



ESTATE PLANNING

Off Balance Sheet Critical Illness Benefit Plan

Critical Illness is the fastest growing benefit type in North America. It is a disability policy and not subject to the taxation rules of life insurance.

The chances of having a critical illness claim are over eight times greater than the chance of dying for the typical 50 year old. The critical illness lump sum benefit is paid 30 days after the diagnosis of: cancer, heart attack, stroke, coronary artery bypass surgery, kidney failure, major organ transplant, severe burns, loss of speech, paralysis, blindness, multiple sclerosis, deafness, coma, or Alzheimer’s disease. This coverage is offered by all of Canada’s major life insurance companies.

Premiums can be guaranteed for a variety of terms and a rider allowing for a full or partial refund of premium is available. This is not a cash value, but a claims free refund if the policy is discontinued. If owned or paid for corporately or in a Trust, the insurance premium is a non-deductible expense. The benefit of the premium refund is available tax free to the owner of the policy at the time of the refund claim. A disability policy is not registered with CRA as required for life insurance policies.

There is currently a \$2,000,000 maximum limit on coverage.

Typical level annual premiums for a \$500,000 10 year refund of premium plan are:

	Age 45	Age 50	Age 55
Male Non-Smoker	\$7,310	\$10,060	\$14,745
Female Non-Smoker	\$6,310	\$8,345	\$12,010
Male-Smoker	\$17,655	\$25,570	\$36,795
Female-Smoker	\$15,815	\$21,465	\$30,355

