’s good physical condition and good overall health.

If you think you're in good health, it's important to find out whether the company offers preferred rates. You may pay less. Don’t forget to find out what criteria are used to get preferred rates, as they vary from company to company.

Payment terms

Insurers offer a variety of premium payment methods:

- Can the payments be made on a monthly, quarterly, semi-annual or annual basis? It's important to compare premiums with the same frequency because one policy may be more competitive than another at one frequency, but not at a another frequency.
- Can you make your payments by preauthorized bank withdrawals, credit card, cheque, etc.?

How to compare premiums

When comparing term insurance costs, you should check for the features mentioned above.

Some are automatically included in the price or available for a surcharge.

The same company may also offer different premiums depending on the sex of the insured, their health, whether they're a smoker or a non-smoker, how risky their occupation is, etc.

A set fee reflecting administration costs for your insurance policy is also usually included in your total premium.

Special features and optional benefits

- Companies sometimes offer **special features**. One of the most common is the accelerated benefit or living benefit, which is payment of a portion of the insurance amount when an insured is diagnosed with a serious illness and has only a certain time left to live.
- Companies may offer several **optional benefits** besides term life insurance. To get an idea of what they can provide, refer to **What you should know about optional benefits**.

When should you consider taking out term life insurance?

Term life insurance is ideal for covering debts or other short-term insurance needs in the event of your premature death. For example:

- To cover the education costs and ensuring the financial security of your kids until they leave home.
- Pay off the mortgage on the family home or cottage, where your kids had so much fun and which are full of memories.
- To pay off your student loan.
- To pay off other debts, such as a car loan, credit card balances, etc.
- To buy the shares of a deceased business partner without putting the financial heath of the company at risk.
- To provide a short-term alternative when you cannot afford long-term coverage.

Also in Your Insurance Shopping Guide

- What you should know about universal life insurance
- What you should know about critical illness insurance
- What you should know about optional benefits
- Meeting with a representative

Universal Life Insurance

Universal life insurance is an increasingly popular consumer product.

Compared to other products offered by the insurance industry, it generally provides greater flexibility and caters to wider range of needs.

Although the products offered vary from company to company, we have identified the main features and described them here to help you compare.

What you should know about universal life insurance

- How universal life is sold
- Insurance coverage
- Investments
- Loan and surrender provisions
- Insurance costs and fees
- Payments
- When should you consider taking out universal life insurance?

How universal life is sold

The main feature of a universal life insurance policy is its flexibility. What does this mean? A policy is flexible if, under the same contract, you can:

- Build your financial security step by step, based on your priorities, financial means, and family situation.
- Satisfy your various needs, thanks to your universal life insurance policy's two main components: insurance coverage and investment options that allow tax-sheltered savings.
- Make changes to your policy as your needs and situation change, at your convenience.

The flexibility of universal life insurance should offer you the choice of term life insurance coverage with different terms, permanent insurance coverage, health insurance coverage and mortgage insurance coverage. In short, acquiring universal life insurance is a lot like buying a house. You have to know your needs, plan according to your priorities, and set objectives based on your current and future financial means.

For example, a young single professional woman opts for term coverage to cover her debts and funeral expenses on her death. A few years later she is in a relationship and has a child and therefore adds insurance coverage to ensure the financial wellbeing of her child until he/she leaves home in the event of her death. Buying a home leads her to add mortgage insurance to her universal life insurance policy, etc.

Not all the universal life insurance policies on the market offer the possibility of adding coverage as your needs change. Find out what features they offer.

Take the time to get more information on the many advantages available to you under universal life insurance. Don't hesitate to contact **your financial security advisor or life insurance representative**. If you do not have one, call 1-866-838-7553.

Coverage

Certain universal life insurance products offer a variety of **life and health insurance coverage options** you can choose from to best meet your needs.

Choice of coverage

- **Life insurance** offering protection in the event of death. Life insurance products include temporary coverage offering terms of 1, 5, 10 or 20 years, for example; permanent coverage with or without a guaranteed cash surrender value; and mortgage insurance.
  The benefits payable at death can also be highly flexible, and may be either fixed or variable, depending on whether or not indexing is available. The amount of the indexing, where applicable, may be either a set amount or a percentage.
  To find out more about the main features of term life coverage refer to **What you should know about term life insurance**.

- **Critical Illness Insurance** to build up a reserve in the event of a serious illness. To find out more about the main features of critical illness insurance, refer to **What you should know about to critical illness insurance**.

- **Optional benefits:** companies may offer several optional benefits besides life and critical illness coverage. For more information on some of these benefits refer to **What you should know about optional benefits**.

It is a good idea to ask the following questions regarding the coverage and find out about the different terms and conditions that apply:

- Can you choose more than one of the coverage options available? For example, can you start with a 10-year term if your current budget is limited and upgrade your coverage as your financial situation improves?

- If your needs and available financial resources change, can you add or withdraw coverage at a later date?

- Is it possible to insure a number of people individually with similar or different coverage options under the same universal life insurance policy? Can insureds be added, removed or replaced during the term? What is the maximum number of persons that can be insured?

- Can you combine individual coverage and joint first-to-die or last-to-die coverage under the same contract?

- In the case of first-to-die coverage, will you be able, in the event of death, to take out new coverage under the same universal life policy without having to provide evidence of insurability?

- Does the permanent life insurance coverage you are considering include a guaranteed cash surrender value?

Investments

In addition to life and critical illness coverage, various investment accounts are also available that allow you to **save and accumulate interest tax-free**.

Minimum and maximum investment

Investment accounts often require minimum deposits, which vary depending on the type of investment selected.

Maximum amounts are usually determined based on the limits set under the Income Tax Act so that the universal life policy can keep its tax-exempt status.

If you decide to save via a universal life insurance policy, it's a good idea to check the following information and the terms and conditions that apply:

- Is the savings component required? In the event of death, are your savings payable to your beneficiaries in addition to the insurance amount?
- What kind of investment accounts are available: variable-term, guaranteed investments with simple or compound interest, index-linked investments, etc.?
- Is there a guaranteed minimum interest rate?
- Can you diversify your savings portfolio through different investment accounts and transfer funds from one account to another at any time?
- Can you start or stop saving whenever you wish or change the amount of your contributions?
- Can you use these savings to pay for your insurance coverage?
- In the case of last-to-die coverage, can the accumulated savings be paid out in the event of the first death?
- Is it possible to register these savings as an RRSP? Although it is quite rare, some companies offer this option.
- Are you entitled to annual investment bonuses that increase your tax-free savings? You should not only check the percentage bonus offered, but also the factors that trigger a bonus.
- In the event of illness or disability, can you access your savings in the form of tax-free disability benefits?

Loan and surrender provisions

At some point in your life, you may run into situations where you need extra resources or cash flow. Find out what the various insurers have to offer and which conditions apply.

Surrendering savings

If you decide to withdraw your savings, when and at what frequency can the surrender be made? Can savings be withdrawn in part? What is the minimum and maximum amount you can withdraw?

Is there a surrender fee other than the market value adjustment? If so, over what period does it apply?

Borrowing against or surrendering the guaranteed cash value

If you purchase permanent life insurance that offers guaranteed surrender values, can these values be used to pay for your universal life insurance? If so, what is the interest rate that will apply to the loan? If you wish to obtain the surrender value, will the surrender lead to the cancellation of one or more of your insurance coverage options or change the insurance amount?

Insurance costs and fees

Insurance costs and fees may be levelled or variable, guaranteed or subject to change, and may apply indefinitely or only for a given period. Check which options are available to you.

Insurance costs

Insurance costs vary depending on the type of life and critical illness coverage you choose, the number of insureds, whether it is payable on a first-to-die or last-to-die basis, the sex of the insured, their state of health, whether or not they are a smoker, and other factors.

- Preferred rate: Some companies may also offer discounts on premiums because of the insured’s good physical condition and overall health. If you think you're in good health, take the time to get more information. Don’t forget to find out what criteria are used to get preferred rates, as they vary from company to company.

Fees

- Administrative fees may include policy fees. Can these fees be paid in a lump sum? Generally, universal life insurance also includes management fees for the various investment accounts. Is there a guaranteed maximum for these fees?

- Surrender fees: these fees often apply on the partial or total surrender of the savings or if a coverage is removed. If this is the case, they may be charged for a certain period. In the event of the surrender of savings, keep in mind that most institutions take into account the market value of the surrendered investments to determine the refund amount.

How to compare payments

The amount you spend on universal life insurance will vary depending on the features listed above, including the life and critical illness coverage you choose, the savings you invest, the number of years over which you make payments, and the return on your investments.

This makes it difficult to compare costs from one company to another. However, you should still make a point of asking about the minimum payment required to take out universal life insurance.

I deserve the very best!

If you decide to take out universal life insurance, make a point of dealing **your financial security advisor or life insurance representative**. If you do not have one, call 1-866-838-7553. Given the wide range of options available, it's worth seeking professional advice on how to best customize universal life insurance for your specific needs.

When should you consider taking out universal life insurance?

Universal life insurance not only includes the traditional insurance coverage offered under all life insurance plans, but also tax-advantaged investment possibilities.

Before taking out universal life insurance:

- you must have a need for life insurance coverage
- be debt-free, and
- have no more RRSP contribution room.

Generally, universal life insurance is intended for people who:

- want to establish a savings portfolio that accumulates tax-free, or
- want to increase their wealth for their estate
- are looking for flexibility and want to establish their financial security gradually based on their life events, priorities and financial means.

Also in your Insurance Shopping Guide

- What you should know about term life insurance
- What you should know about critical illness insurance
- What you should know about optional benefits
- Meeting with a representative

Critical Illness Insurance

Critical illness insurance is increasingly attractive to individuals looking to secure their financial health in the event of illness.

A number of companies now offer this type of insurance, each with its own set of conditions. Take the time to familiarize yourself with the main features of this type of insurance so that you can better compare the various offers when shopping around.

What you should know about critical illness insurance

- How critical illness insurance is sold
- Coverage
- Illnesses covered, restrictions and exclusions
- Refund of premiums
- Insuring other people
- Premiums
- Optional benefits

How critical illness insurance is sold

- Some critical illness policies are sold alone or combined with other types of critical illness or life insurance coverage.
- You can also take out critical illness insurance under a universal life policy and thereby enjoy greater benefits and flexibility. To find out more about universal life insurance, refer to **What you should know about universal life insurance**.
- More and more insurance products now combine the payment of benefits in the event of critical illness along with the payment of a death benefit. This type of product is generally less expensive than buying life and critical illness coverage separately, since the benefit amount normally payable at death is reduced by the amount paid in case of critical illness.

However, before choosing this combined product, ask yourself if you want your death benefits to remain the same following a critical illness. If so, then purchasing separate critical illness insurance coverage is the better choice.

At Desjardins Financial Security, critical illness insurance is sold alone, with other types of life and health insurance coverage, or as part of a plan that combines the payment of a critical illness benefit with a death benefit. To find out more about critical illness insurance, don’t hesitate to contact **your financial security advisor or life insurance representative**. If you do not have one, call 1-866-838-7553.

Coverage

Age and coverage limits

The limits vary from product to product and company to company on

- the amount of critical illness insurance you can purchase, and
- the age of the insured. (Insurers use two main ways to determine age: some use the age of the insured on their last birthday and others use their age on their closest birthday.)

Duration and type of coverage

Different options are available:

- For example, is the amount of coverage fixed or does it decrease with time? Is it the same for all the illnesses covered?
- At what age does coverage end?
- If you choose a policy whose premiums increase over time so as to maximize your protection in the short term based on your available budget, can you change the policy later to freeze your premiums without having to provide evidence of insurability?

Illnesses covered, restrictions and exclusions

Find out **which illnesses and surgeries commonly covered** by insurance companies are provided under the particular critical illness insurance policy you want to purchase, for example:

- Heart attack, stroke, coronary bypass, cancer, kidney failure, organ transplant, major organ failure on waiting list, multiple sclerosis, blindness, deafness, coma, Alzheimer's disease, Parkinson's disease, loss of speech, loss of limbs, paralysis, etc.

It is also good to know that the definitions of these medical conditions are based on standards of medical practice and that the diagnosis of a condition by a qualified physician practicing in Canada usually entitles the insured to benefits.

However, **some restrictions and exclusions** apply depending on the company and the illness or surgery in question:

- For example, in the case of paralysis, some insurers require that the condition persist for 180 days while others only require that it last for 90 days.

Other exclusions are systematically written into almost all contracts available on the market.

- For example, these exclusions pertain to self-mutilation or the diagnosis of cancer within the first 90 days of the contract taking effect.

Refund of premiums

Many companies automatically refund premiums upon death if no benefits were paid out. But some companies offer more generous refunds than others. For this reason, it is important to clarify the following:

- Does the refund include interest at a predetermined rate?
- Is the refund subject to a maximum limit?

In exchange for a premium surcharge, some companies also offer premium refunds at a specific age. What are the main criteria for refunds, other than not having received benefits?

- Does the refund apply only at a given age?
- Is it paid in full or in part?
- Does it include interest at a predetermined rate?

Insuring other people

Perhaps you would like several other people, such as your spouse or your business partners, to be covered under your critical illness insurance policy.

- Is it possible to provide them with individual critical illness coverage under the same contract?

Premiums

There are certain premium-related features you should inquire into:

- Up to what age are premiums payable?
- Are they fixed or will they change after a predetermined period?
- Are they guaranteed right up to the end of the payment period or, if applicable, for each of the terms?

Payment terms

Insurers offer a variety of premium payment methods:

- Can the payments be made on a monthly, quarterly, semi-annual or annual basis? It's important to compare premiums with the same frequency because one policy may be more competitive than another at one frequency, but not at a different frequency.
- Can you make your payments by preauthorized bank withdrawals, credit card, cheque, etc.?

How to compare premiums

Premiums vary from product to product and from company to company based on the features outlined above, the sex of the person to be insured, their health status, whether or not they are a smoker, whether they have a high-risk occupation, etc. A set fee for policy administration costs is also generally included in your total premium.

It is therefore quite complicated to compare premiums from one institution to another on a uniform basis. For this reason, it’s important to get good advice to ensure that the product you acquire is the right one for your needs and financial resources.

Optional benefits

Companies may offer several optional benefits besides critical illness insurance. To get an idea of what they provide, refer to **What you should know about optional benefits**.

Also in your Insurance Shopping Guide

- What you should know about universal life insurance
- What you should know about term life insurance
- What you should know about optional benefits
- Meeting with a representative

Optional Benefits

In addition to term life, universal life, and critical illness insurance, there are many options that are either offered on their own or as a complement to these coverages that can meet other needs you may have.

For each insurance product you take out, it's important to verify what options you're entitled to, at what age they're available, and whether or not a premium surcharge applies.

For example, here are some options available from Desjardins Financial Security. Other insurers also offer these optional benefits under other names and with slight differences. To clarify things for you, we've identified the main features they include.

What you should know about the optional benefits

- In case of disability
- Insurability guarantee
- In case of accident
- Children's insurance

Disability benefit

If the insured becomes disabled, the insurer pays a monthly benefit. Here are some questions you should ask:

- What is the maximum amount of insurance you can take out? For example, is it based on your work income or the amount of your insurance?
- Before what age must the disability occur for benefits to be paid?
- If you become disabled, up to what age can you receive benefits?
- What is the definition of disability? Two definitions are often given, namely inability to perform your own occupation and inability to perform any occupation. You should check and see for how long each definition applies.
- Is there a waiting period before you can receive benefits? If so, are benefits retroactive?
- Are your benefits reduced if you also receive benefits from another private or public health plan, or from any other source, for the same disability?
- Do the premiums vary according to type of occupation?

Monthly deposits to an accumulation fund in case of disability

Offered exclusively with universal life insurance, this benefit is similar to the **disability benefit** described above, except that benefits aren't paid to the insured, but into a universal life accumulation fund to cover any deductions from it.

Waiver of premiums in case of disability

In case of disability, the insurer will waive the insured's premiums. Here are questions you should ask:

- By what age must disability occur for the company to waive your premiums?
- If you become disabled, up to what age are your premiums waived?
- What is the definition of disability?
- Is there a waiting period before premiums can be waived? If so, are premiums waived retroactively?
- Will all the premiums under the contract be waived?

If you take out coverage for other people, such as family members, some insurers offer an option to have the premiums on this additional coverage completely waived in the event of your death.

Insurability guarantee

This option allows the insured to take out additional coverage without having to provide evidence of insurability. Here are some questions you should ask:

- What are the minimum and maximum amounts of insurance you can take out when you exercise this option?
- Can you exercise this privilege at any time, or only on predetermined dates, events or birthdays?
- What types of coverage are available and at what price?

Accident

Accidental fracture

With this option, the insured will receive a lump sum if he or she suffers a fracture. Here are some questions you should ask:

- How much insurance can you take out?
- Does the amount vary depending on which bone is fractured?
- By what age must the fracture occur for this benefit to be paid?
- What happens if you suffer several fractures in the same accident?
- Is a higher benefit payable in certain circumstances?

Accidental death and dismemberment

In case of accidental death or dismemberment, a lump sum is paid. The main questions to ask for this type of coverage are as follows:

- By what age must the accident occur for the benefit to be paid?
- What is the definition of an accident?
- What is the definition of dismemberment?
- Are there any circumstances in which the company will pay a higher benefit than usual?
- Is a benefit payable each time a dismemberment occurs?

Accidental dismemberment

This benefit is similar to the coverage described in **Accidental death and dismemberment** above, except that accidental death is not covered.

Children's insurance

This type of insurance normally provides coverage until the age of majority or the children are financially independent. Here are some questions you should ask:

- Are all the children insured under one policy or does individual coverage have to be taken out for each child?
- Up to what age are children insured?
- Can the amount of insurance be increased without having to provide evidence of insurability?
- Can this insurance be converted into another type of coverage without having to provide evidence of insurability?

With this insurance, you can obtain other options such as Accidental Fracture and Accidental Dismemberment similar to those described above.

Also in your Insurance Shopping Guide

- What you should know about term life insurance
- What you should know about universal life insurance
- What you should know about critical illness insurance
- Meeting with a representative

Step 3

I'm Preparing to Meet with a Representative

- What I should I before the meeting
- What I should do during the meeting
- What are our mutual responsibilities and expectations?

What I should do before the meeting

- Questions to ask myself
- Making an appointment
- Getting ready

Questions to ask myself

To begin, the following exercise will help me properly understand my needs.

- Prepare a Personal Balance Sheet to evaluate my net worth. This step is the foundation of all sound financial planning. The Personal Balance Sheet is available on the Desjardins Financial Security Website.
- Determine my financial goals and put them in order of priority (for example, maintaining my purchasing power in the event of a critical illness or disability, protecting my family from the financial consequences of my death, preparing for retirement, or purchasing a home).
- Do I want my spouse to be present at the meeting? Would I prefer an individual or a joint action plan?
- How much am I prepared to invest to ensure my financial security and that of my family? I consider this budget item an investment, not an expense. Using the Budget simulator will help me determine how much I have available every month.
- How much individual and group insurance do I have?
- Because I don't want to have to postpone my plans, I've established an investment horizon. To that end, I can use the Saving Up For Something Special simulator.
- What is my investor profile? In other words, in keeping with my personal situation and risk-tolerance level, how should I allocate my investments? A good representative should be able to help me determine my profile.
- What is the value of my assets and savings? Am I satisfied with the results I've obtained in relation to my retirement goals? To answer these questions, I can use the Retirement simulator.
- In what **areas do representatives specialize**? What licences and training should a representative have in order to meet my needs? For more information on this subject, I can consult the definitions of Representative and Financial Planner in the glossary.

Making an Appointment

I contact **my financial security advisor or life insurance representative** who can provide answers to my questions and guide me towards the product most suited to my life insurance needs. If I do not have a financial security advisor or life insurance representative, I simply dial 1-866-838-7553.

- When setting up a meeting, I should feel free to ask the representative the following questions:
  - What is your professional training?
  - What licences do you have?
  - How many years have you been working in this field?
  - What are your areas of expertise?
  - Is there a fee for your services?
  - How are you compensated for your services?
  - What services do you offer?
- I should clearly pinpoint the objectives of the meeting.
  Example:
  - Do I need life or health insurance or an investment program?
  - Do I need a comprehensive financial plan?
- I should specify how much time I have available for the meeting.
- I should ask which documents I need to bring with me (insurance policies, tax returns, etc.).

Getting Ready

- I can use the Internet to research the product or service in question, or ask the representative to send me this information prior to the meeting.
- I should have the documents mentioned by the representative ready for the meeting.

What I should do during the meeting

- During the meeting
- Sample questions to ask

During the meeting

- I should feel free to ask any question that pops into my head. After all, if I were an expert, I wouldn't have to consult a professional!
- If this individual is to be in charge of my financial security, there should be a bond of trust between us.
- I should ensure the representative has a good grasp of my goals, limitations, financial resources, and, if applicable, investor profile.

Sample questions to ask

- Insurance
- Investments
- Other

Insurance

I can consult the Insurance Shopping Guide, which lists the main features of various life, health and disability products. This information can help me determine the points I want to discuss with my representative before purchasing coverage.

Investments

- Are the products recommended consistent with my investor profile?
- Why is the representative recommending a particular investment, and why is it suitable for me?
- What are the returns on the investment suggested, as compared to those of other vehicles?
- Can I cash in the investment at any time?
- What are the terms and conditions for cashing in the investment? If I redeem it before it matures, will I have to pay penalties or suffer tax consequences?
- Are there fees to be paid on purchasing or selling this type of investment?
- How often will I receive a transaction statement?
- If a mistake has been made on my statement, whom should I contact?
- If the representative suggests certain investment strategies, what are their advantages and attendant risks?
- If I invest in an RRSP, when will I receive a receipt for income-tax purposes?
- In the event of my death, what redemption or transfer options would the representative suggest for my investments?

Other

- What products can the representative offer? Are they exclusive? Is the representative acting as a broker with access to a wide range of products?
- Should I sign a contract committing me to deal with this representative over a given period of time?
- If necessary, does the representative have access to other specialists, such as a tax expert or notary, to analyze my file?
- Can the representative establish and monitor a customized action plan? Can I have an example of such a plan?
- How often will we communicate with each other? (N.B.: This means sending me the information I actually need, not a just bunch of irrelevant brochures!)
- Will I be seeing my representative again face to face, or will I have to do business with a subordinate?
- After our first meeting, will the representative be available to answer questions?

Responsibilities and Expectations

When dealing with a representative, we both have **responsibilities** and **expectations**.

- My responsibilities
- My representative’s responsibilities

My Responsibilities

- Supply accurate information on my family and financial status. Inform my representative of any important events occurring in my life, as these may have considerable impact on my financial position (e.g.: I'm A New Parent, I'm No Longer Single and I'm Starting A Business - Examples are available on the Desjardins Financial Security Website). The more data my representative has, the more suitable my action plan will be.
- Stick with my action plan. Showing discipline is the best way to reach my goals.
- Be honest with myself and my representative. If I'm having trouble making insurance investment payments, there's no point trying to hide anything; I should tell my representative, who'll steer me straight and suggest appropriate solutions.
- Make sure my expectations about the return on my investments are realistic, as all investments involve a certain degree of risk.
- Read all literature, contracts and other information provided. If necessary, ask my representative for clarification.
- Keep my file up to date: retain copies of all transactions and any information, documentation and forms received, as well as any notes taken, during meetings with my representative.
- Take responsibility for myself. Although my representative can offer solutions, only I can make the decisions required.

My Representative's Responsibilities

- Demonstrate competence, professionalism and honesty.
- Act to the best of my representative's knowledge and in my best interest.
- Determine my needs, identify my goals, and specify the resources at my disposal to ensure my financial security; recommend an action plan and products tailor-made for my particular situation.
- Provide information on any risks associated with recommendations made.
- Inform me of any possible conflicts of interest involved in making such recommendations.
- Monitor my financial and family situation on a regular basis, in order to make any necessary changes to my action plan.

I can also go to the site of the Chambre de la sécurité financière and consult the Code of Ethics governing my advisor. Under the Consumer Protection tab, under Regulating the Practices, click on the Codes of Ethics option to access the following documents:

- **Code of Ethics of the Chambre de la sécurité financière** (for financial security representatives)
- **Regulation respecting the rules of ethics in the securities sector** (for securities sales representatives)

A financial security representative cannot:

- Make recommendations that are always lucrative. Unfortunately, no one has a crystal ball for predicting the future;
- Make recommendations tailored to my particular situation unless I provide all the information needed to analyze them;
- Monitor my financial position and goals if I do not report events that could influence them;
- Guarantee that I will reach my goals if I do not follow the action plan suggested (regardless of returns).

Glossary

Accidental Dismemberment
This benefit provides for the payment of a lump sum in the event of accidental dismemberment.

Accidental Fracture
This benefit provides for the payment of a lump sum in the event of a fracture.

Beneficiary
Individual other than the policyholder designated to receive benefits under an insurance contract.

Cash Surrender Value
The amount available when a life insurance policyowner surrenders a policy before maturity or the death of the person insured. The surrender value is only recoverable with certain types of life insurance.

Family History
Information on an applicant's family background, including age and health of parents and siblings as well as their ages at death and causes of death, if applicable.

First-to-Die Insurance
A policy taken out by two or more persons where insurance is paid only upon the first death of any of the insureds.

Insurability
Determination by the insurance company as to the eligibility of an individual to be insured. Insurability is based on a report made to the insurer, which enables the insurer to evaluate the risk associated with insuring the proposed insured. This report mainly covers the proposed insured's age, gender, health, possible hereditary illnesses, and lifestyle.

Irrevocable Beneficiary
Individual designated as beneficiary of an insurance contract who can not be removed from the contract without his/her consent.

Joint Insurance
Life insurance that covers more than one insured.

Last-to-Die Insurance
Similar to first-to-die insurance, this is a policy taken out by two or more persons where the benefit is paid upon the death of the last surviving insured.

Level Premium
A premium that remains fixed for the duration of the contract. Also known as a fixed premium.

Medical History
List of any illnesses or medical conditions suffered by the applicant or other family members.

Mixed Insurance
Life insurance the capital of which is payable to the insured if still alive on the date the contract expires, or to his/her beneficiary in the event of his/her death before this date.

Nonparticipating Policy
Policy under which the policyholder does not receive a share of the company's profits.

Paid-up Policy
A policy on which premiums are no longer payable, but for which the full amount of benefits will be paid upon maturity.

Participating Policy
A policy under which the policyholder is eligible to receive a share of the company's profits.

Representative

Representatives (Quebec)
In Quebec, the professional designations that representatives are authorized to use are regulated by the Act Respecting the distribution of financial products and services.

- **Financial Security Advisor**
  A financial security advisor is a representative in insurance of persons who offers individual insurance products directly to the public.

- **Advisor in Group Insurance and Annuity Plans**
  An advisor in group insurance and annuity plans is a group insurance representative who offers the group insurance of persons or group annuity products of one or more insurers.

- **Group Savings Plan Representative**
  A group savings plan representative offers shares or units in mutual funds.

- **Securities Representative**
  Securities representatives include group savings plan representatives, investment contract representatives and scholarship plan representatives who act on behalf of a person registered as a full service broker or discount broker, as defined by the Securities Act. The securities representative acts on behalf of a single firm.

- **Securities Dealer or Advisor**
  Any person acting as a securities dealer or advisor must be registered as a dealer with an unrestricted practice. If they do not intend to offer portfolio management services, they must apply for registration as a dealer with a restricted practice.

- **Discount Broker**
  A discount broker is a person who acts as an intermediary in securities trading without offering advice on the sale or purchase of securities.
  Note: For information specific to each province, visit CSA, (Hyperlien) the Canadian Securities Administrators.

- **Financial Planner**
  A financial planner specializes in financial planning. In Quebec, only individuals certified by the Institut québéquois des planificateurs financiers (IQPF) are authorized to engage in financial planning activities.

Representatives (outside Quebec only)
Not all professional designations used by representatives or advisors working in the area of finance outside Québec are subject to regulation. For more information, visit Advocis: (Hyperlein) Canada's largest membership association of professional financial advisors.

Revocable Beneficiary
Individual designated as beneficiary of an insurance contract who can be removed without his/her consent.

Term Life Insurance
Life insurance that provides coverage over a specific period of time.

Term Premium
Premium payable for a set period only.

Universal Life Insurance
Type of life insurance that offers a savings component in addition to an insurance component. Savings are made through the investment of surplus premiums and yields a return to the policyholder.

Variable Premium
A premium which is not fixed and which may vary over the duration of the insurance contract.

Whole Life Insurance
Life insurance that provides coverage for the entire life of the insured party at a uniform rate, which does not rise with the insured party's age.

Whole Life Premium
Premium payable for as long as the insured person lives.

More than 100 years of experience

Desjardins Financial Security specializes in life and health insurance and retirement savings for individuals and groups. Over five million Canadians from coast to coast rely on Desjardins Financial Security to protect and grow their capital. It does this through its employees and partners who are committed to ensuring their satisfaction.

As a customer of Desjardins Financial Security, you benefit from comprehensive and integrated products and services that allow you to reach your personal and family objectives by striking a balance between protection and growth. You can take advantage of innovative products adapted to your needs and enjoy optimum professional service from your representative.

Trust Desjardins Financial Security, a reliable partner, to ensure your well-being and that of your loved ones and to grow your wealth.

Desjardins Financial Security is a component of Desjardins Group, the largest integrated cooperative financial group in Canada. It manages more than $17 billion in assets. The company has offices in a number of cities nation-wide including Vancouver, Calgary, Winnipeg, Toronto, Ottawa, Montreal, Quebec City, Levis and Halifax.

www.desjardinsfinancialsecurity.com

Desjardins Financial Security™

Money working for people