

# Simple financial protection for you and your loved ones

When it comes to life insurance, there are many options to choose from – term or permanent insurance – which one is right for your client?

If your clients need insurance coverage for a specific period of time, term insurance may be a good option. Combined life coverage may be a wise choice for couples looking for debt and income protection.

## Take a look at Anna and Paul...

- Both are 32 years old and have been married for 3 years
- Anna works as a Project Manager for a large financial institution and is currently on parental leave with their first child
- Paul is an electrician
- They bought a house last year
- They don't have any personal insurance

### Insurance Checklist for Anna and Paul

- ✓ Pay-off their mortgage
- ✓ Have funds available to cover living expenses if one of them should prematurely pass away
- ✓ Have the option to continue their insurance coverage if one of them dies
- ✓ Have funds available to cover their child's future education expenses

### BMO Insurance solution for Anna and Paul – Combined life Term 20

Working with their advisor, they determined that they needed \$750,000 of life insurance for at least 20 years.

Combined Life Coverage Paul: Male, Age 32, Non-smoker Anna: Female, Age 32, Non-smoker	Coverage	Monthly Premium
Base Plan: Combined life Term 20 (Standard Class)	\$750,000	\$68.18
Policy fee		\$4.50
<b>Total Monthly Premium</b>		<b>\$72.68</b>



A BMO Insurance combined life plan covers two lives. It works the same as a "Joint-First-to-Die" plan, but with added flexibility. With the BMO Insurance combined life term plan, the death benefit is payable on the death of each life. This means that after the death of the first life insured, the policy will automatically continue as a single life plan on the surviving life insured.



### Ideal Customer

#### Mortgage/Debt protection focus

- Ages 25-40
- Looking for "inexpensive" temporary protection

#### Key Drivers

- Low Maintenance
- High Insurance
- Save Time
- Affordability

#### The BMO Insurance Solution: Term Life

- Guaranteed rates for Term 10-15-20-25-30 – renewable to age 85 and convertible up to age 71
- Available with SmartAPP and SmartDelivery for better advisor and client experience
- Term Exchange Program – Term 10 or Term 15 may be exchanged to a longer term between the 1<sup>st</sup> and 5<sup>th</sup> anniversary with no further underwriting
- Bundle up and Save – add Living Benefit 10-20 as a rider
- Multi-policy discount – save \$25 on the policy fee
- Accelerated underwriting<sup>1</sup> up to age 40 for life coverage amounts up to and including \$5,000,000

## 10 Years later...

- Anna and Paul now have two children – ages 10 and 6
- They have RESPs for both children

## 12 Years later...

- Paul unexpectedly passes away

### The result...

- Anna, as the beneficiary of the policy, receives a tax-free benefit of \$750,000 which she can use to:
  - pay-off their mortgage
  - temporarily cover the family’s living expenses
  - fund the children’s RESPs
- The combined life coverage automatically converts to single life coverage for \$750,000 with Anna as the life insured
  - This coverage will be in place for the remaining 8 years of the 20-year term without any further evidence of insurability
  - After this initial term, Anna can choose to renew the coverage for another 20 years or convert to permanent coverage
- Anna’s premium after the combined life is converted to single life coverage:

Single Life Coverage rate based on Anna’s original issue age of 32	Coverage	Monthly Premium
Base Plan: Single life Term 20	\$750,000	\$30.38
Policy fee		\$4.50
<b>Total Monthly Premium</b>		<b>\$34.88</b>

BMO Insurance offers combined life Term coverage which is similar to Joint-First-to-Die coverage. However, it comes with the added flexibility of having the coverage automatically continue after the first death.



<sup>1</sup> Accelerated underwriting up to age 40 for coverage up to and including \$5,000,000, up to and including \$3,000,000 for ages 41-50, up to and including \$750,000 for ages 51-60.

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Insurer: BMO Life Assurance Company