

INSURANCE ESSENTIALS FOR COUPLES: A CASE STUDY

Secure a brighter future together





Client situation: Gabrielle and Daniel recently bought their first home

Gabrielle, 31, met her partner Daniel, 35, at university. For years, they looked for the perfect house to build a future together. A couple of months ago, they found a place they can finally call home. Now that they're homeowners, Gabrielle and Daniel are looking for term insurance to help cover their mortgage. Daniel's cousin recommended he reach out to you for advice.

Knowing Gabrielle and Daniel already have life insurance coverage of \$150,000 and \$200,000, respectively, you offer to help them build a more robust plan. But they're showing some resistance. They insist on only wanting term insurance right now. They'd like to focus on paying off their car and student loans, and mortgage, which is amortized over 20 years.

You may find it easier to go with the term life insurance they're asking for. But it's important to help them understand that a serious illness could be more likely than they think. Consequences like not being able to keep up with mortgage payments could put a strain on their relationship.

Recommendation: How can you help Gabrielle and Daniel?

Based on their needs, you offer insurance solutions including \$1.5 million term life insurance coverage for each of them. You also recommend a \$350,000 critical illness insurance policy for Gabrielle and a \$400,000 critical illness insurance policy for Daniel.

Insurance solutions	Clients' needs being met
<ul style="list-style-type: none">• \$1,500,000 Evolve Term 20 for Gabrielle• \$1,500,000 Evolve Term 20 for Daniel	<ul style="list-style-type: none">• Covering mortgage debt of \$1,300,000• Covering car loan of \$68,000• Covering student loans of \$200,000• Securing replacement income in addition to their existing life insurance coverage to be able to take time off work if needed• Having the flexibility to increase their coverage in the future if they have a child, get a bigger mortgage or experience a significant increase in their income
<ul style="list-style-type: none">• \$350,000 Term 10 Sun Critical Illness Insurance for Gabrielle• \$400,000 Term 10 Sun Critical Illness Insurance for Daniel• Return of premium on death benefit for Gabrielle and Daniel	<ul style="list-style-type: none">• Securing a benefit equal to one year's gross salary for each of them to help cover expenses if Gabrielle or Daniel is diagnosed with a covered critical illness*• Securing a benefit that can allow both partners to take time off work to focus on health, not finances, if one of them becomes seriously ill with a covered critical illness• Having the flexibility to convert to a longer-term length in the future<ul style="list-style-type: none">› When converting in the future, the return of premium on death can be added without underwriting because it was included on the T10 policies.› If converting in the future, the return of premium on cancellation can be added without underwriting. Gabrielle and Daniel could get some or all their premiums back if they don't need the coverage in the future.

* Claims are assessed based on critical illnesses specifically covered by the client's critical illness insurance contract. Covered illnesses must meet the specific requirements in the insurance contract and coverage is subject to exclusions and limitations.

Client benefit: What does it mean for Gabrielle and Daniel?

Having term life insurance and term critical illness insurance helps ensure that Gabrielle and Daniel can meet their insurance needs in a cost-effective way. Choosing a 20-year duration for their term life insurance helps them protect their insurability, should they need coverage for longer than 20 years.

Gabrielle and Daniel now have the peace of mind of knowing that if either of them passes away unexpectedly, their debts can be covered, and they could be able to take time off work if needed. The coverage will also let them focus on health, not finances, if either of them is diagnosed with a covered critical illness.



Next steps: How can you help Gabrielle and Daniel in the future?

Now that Gabrielle and Daniel have their protection needs covered, your next conversation with them could be to propose a partial conversion of their term life insurance to permanent life insurance coverage. This could help ensure that some coverage is in place to cover final expenses or make their estate more tax efficient.

You could also offer a conversion to permanent critical illness insurance to secure coverage into retirement years with the option to add a return of premium on cancellation. This way they could get some or all premiums back if they don't need the coverage in the future.