

LIFE WITH CRITICAL ILLNESS ADVANCE GUIDE

Critical Illness Insurance



Are you looking for a cost-effective solution to protect you in the event of death and critical illness?

Critical Illness Advance is combined with your life insurance to protect you against the financial consequences of being diagnosed with a critical illness.

This guide is for you. It is intended as a complement to the documentation on permanent life insurance. Learn how Critical Illness Advance can provide financial assistance in the event that you're diagnosed with a covered critical illness.

How does Critical Illness Advance work?

Critical Illness Advance is a type of coverage that can only be added to a permanent life insurance policy.

A benefit is payable for critical illness or death, whichever occurs first.

If you're diagnosed with 1 of the 26 covered critical illnesses, you'll receive the tax-free Critical Illness Advance insurance amount that you chose when you took out your coverage. You can use the money however you see fit. Your life insurance remains in effect for the rest of your life. Upon your death, your beneficiaries will receive the difference between any Critical Illness Advance amount already paid and your life insurance amount.

If you don't make any critical illness claims, your beneficiaries will receive the full life insurance amount upon your death.

Example – Life with Critical Illness Advance:

You purchase a policy with a \$100,000 death benefit and a \$25,000 Critical Illness Advance benefit.

- If you never make a claim for any of the 26 covered critical illnesses or the illnesses that give rise to an advance, your beneficiaries will receive the full \$100,000 upon your death.
- If you're diagnosed with any of the 26 covered critical illnesses, including loss of independent existence, you'll receive the \$25,000 tax-free Critical Illness Advance insurance amount. This amount will be deducted from the life insurance amount. The remaining \$75,000 will be paid to your beneficiaries upon your death.

And if you're diagnosed outside Canada, you're still entitled to the benefit.

Why purchase permanent life insurance with Critical Illness Advance?

- To replace the income of a loved one who takes time off work to be by your side
- To avoid making early withdrawals from your retirement savings
- To focus on getting better and reduce financial stress
- To cover unexpected expenses such as travel, accommodations and hospital parking
- To get the best available treatment as soon as possible

Who is Life with Critical Illness Advance for?

Life with Critical Illness Advance is for members and clients who want to leave an inheritance behind for loved ones while ensuring that their financial needs will be covered if they're diagnosed with a qualifying critical illness.

If you remain healthy, your loved ones will receive the full life insurance amount upon your death. If you're diagnosed with a covered critical illness, you'll receive the Critical Illness Advance amount.



Which illnesses are covered?

Critical Illness Advance offers coverage for 26 illnesses and health conditions. If your diagnosis corresponds to the contract definition, you'll be entitled to a benefit payment of up to 100% of your insurance amount. You're free to use your payment as you see fit, for example, to pay for healthcare outside Canada or to hire help around the house to ensure you focus on your recovery.

Cancers and tumours

- Cancer (life-threatening)
- Benign brain tumour

Accidents and functional loss

- Severe burns
- Blindness
- Coma
- Acquired brain injury
- Paralysis
- Loss of speech
- Loss of limbs
- Deafness

Cardiovascular

- Stroke
- Aortic surgery
- Heart attack
- Coronary artery bypass
- Heart valve replacement or repair

Other

- Aplastic anemia
- Occupational HIV infection
- Permanent loss of independent existence

Neurological

- Dementia, including Alzheimer's disease
- Parkinson's disease and specified atypical Parkinsonian disorders
- Motor neuron disease
- Bacterial meningitis
- Multiple sclerosis

Vital organs

- Major organ failure on waiting list
- Major organ transplant
- Kidney failure



Being diagnosed with an illness by your doctor doesn't automatically entitle you to a benefit payment. According to the contract definitions of some illnesses, only severe cases may be covered. The benefit will be paid if your diagnosis corresponds to the contract definition.

DID YOU KNOW?

Critical Illness Advance provides coverage for all types of cancer. Depending on what stage the cancer has progressed to, you'll receive either a partial or total benefit payment.

To qualify for payment for a cancer diagnosis, you must not have had any initial symptoms or received a diagnosis within 90 days of your policy coming into force or being reinstated.

DID YOU KNOW?

Your policy doesn't just cover permanent loss of independent existence—you may also be entitled to a partial benefit in the event of temporary loss of independence.

In addition to covering 26 critical illnesses, Critical Illness Advance also provides advances.

Critical Illness Advance also provides partial payment (an advance) for some illnesses and conditions that don't meet the definitions of the 26 covered illnesses. The amount of these payments varies between 1% and 30%. You can receive up to 5 payments (1 per category). The categories are:

Category	Advance
Early-stage cancers <ul style="list-style-type: none"> • Carcinoma in situ • Chronic lymphocytic leukemia – Stage 0 • Dermatofibrosarcoma • Ductal carcinoma in situ of the breast or lobular carcinoma in situ of the breast • Malignant carcinoid tumours • Malignant gastrointestinal stromal tumours • Malignant melanoma – Stage 1 • Papillary thyroid cancer or follicular thyroid cancer – Stage 1 • Primary cutaneous lymphoma • Prostate cancer – Stage T1a or T1b 	Advance of 15% of the insurance amount (\$50,000 maximum)
Other cancers Cancers that do not qualify as life-threatening under the contract and are not listed as cancers detected at an early stage	Advance of 1% of the insurance amount (\$5,000 maximum)
Surgical removal: Total mastectomy or total prostatectomy	Advance of 30% of the insurance amount (\$100,000 maximum)
Minor cardiovascular conditions and procedures <ul style="list-style-type: none"> • Aortic aneurysm • Coronary angioplasty • Endovascular treatment of aortic aneurysm or disease • Insertion of a permanent cardiac pacemaker or cardiac defibrillator 	Advance of 15% of the insurance amount (\$50,000 maximum)
Temporary loss of independent existence	Advance of 15% of the insurance amount (\$25,000 maximum)

IMPORTANT

Throughout the years, if you claim more than one advance categories, the payments will be deductible one from the other. For a better understanding, please refer to the following example.



Example of a case study with advances:

Laura purchases a \$100,000 Life with Critical Illness Advance policy.

Five years later, she's diagnosed with basal cell carcinoma (a skin cancer with very favourable outcomes when treated), which falls under the "other cancers" category. That means she's entitled to a \$1,000 advance.

Ten years later, Laura is diagnosed with ductal breast carcinoma in situ, which falls under the "early-stage cancers" category. She's therefore entitled to a \$15,000 advance, minus the \$1,000 she received for her basal cell carcinoma diagnosis 10 years earlier.

Over the following year, her cancer progresses to a stage requiring a total mastectomy, which falls under the "surgical removal" category. That means she's entitled to a \$30,000 advance, minus the \$15,000 in payments she previously received.

After making these claims, if Laura were to be diagnosed with an illness other than the 3 for which she has already received a benefit, she'd still be covered for up to \$100,000, minus the \$30,000 she already received.

Her cancer progresses and the following year she undergoes a total mastectomy, which falls under the "Ablation surgeries" category. As a result, she's entitled to \$30,000, minus the \$15,000 in benefits that she has already received. This amount is subtracted from her life insurance.

Since she initially had \$100,000 in coverage and received \$30,000 in the form of advances, she still has \$70,000 available as a death benefit or coverage for a critical illness that entitles her to the full insurance amount.

DID YOU KNOW?

Your health problem doesn't need to be 1 of the 26 covered critical illnesses for you to benefit from your insurance policy. It comes with a number of other free services.

Ask for the *Complimentary Assistance Services* brochure to learn more.¹

Second medical option

If you're diagnosed with a covered illness, we offer a second medical opinion service. You can also use it for any other medical situation not covered by your policy for which you'd like a second opinion. With this service, you can get confirmation of your diagnosis from a specialist who will perform an in-depth review of your medical records and history. This service is available to anyone covered by a Life with Critical Illness Advance policy, even if the reason for their consultation is unrelated to a claim.

The service covers a wide range of health issues, including back pain, sports injuries, chronic conditions and critical illnesses.



¹ Desjardins Insurance is not contractually obligated to provide these services. They may be withdrawn at any time without prior notice.

Tailor your policy to your needs

Life with Critical Illness Advance is a cost-effective hybrid product that combines permanent life and critical illness insurance.

Insurance amount

Life with Critical Illness Advance gives you access to a life insurance amount. Then you decide how much coverage you want under the Critical Illness Advance, with an insurance amount ranging from \$10,000 to \$3 million. The Critical Illness Advance amount cannot exceed the life insurance amount, but it may be equal to it.

Your advisor² can help you go over your financial needs and determine the right amount for your personal situation.

Term

The Critical Illness Advance has the same term as your permanent life insurance.

For example, if you have a Whole Life Guaranteed 20 Pay insurance policy with the Critical Illness Advance coverage, you'll pay the premiums for both over a 20-year period.



² In Quebec, this refers to a financial security advisor registered with the Autorité des marchés financiers. This person is licensed to distribute Desjardins Insurance products or works on behalf of Desjardins Financial Services Firm Inc. In other parts of Canada, financial security advisors may be called financial services advisors or life and health insurance advisors, among other titles.

How does a critical illness claim affect your Critical Illness Advance coverage and premiums?

Scenario 1:

You submit a claim for one of the 26 covered critical illnesses that entitle you to the full insurance amount. Your critical illness coverage amount is **equivalent** to your permanent life coverage amount.

Impact: Your policy ends when you make a claim for a covered critical illness because the critical illness coverage amount is the same as your life insurance coverage amount. This means you have no remaining critical illness or life insurance coverage.

In addition, the cash surrender values (if applicable) for these 2 types of coverage are no longer available.

Scenario 2:

You submit a claim for one of the 26 covered critical illnesses that entitle you to the full insurance amount. Your critical illness coverage amount is **less than** your permanent life insurance coverage amount.

Impact:

- The critical illness benefit is deducted from your life insurance amount.
- Your Critical Illness Advance coverage is no longer in effect because you received the full critical illness benefit. This means you no longer need to pay for this coverage and the associated premium will be deducted from your payment.
- Once the critical illness benefit has been paid, your life insurance premium will go down because the remaining life insurance amount is less than before.
- Once the critical illness benefit has been paid, your permanent life insurance policy's cash surrender value will go down because the remaining life insurance amount is less than before. The cash surrender value of your Critical Illness Advance (if applicable) is no longer available.

Scenario 3:

You make a claim under your Critical Illness Advance coverage after being diagnosed with a critical illness that entitles you to an advance.

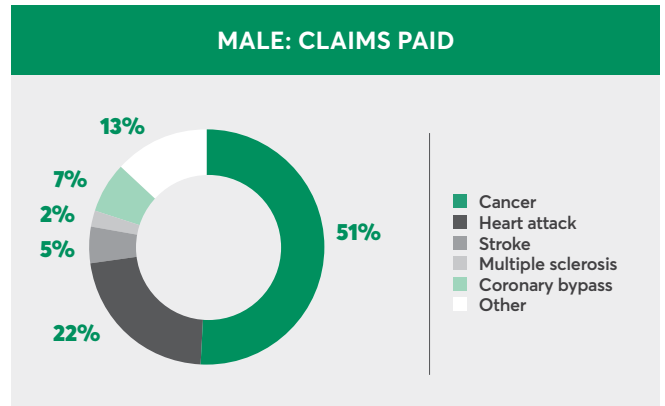
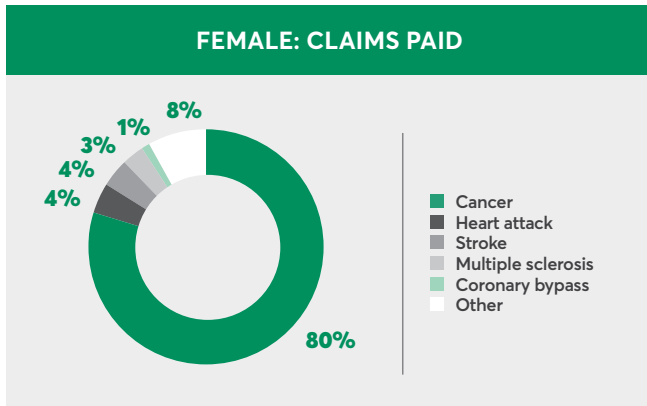
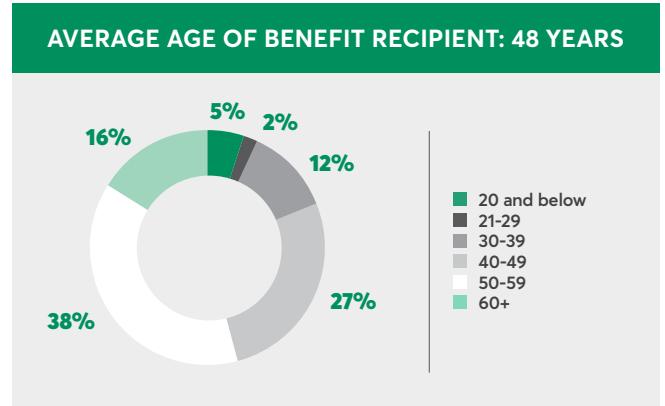
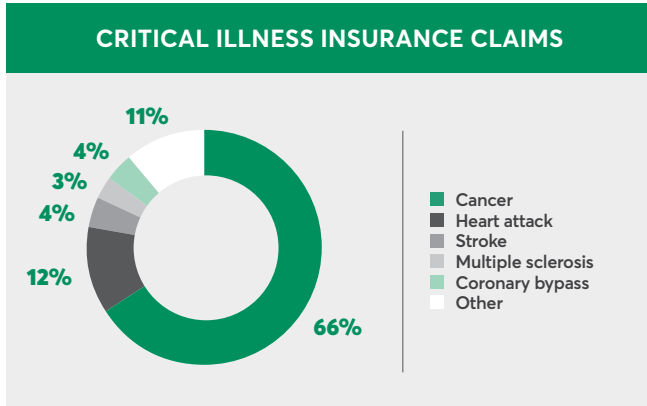
Impact:

- The critical illness benefit is subtracted from your life insurance amount.
- Your Critical Illness Advance coverage remains in effect because you haven't collected the full critical illness insurance amount. However, some partial benefits will no longer be available, as explained in the section called *In addition to covering 26 critical illnesses, Critical Illness Advance also provides advances*.
- Once the critical illness benefit has been paid, your Life protection and your Critical Illness Advance premium will go down because the remaining life insurance amount is less than before.
- Once the critical illness benefit has been paid, your Life protection and your Critical Illness Advance policy's cash surrender value will go down because the remaining life insurance amount is less than before.

Our claims experience

To give you a better idea of how people use Health Priorities critical illness insurance, here are our claims statistics and some examples of real claims that have been paid out.

Over the past 15 years, Desjardins Insurance has paid out more than **\$104 million** in benefits to members and clients who were diagnosed with a covered critical illness, helping them focus on their recovery and alleviating their financial stress. Benefits are paid according to the contract definitions of the covered illnesses. Some conditions, limitations and exclusions may apply.



All statistics are dated December 31, 2021.

Examples of actual claims

Critical illness diagnosis resulting in a payment of 100% of the insurance amount

Job	Age at diagnosis	Benefit payment	Critical illness	Time between start of coverage and claim
Civil engineering technician	27	\$25,000	Brain tumour	3 years
Manager	40	\$25,000	Breast cancer	4 years
Developer	49	\$100,000	Heart attack	12 years
Doctor	52	\$1,000,000	Stroke	13 years
Landscaper	58	\$25,000	Alzheimer's disease	16 years
Business owner	64	\$150,000	Prostate cancer	16 years

Critical illness diagnosis resulting in an advance payment

Job	Age at diagnosis	Benefit payment	Critical illness	Time between start of coverage and claim
Bus driver	39	\$5,000	Stage 1 malignant melanoma	7 years
Supervisor	49	\$5,000	Stage T1a or T1b prostate cancer	7 years



Making a claim

Definitions of covered critical illnesses

Being diagnosed with a critical illness by your doctor doesn't automatically mean you qualify for a benefit payment. Benefits are paid according to the contract definitions of the covered illnesses.

There may also be some limitations and exclusions, such as needing to wait out a moratorium, survival or qualifying period. These are explained below.



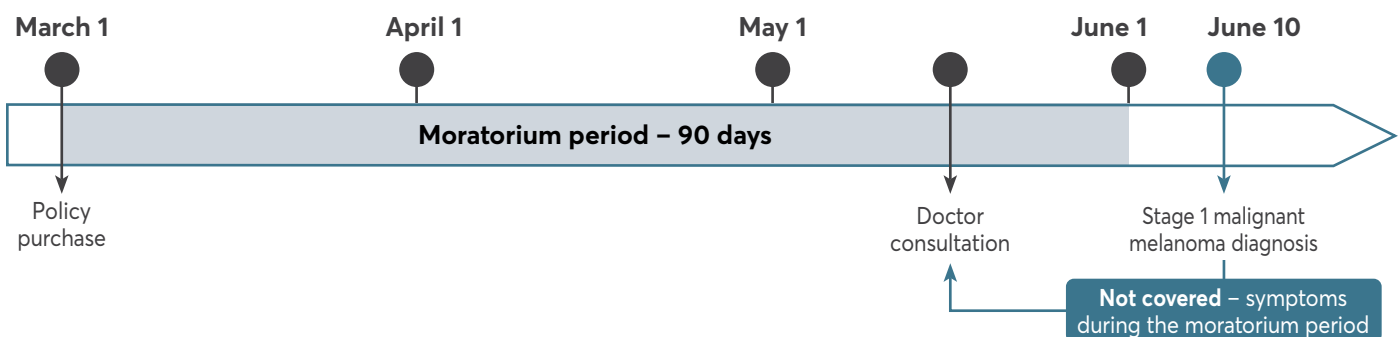
Moratorium period

A moratorium period is a period of time during which your doctor must not have diagnosed you with cancer (of any kind, even if not covered by your policy) or observed any initial symptoms of a critical illness. Depending on the illness, this period is either 90 days or 12 months from the date your coverage begins or is reinstated. It applies to the following illnesses only:

Illness	Moratorium period
<ul style="list-style-type: none"> • Cancer (life-threatening) • Benign brain tumour • Illnesses listed in the "early stage cancers" category 	90 days
<ul style="list-style-type: none"> • Parkinson's disease and specified atypical Parkinsonian disorders 	12 months

Example of a moratorium period

You purchase a Health Priorities policy on March 1. In May, you notice a spot on your arm. You make an appointment with your doctor later that week to make sure it's not anything serious. On June 10 (100 days after your policy began), you're diagnosed with stage 1 malignant melanoma. Even though the diagnosis was made after the applicable 90-day moratorium period, if you were to submit a claim it would be denied, since your symptoms first presented during the moratorium period.



Qualifying period

This is a minimum period during which the insured person must present certain symptoms, neurological deficits or functional losses or meet specific criteria.

The start of the qualifying period depends on the contract definition of the critical illness in question. For example, it can begin on the date of diagnosis, the date of the instigating event, the date of functional loss or when the insured person meets the criteria of the contract definition.

These are the illnesses that have a qualifying period:

Critical illness	Qualifying period
Stroke	30 days
Dementia, including Alzheimer's disease	6 months
Bacterial meningitis	90 days
Coma	96 hours
Acquired brain injury	180 days
Paralysis	90 days
Loss of speech	180 days
Occupational HIV infection	90 to 180 days
Permanent or temporary loss of independent existence	90 days
Multiple sclerosis	6 months*

* Some criteria may cause the 6-month period to be circumvented.



IMPORTANT

The qualifying period for these critical illnesses begins when the eligibility criteria are met.

For example, in the event of a loss of independent existence, the qualifying period begins when you're no longer able to carry out 2 of the 6 activities of daily living as defined in the contract. A medical diagnosis is not always enough. All of the contract criteria must be met in order to qualify for a benefit payment.



What to do if you're diagnosed with a critical illness

If your doctor diagnoses you with a critical illness, it's important to read the contract definition to ensure you meet all of the criteria. For example:

- Is there a moratorium, survival or qualifying period?
- Does the critical illness qualify for a full or partial benefit payment?
- Is it 1 of the 26 critical illnesses covered by your Health Priorities policy?

To help you figure out which forms you need to fill out and what supporting documents you need to provide, contact our Client Relation Centre or your advisor. They can guide you through the claims process.

Once you've assembled all the necessary documents, send them to Desjardins Insurance so that we can process your claim. Note that we'll only be able to issue a decision once we've received all the documentation we need.

Once we've finished processing your claim, we'll contact you to let you know our decision. If we've approved your claim, we'll explain how your benefit payment will be made. You can expect payment to take several days.



There is a 2-year contestability period applicable to insurance policies. That means that if less than 2 years have elapsed between the start of the policy and the event giving rise to a claim, the insurance company may request additional documentation to confirm the information provided on the application for insurance. Note that it may take several months to obtain information needed to process your claim from government agencies or hospitals, as wait times for these types of documents can be long.



Look to the future with confidence

Choose Desjardins Insurance

Choose the strength and stability of a company specialized in life and health insurance and group retirement savings that over 7.5 million Canadians count on each day to ensure their financial security. Backed by over a century of experience, it is also one of the country's leading life insurers.

Choose Desjardins Group, the largest cooperative financial group in North America and one of the country's best capitalized financial institutions. Desjardins Group enjoys excellent credit ratings comparable to those of several major Canadian and international banks and is recognized as one of the most stable financial institutions in the world according to *The Banker* magazine.

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