

## Critical Illness Insurance: A Business' Best Friend



Critical illness insurance can support a business in several ways. It can:

- Provide income to replace a key person
- Replace lost income
- Cover loan repayments

Situations can differ significantly from one company to another. It is essential that you know which critical illness insurance solution is the best fit for your clients' business.

### Two financial realities; two types of coverage

Business A	Business B
<b>Growth Stage</b> <ul style="list-style-type: none"> <li>• Startup with unpredictable profitability and few liquid assets</li> </ul>	<b>Growth Stage</b> <ul style="list-style-type: none"> <li>• Mature with sustained profitability and consistent net income</li> </ul>
<b>Needs</b> <ul style="list-style-type: none"> <li>• Specific (secure financing, redemption of units, lease, etc.)</li> </ul>	
<b>Goal</b> <ul style="list-style-type: none"> <li>• Insure key employees or shareholders</li> </ul>	<b>Goals</b> <ul style="list-style-type: none"> <li>• Insure key employees or shareholders</li> <li>• Provide a benefit (return of premiums at the end of the contract)</li> </ul>

As the financial needs of a business change, business owners will appreciate flexible coverage that fits their reality. Harmony T10 can be exchanged for a Harmony T20 during the first five years of the contract, without new evidence of insurability. This enables the business to maintain coverage at a lower cost - an attractive option for business owners.

When the company becomes more successful, Harmony Executive could be the perfect solution when a tax-efficiency becomes a key concern.\*

\* Return of premium on death benefit must be included in the temporary coverage.



**Desjardins**  
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## Three temporary needs.... a single coverage

### 1) Share buyback

In the event that a shareholder is diagnosed with a covered illness or condition and can no longer perform his or her function, **Harmony T10 or T20** could enable the business to finance a share or stock transfer and ensure its continued operations.

#### QUICK TIP #1

- Available exclusively from Desjardins Insurance, if a shareholder dies before making a claim for a critical illness, the company would be entitled to **a minimum of 25%\* the amount of insurance.**
- If the insurance needs change, the business can convert all or part of the amount of insurance.

### 2) Contractual commitments of the business

Commercial leases, capital leasing, funding guarantees and other contractual commitments are often locked-in for 5, 7 or even 10 years. Unexpected health problem of a shareholder might prevent the business from meeting its financial obligations and endanger its viability.

The Harmony T10 or T20 benefit help meet any long-term financial commitments.

#### QUICK TIP #2

Combine term coverage (Harmony T10 and T20) AND a permanent portion (EHSP) to manage both temporary and permanent needs.

### 3) Key employee / Shareholder

The competitive advantage of a business is often the expertise of a key employee. What happens if that individual is unexpectedly stricken with a serious illness? Harmony T10 or T20 benefit can be used to hire a replacement and to ensure the continuity of operations during his recovery.

#### QUICK TIP #3

One way to incent and engage a key employee without granting an ownership stake in the business is to offer a partial share of critical illness insurance.

\* Return of premium on death benefit must be included in the temporary coverage.



## There's nothing like a solid Plan B!

A business represents the dreams and efforts of a lifetime. It is also an asset that needs to be protected from many types of risk, including the risk of serious illness. Harmony critical illness insurance provides the most innovative and flexible portfolio of coverages on the market today. With Harmony, you're guaranteed to find a solution that's right for your business clients.