

# Term Plus

## Protecting the present, planning for the future

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# Agenda

- 1 The market has changed
- 2 New and improved Term Plus
- 3 Present and future needs
- 4 Client profiles



1

**The market  
has changed**

# The year is 1994

NAFTA

Amazon

NHL Lockout

MLB World Series are cancelled

Tonya Harding wins... then loses!

Netscape Navigator is launched

Nelson Mandela gets elected

Birth of Eugenie Bouchard and Justin Bieber

Death of John Candy

Aerosmith: 1st band to premiere a new song on the Internet

The Lion King

Forrest Gump

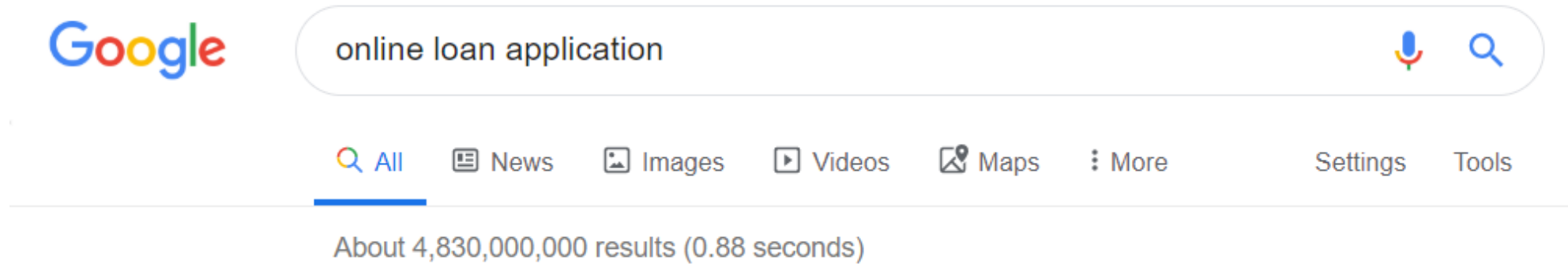
Debut of Royal Canadian Air Farce

The Kids in the Hall ends

**25 years ago**



# Need a loan?



COLDSTREAM  
CAPITAL

BLANC LABS



Financeit



progressa



Uplift



credit karma

easyhome  
goeasy

ondeck



paybright



TransUnion



smarter.loans

paays



# What about the next 25 years?

- Expected innovation in the insurance industry
  - AI driven underwriting
  - Online sales
  - Increased competition
  - Client Experience





2

# New and Improved Term Plus

# What's new in 2019



- Term Plus replaces traditional Term
- **Premium decrease, both at issue and at renewal**
- Increased compensation for T10 & T15
- Addition of a Term 40
- Exchange Program
- No meds under \$500k
- Unique \$60 policy fee – all products
- Available on UL
- DI up until age 65
- Conversion up until age 71

# Term Plus

**A flexible, comprehensive and competitive solution tailored to meet the personal and business protection needs of your clients – present AND future!**

- All-in-one solution offering coverage for Life, Disability and Critical Illness
- Great alternative to loan insurance products
- Highly competitive pricing and compensation



# Term Plus: Loan Insurance Solution

**Life Insurance**

**BUILT-IN FEATURE**  
**25% Insurability**  
**Benefit**

**Disability**  
**Rider**  
(+ Assistance Benefit)

**Critical**  
**Illness Rider**  
(+ Assistance Benefit)

**Child Rider**

**BUILT-IN FEATURE**  
**Extreme Disability**  
**Benefit**

# Compensation

Term	FYC	Renewal (years 2+)
10	40% > <b>42.5%</b>	3%
15	40% > <b>45%</b>	3%
20	50%	3%
25	50%	3%
30	50%	3%
35	50%	3%
40	50%	3%

# Disability Rider

- Independent from any loan – no proof required at time of application!
- Covers existing or future loans:
  - Mortgage
  - Traditional or mortgage line of credit
  - Investment loan
  - Car loan
  - Student loan
  - Commercial loan
- Up to 1.5% of Life face amount (max. \$3,500/month)
- Payment period over 2 or 5 years, or up to age 65
- Stay at home or parental leave eligible



# Critical Illness Rider

- No **CI underwriting** – any client who qualifies as standard for life insurance is eligible!
- \$20,000 lump sum payment in case of cancer, stroke or heart attack
- Levelled premium to age 85
- Rider is automatically offered to all eligible clients!

Male, 35, non-smoker  
\$100 annual premium, levelled until age 85  
**25 years of protection = \$2,500 for a \$20,000 benefit**

# 25% Insurability Benefit

- Included free of charge
- Customer can increase Life & DI face amount by up to 25% **without underwriting** in the event of:
  - New loan
  - Refinancing of an existing loan
  - Marriage
  - New born baby or adoption
  - Bachelor's Degree, Masters or Ph.D.
- Available until age 60 (Life) or 55 (DI)

## No health issues?

Why not keep the Insurability Benefit for later and apply for a face amount increase with underwriting?



# Extreme Disability Benefit

- Included free of charge
- 50% of death benefit (25% if decreasing), maximum of \$250,000
- Payable if client becomes permanently disabled and requires assistance for 4 out of the 6 routine activities

## **Life expectancy OK?**

The benefit can be used to adapt the client's environment to his new capacity.

# Assistance Benefit

- Included free of charge with the DI or CI rider
- Medical assistance – once a claim is submitted
  - Second medical opinion, referrals to expert physicians, out of country treatments, administrative assistance
- Access to a multi-disciplinary team of experts – once a claim is submitted
  - Psychological services (up \$750/year), medical and convalescence advice from registered nurses and other professional specialists
- Legal assistance – available at all times
  - Identity Theft Assistance
  - Common, criminal, family, property and estate law advice

# Alternative to mortgage insurance

Individual life insurance offered by an insurer	Mortgage life insurance offered by a lender
Insured is the policy owner	The lender is the policy owner
Insured chooses his/her beneficiaries	The lender is the sole beneficiary
Insurance amount can be level despite a decreasing mortgage loan balance	The insurance amount is decreasing
Premiums are level and guaranteed	Premiums are not guaranteed
Coverage maintained upon change of lender	Coverage will be lost upon change of lender

# Statistics about disabilities in Canada

- In 2016, 1 in 7 Canadians reported a disability
  - "It won't happen to me!"
  - "These odds are good, 6 chances out of 7 that everything will be fine!"
  - "Diseases are for old people!"
- The most common causes:
  - Musculoskeletal (30.3%)
  - Psychological disorders (26.6%)
- More than half of disabilities are due to conditions that are not related to age, and to which all may be exposed

# How much?

- \$500k levelled T25, multi-life
- \$2,300/month 2yr DI Rider
- \$20,000 CI Rider
- \$20,000 Child Rider
- Extreme Disability Benefit
- 25% Insurability Benefit
- Assistance Benefit

# \$207.55/month



SSQ INSURANCE COMPANY INC.

Prepared for Client 1  
On October 23, 2019

## Coverage Details

	<i>Total Policy Premiums Multi-Life Concept</i>	
Base Plan Premium		\$860.00
Benefits Premium		\$1,386.16
Annual Policy Fees		\$60.00
<b>Monthly: \$207.55</b>		<b>Annual: \$2,306.16</b>
	Protection	Premium
<b>Term Plus 25 (Level), Individual</b>	<b>\$500,000</b>	<b>\$500.00</b>
<b>Client 1, 35 years, Male, Non-smoker, Preferred Class 3</b>		
Child Rider	\$20,000	\$110.00
Critical Illness Rider	\$20,000	\$102.00
Total Disability Rider - 2 years	\$2,300 / month	\$448.27
Extreme Disability Benefit (EDB)***	\$250,000	Included
<b>Term Plus 25 (Level), Individual</b>	<b>\$500,000</b>	<b>\$360.00</b>
<b>Client 2, 35 years, Female, Non-smoker, Preferred Class 3</b>		
Critical Illness Rider	\$20,000	\$108.80
Total Disability Rider - 2 years	\$2,300 / month	\$617.09
Extreme Disability Benefit (EDB)***	\$250,000	Included
<b>Policy Fees</b>		<b>\$60.00</b>
<b>Total Premium of the Multi-Life Concept</b>		<b>\$2,306.16</b>

# How much?

- \$250k levelled T25, multi-life
- \$1,200/month 2yr DI Rider
- \$20,000 CI Rider
- \$20,000 Child Rider
- Extreme Disability Benefit
- 25% Insurability Benefit
- Assistance Benefit

# \$125.70/month



SSQ INSURANCE COMPANY INC.

Prepared for Client 1  
On October 23, 2019

## Coverage Details

<i>Total Policy Premiums Multi-Life Concept</i>		
Base Plan Premium		\$460.00
Benefits Premium		\$876.64
Annual Policy Fees		\$60.00
<b>Monthly: \$125.70</b>		<b>Annual: \$1,396.64</b>
	Protection	Premium
<b>Term Plus 25 (Level), Individual</b>	<b>\$250,000</b>	<b>\$260.00</b>
<b>Client 1, 35 years, Male, Non-smoker</b>		
Child Rider	\$20,000	\$110.00
Critical Illness Rider	\$20,000	\$102.00
Total Disability Rider - 2 years	\$1,200 / month	\$233.88
Extreme Disability Benefit (EDB)***	\$125,000	Included
<b>Term Plus 25 (Level), Individual</b>	<b>\$250,000</b>	<b>\$200.00</b>
<b>Client 2, 35 years, Female, Non-smoker</b>		
Critical Illness Rider	\$20,000	\$108.80
Total Disability Rider - 2 years	\$1,200 / month	\$321.96
Extreme Disability Benefit (EDB)***	\$125,000	Included
<b>Policy Fees</b>		<b>\$60.00</b>
<b>Total Premium of the Multi-Life Concept</b>		<b>\$1,396.64</b>

3

**Present and  
future needs**

# Conversations for now

- Level or decreasing face amount
- Individual, Multi-Life or Joint First to Die
- Whole Life
- Critical Illness – rider or standalone
- Child Rider





# Options for the future

- Life & DI independent of any loan
- Exchange Program
- T5 renewals
- 25% Insurability Benefit
- EDB
- Assistance Benefit
- Conversion privilege



# 4

## Client profiles – Talking points

# Prepare your conversations

- May and June each year is when majority of Canadians buy and sell real estate
- 472,700 estimated new listings in Canada in 2018
- Good conversation opportunities

# Millennials

- Emphasis on instant credit (ref: ***independence*** of life & DI rider)
- 25% insurability benefit — for the big spenders out there
- Non-Face-to-Face e-App eligible!
- Assistance benefit and identity theft protection



# Families

- Emphasis on security for the future – long-term income replacement protection
- Child rider + conversion opportunities
- Single \$60 policy fee
- Multi-Life vs JFTD comparison
- Extreme Disability Benefit





# Boomers

- They still have debt, whether to pay for renovations, a cottage, boat, new car, etc.
- Still paying for their kids
- Become digitally inclined for their financial needs
- DI rider now available until age 60 and covers until age 65



# Business Clients

- Key person insurance at a very good price
- Corporate estate transfer through CDA credits
- Shareholder's Agreement

