

Critical Illness & Disability Insurance

Partners in protection

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Bridgeforce Symposium



Manulife's Critical Illness

Lifecheque

- 24 covered conditions
- 2013 Benchmark definitions
- LivingCare Benefit (*'built-in' Long Term Care*)
- 6 Early Intervention Benefits
 - ✓ *Highest payout at 25% of face amount*
- Health Services Navigator
- Choice of T10, **T20**, T65, Level to 75 and Permanent coverage

Sales Tools



www.insureright.ca

“What’s your risk?” The risks are real at any age

30 year old female; non-smoker

Risk	Likelihood
Disability before age 65	41 %
Critical illness before age 65	19 %
Dying before age 65	5 %
Probability of dying, becoming critically ill or disabled before age 65**	50 %

40 year old female; non-smoker

Disability before age 65	35 %
Critical illness before age 65	18 %
Dying before age 65	4 %
Probability of dying, becoming critically ill or disabled before age 65**	45 %

50 year old female; non-smoker

Disability before age 65	26 %
Critical illness before age 65	15 %
Dying before age 65	3 %
Probability of dying, becoming critically ill or disabled before age 65**	35 %

Manulife Living Benefits - Lifecheque - NONAME

File Go To Report Advisor Tools Marketing Materials Help

Designed for: [] Advisor: Default, Agent

Product: Lifecheque [?]

Coverages Other Riders Cost Comparison Concepts

Coverage 1 [Add Delete]

Coverage Client name Sex DOB Age Smoking status

Client_1 [] Male [] 40 Non-smoker [] Import Client

Coverage option: 10 Year Renewable [] Insurance rating

☒ Return of premium at death (ROPD) rider ☐ Return of premium at expiry (ROPX) rider

☐ Return of premium with early surrender option (ROPS)

Solve for amount: Premium []

Based on coverage amount of: 100,000

Based on annual premium of: 562.08

Premiums

Premium Duration: Pay to expiry [] Frequency: annually []

Scenario 1 [scenario 2] [scenario 3] [scenario 4] [scenario 5] [Delete] Scenario 1

Premium:

Annual \$562.08

Monthly \$50.59

Client(s) / Coverage(s)

Client 1

Male, 40, Non-Smoker

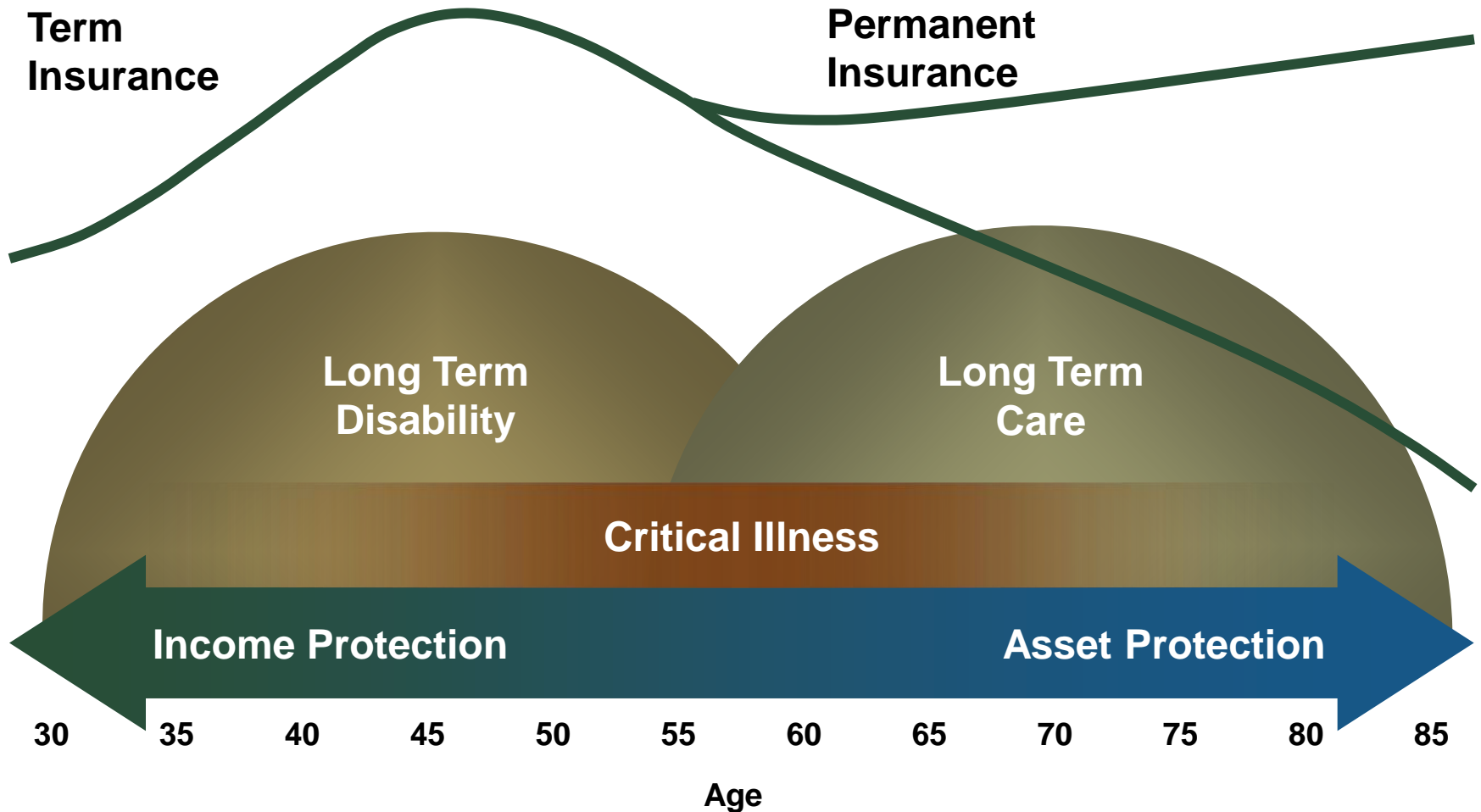
10 Year Renewable \$100,000

ROPD Rider

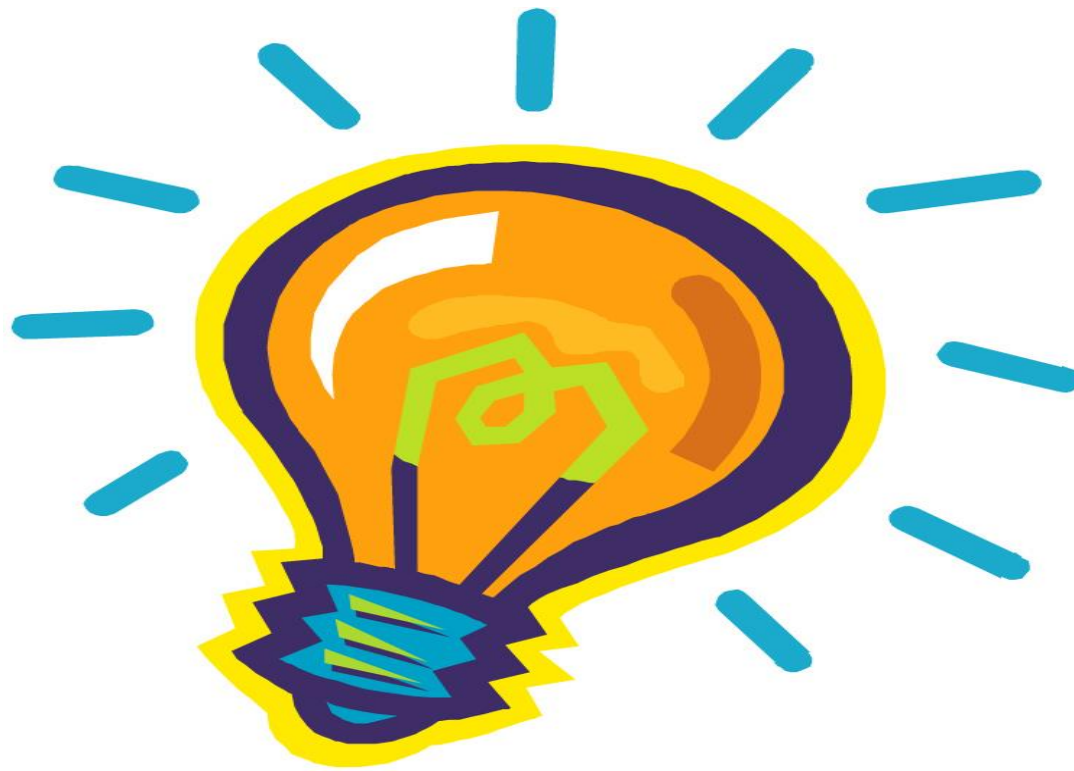
Advisor: Agent Default

Could you be at risk?

Risk management framework



Sales Ideas



Combining Life and CI Sales

We are 1 of only 2 carriers in Canada to offer T20 CI; great add-on when quoting T20 Life insurance.

Your client, Male, 30, Healthstyles 2, needs \$250,000 of Life insurance for his mortgage – the quote for him for our **20 year Term Life = \$20.82**

A 20 year Term CI for \$250,000 = 79.19

Total premium = \$100.01

His risk of dying before age 65 is 7% **but his risk of becoming critically ill is 27%.**

“SOP”

“SOP” - Standard Operating Procedure

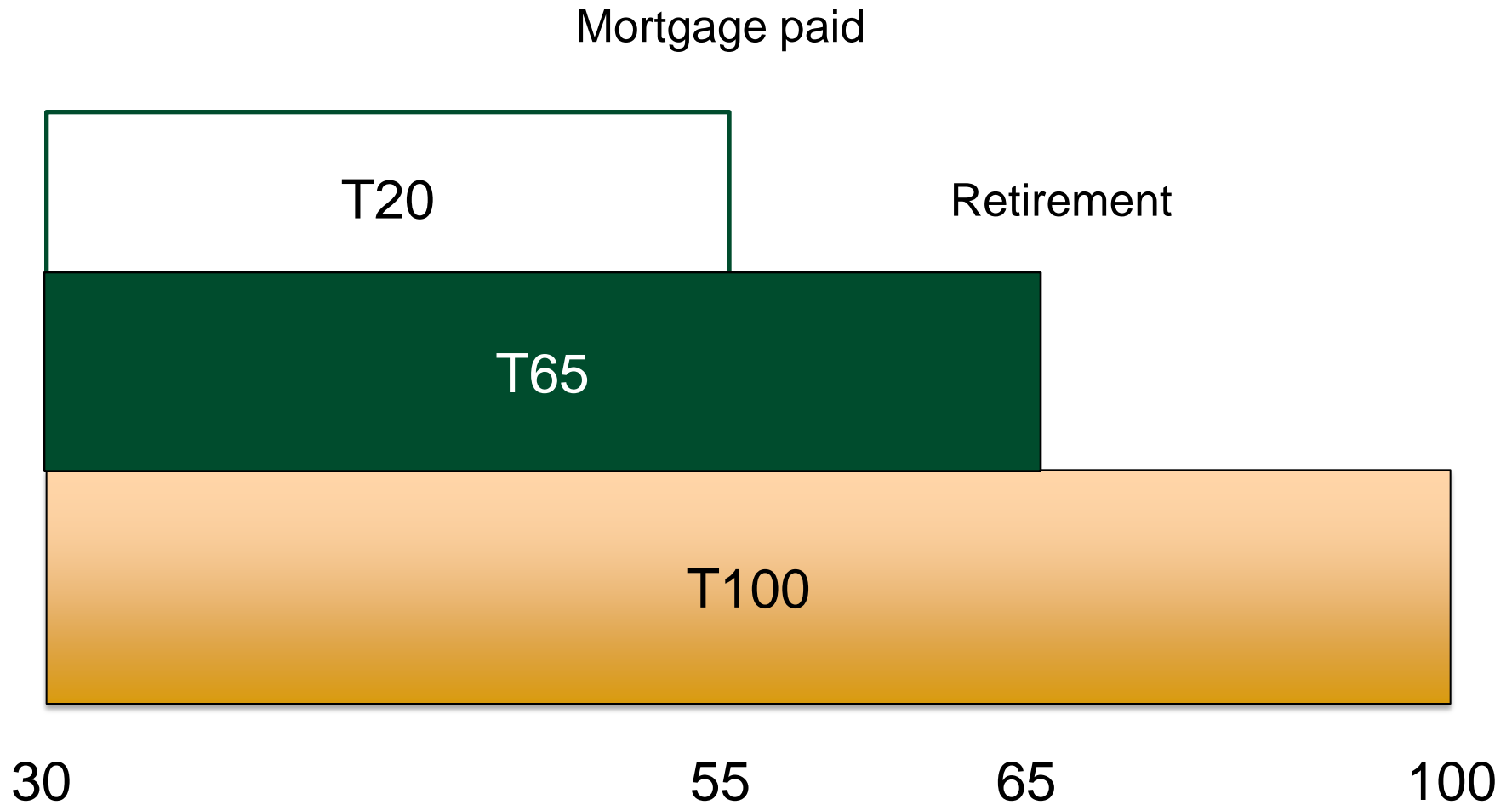
What if your office had a “**Standard Operating Procedure**” to offer EACH client critical illness insurance for a budget of \$50 or \$100/month?

Male, non-smoker, 38:

	\$50/month	\$100/month
Coverage for Term 10	\$121,075.00	\$267,758.00
Coverage for Term 20	\$76,540.00	\$180,527.00
Coverage for Primary (Level to 65)	\$51,574.00	\$128,404.00
Coverage for Level to 75	\$38,826.00	\$83,701.00
Coverage for Permanent	\$34,780.00	\$74,980.00

Layering Critical Illness

Layering strategy



Layering strategy

■ The facts:

- Male, non-smoker, age 35
- Needs \$150,000 of critical illness insurance

■ The solution:

- \$25K of Term 20 coverage
 - Cover \$2000/m mortgage payments for 1 yr
 - Cancel age 55 when mortgage is paid
- \$50K of T65 with ROPX
 - Income replacement during working years
 - Cancel age 65 at retirement age and receive ROP
- \$75K T100 with ROPD
 - Retirement income protection/LTC protection

Layering coverage

Coverage type	Annual Premiums
Term 20	\$125.88
Term 65 with ROPX	\$824.40
Term 100 with ROPD	\$1,091.16
Policy Fee	\$75.00
Total	\$2,116.44

Layering coverage

Coverage type	Annual Premiums
Term 20	\$125.88
Term 65 with ROPX	\$824.40
Term 100 with ROPD	\$1,091.16
Policy Fee	\$75.00
Total	\$2,116.44
Age 55 – cancel Term 20	\$1,990.56

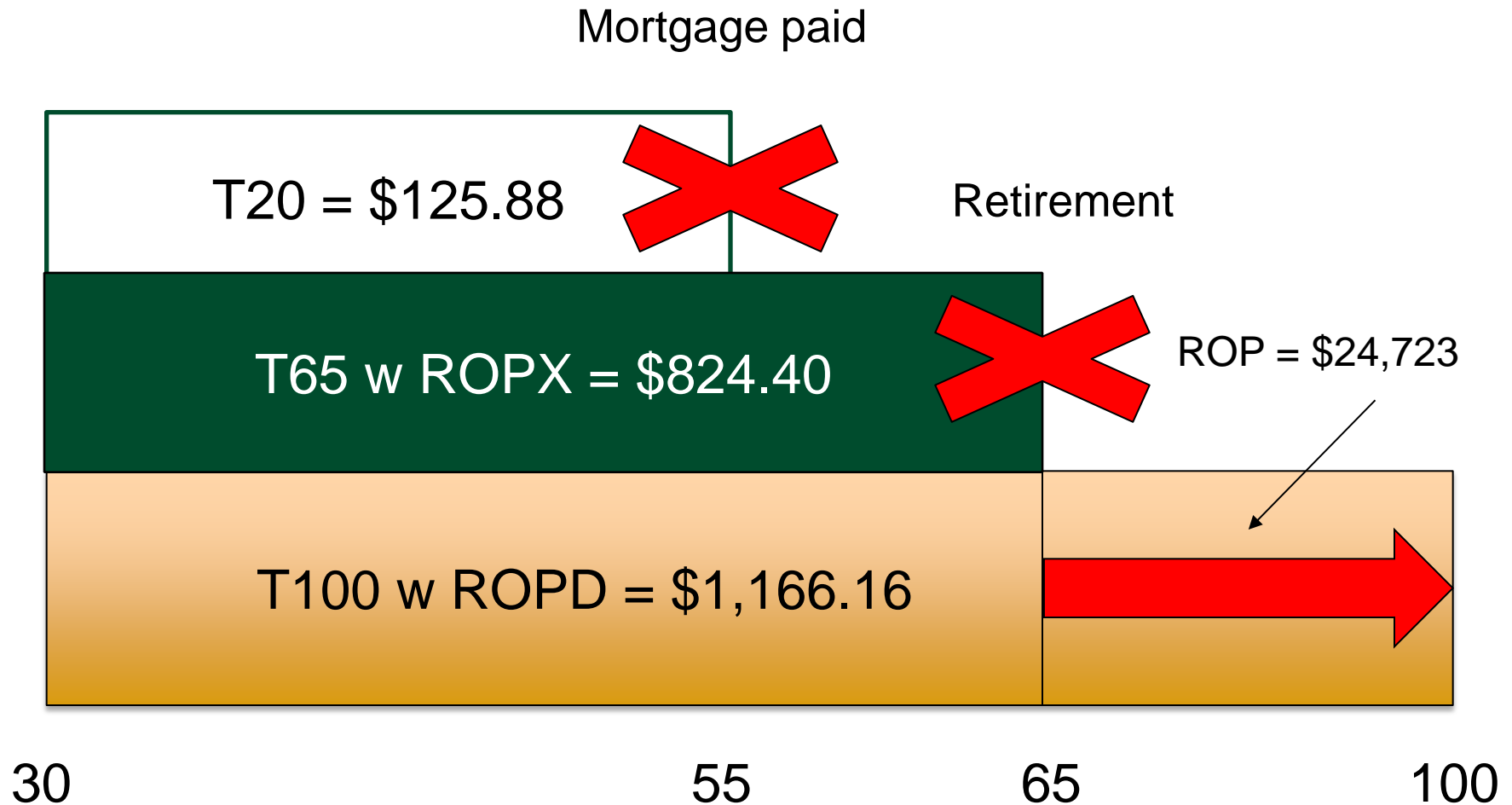
Layering coverage

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Policy Fee	\$75.00
Total	\$2,116.44
Age 55 – cancel Term 20	\$1,990.56
Age 65 – Term 65 expires and collect ROPX Benefit	\$1,166.16
ROPX benefit amount at age 65	\$24,723.00

Layering coverage

Coverage type	Annual Premiums
Term 20	\$125.88
Term 65 with ROPX	\$824.40
Term 100 with ROPD	\$1,091.16
Policy Fee	\$75.00
Total	\$2,116.44
Age 55 – cancel Term 20	\$1,990.56
Age 65 – Term 65 expires and collect ROPX Benefit	\$1,166.16
ROPX benefit amount at age 65	\$24,723.00
ROPX benefit amount pays T100 premiums for	21.2 years

Layering strategy



Synergy (Combination Insurance)

The complete solution with Synergy

One solution that's affordable, flexible, easy to explain and manage.

**A UNIQUE POOL OF MONEY THAT CAN BE
ACCESSED IN THREE DIFFERENT WAYS**

Life
Insurance Policy

Disability
Insurance Policy

Critical Illness
Insurance Policy

Synergy. One conversation. One solution.

Expand your market reach!

If your clients are:

Middle income
earners

Ages 18-50

Seeking
mortgage/debt
protection

Supplementing
gaps in Group
insurance

Who they might also be:



Stay-at-home parents



Young families
starting out



Small business owners



High income earners
needing additional
protection

A full suite of Disability solutions

Income Replacement	Business DI
Proguard Series (non-cancellable)	ExpenseComp ■ Business overhead expense (non-cancellable)
Venture Series (non-cancellable)	Buy-Sell Plus ■ Disability buy-out funding (non-cancellable)

Competitive Advantages

- **Future Care Option** – Converts DI policy to Long Term Care insurance
- **5% “ACE”** – Automatic Coverage Enhancement; built-in guaranteed insurability annually; (3% with Venture)
- **Non-Occupational Total Disability** - benefit is paid even if client is on leave of absence, sabbatical, retired, unemployed etc.
- Best **Partial** disability benefits -(50% for 3 years)
- **Switching** permitted for 1st year of claim

Selling “Income Protection” Insurance

“Do you know what your largest asset is? Many people think it is their home. It’s your ability to earn an income.”



“Your health is your wealth”

Age	Income Level			
	\$75,000	\$100,000	\$150,000	\$200,000
30	\$4,119,615	\$5,492,820	\$8,239,230	\$10,985,640
40	\$2,561,835	\$3,415,780	\$5,123,670	\$6,831,560
50	\$1,344,892	\$1,793,190	\$2,689,785	\$3,586,380



Would you
insure a
\$2.5 Million
painting?

Would it be
worth the time
to discuss
how we might
protect
another asset
of equal value?

Most used sales idea

“If you were given the choice between these 2 jobs, which would you take?”

Job A

\$100,000 while you
are working
\$0 if you can't work.

How long can you
support your lifestyle
without an income?

Job B

\$97,000 while you are
working
\$60,840 (after-tax) if
you can't work.

Does it not make sense
to protect our greatest
asset?

New client “Simon”



- Project Management Consultant
- Male, non-smoker, 38
- Earning approximately \$150,00 annually

New client “Simon”

- 4A (upgraded from 3A due to income/experience)
- Proguard, monthly benefit = \$7,950
- **Cost** (with all riders) is \$388.07/month (\$4,311.86 annually)
- Riders: COLA, AIR (\$8,080), Pensionguard (\$1,250), ROP (“4-back”, \$17,247)

3 ways to present the quote to Simon.....

New client “Simon”

*“Simon, I’ve worked out a quote for the total risk of your **Income Protection plan**.*

*Based on the potential benefit pay out of \$3,300,000, the **cost** is \$388.07.”*

New client “Simon”

“Simon, if you were to chose between a job that pays \$150,000/annually while you’re working and \$0.00 if you were ill or injured...

OR

...a job that pays \$145,688.14/annually while you’re working and \$95,400 (after-tax) if you were ill or injured, which job would you choose?”

Percentage of the income

- Annual income = \$150,000
- Proposed cost (annually) = \$4,311.86
- 2.87%

*“So Simon, would it makes sense for you to use around 3% of your income in order to **protect it** and ensure you’d be able to pay for your expenses and lifestyle?”*

“How much should I sell the client?”

Critical Illness:

- Usually see 1 or 2 x annual salary (the latter is better)
- Could insure the mortgage (in full) or monthly payments
- Full needs analysis puts clients in control

Disability Insurance:

- Determine eligible income
- Software will show maximum amount of coverage – start there
- Manulife team can help with all quoting aspects

The secret to selling Living Benefits....ready?



Drumroll please.....

You have to
discuss and offer
Living Benefits to
your clients.

Thank you



 **Manulife**

| Insurance

