

Life and Health Insurance Shopping Guide

Step-By-Step Approach to Buying Insurance

Section : **What you should know about Optional benefits**

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Introduction

Shopping for individual life and health 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 learn more, refer to the sections:

- I Need to Analyze my Situation & I'm Shopping Around for Insurance

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**