Consider this situation: Twins, aged 55, have $100,000 each in various non-registered investments. At a 40% marginal tax rate, their 4% overall investment return rate gives them 2.4% return after-tax. One buys Independent Living from Desjardins Insurance with a premium of $2,446 ($203.82 by month) and the other does not.

At age 80, the twin with Independent Living had $96,475 and the other without Independent Living had $180,925. They both suffer a loss of independence and the annual cost for an Assisted Living Facility is $36,000. Thanks to Independent Living, the insured twin has preserved her financial plan and lifestyle.

From age 55 to 80
One twin withdraws $2,446 per year from her savings and the other does not.

At a marginal tax rate of 40%, a 4% overall investment return yields 2.4% after-tax (4% x (1-40%)).

The twin without the Independent Living premium does not have to withdraw money from her $100,000. Consequently, her capital continues to grow.

Three years after the loss of independence
At age 83, the twin with Independent Living is better off and has the peace of mind of a monthly benefit that will be payable as long as she needs it.
Three years isn’t much when you’re talking about an illness like Alzheimer’s. Where will the twin without Independent Living turn to when her savings run out?

A study of Long-Term Care insurance in the US has found that...
- Female claimants incur 67% of claims.
- Alzheimer’s claims are expensive, lengthy and the most frequent.
- Alzheimer’s is the leading cause of claims after age 65.

Facts about Alzheimer’s and related diseases

Prevalence: number of cases in a given year
- In 2011, 747,000 Canadians were living with cognitive impairment, including Alzheimer’s – that’s 14.9% of Canadians 65 and older.
- By 2031, if nothing changes in Canada, this figure will increase to 1.4 million.

Impact of care
- Caregiving is a critical issue for people living with Alzheimer’s and for Canadians in general.
- One in five Canadians aged 45 and older provides some form of care to seniors living with long-term health problems.
- The physical and psychological toll on family caregivers is considerable; up to 75% will develop psychological illnesses; 15 to 32% experience depression.

Are we about to hit the wall?

A report published by the Canadian Institute of Actuaries noted that without major changes, the Canadian health care system will simply not be viable in 25 years. Indeed, its researchers predict that in 2037, 97% of the total revenues available to the provinces and territories will be required to cover health care costs. But before hitting the wall, governments will have no choice but to cut services to citizens in order to strive for a balanced budget. Your clients will therefore need additional income to cover their health care.

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<th>2012</th>
<th>In 25 years</th>
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<td>Health care expenditures</td>
<td>44% of total revenues available to provinces and territories</td>
<td>97% of total revenues available to provinces and territories</td>
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Do you want to reduce your clients’ reliance on the health care system?

Propose health insurance solutions like Independent Living. With Independent Living, the insured twin can preserve her financial stability and lifestyle. She will continue to live her life her way!

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3 Sustainability of the Canadian Health Care System and Impact of the 2014 Revision to the Canada Health Transfer, September 2013.


VIA DESJARDINS INSURANCE