



EMPIRE LIFE DISABILITY CREDIT PROTECT™

Bundle with life insurance to
help protect your lifestyle

Insurance & Investments
Simple. Fast. Easy.®



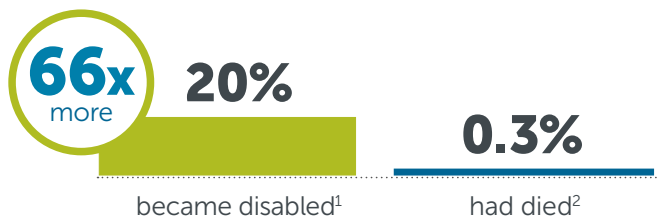


Empire Life Disability Credit
Protect offers help in
protecting you and your family
if you can't work due to a
disability and still need to pay
your mortgage, rent or other
monthly debt obligations



Buying life insurance is a great first step on the road to financial security, but did you know that you are 66x more likely to become disabled than you are to die before age 65?

**For Canadians between
the ages of 25 and 65 in 2017**



¹Statistics Canada, Canadian Survey on Disability Reports 2017:
<https://www150.statcan.gc.ca/n1/pub/89-654-x/89-654-x2018002-eng.htm>.

²Statistics Canada, Canadian Survey on Disability Reports 2017:
<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1310071001&pickMembers%5B0%5D=1.1&pickMembers%5B1%5D=3.1&cubeTimeFrame.startYear=2017&cubeTimeFrame.endYear=2017&referencePeriods=20170101%2C20170101>



Life insurance and disability insurance can work together

Owning life insurance can help provide peace of mind for your family in case you die unexpectedly and can no longer help meet your family's financial obligations such as a mortgage. But what if you were disabled and could not work for an extended period? Adding a disability insurance benefit to a new life insurance policy could be an effective way to build an additional layer of security into your financial plan.

Empire Life Disability Credit Protect is available as an optional rider that you can bundle with a new life insurance plan from Empire Life. It provides a monthly benefit* to help you make monthly debt payments if you become disabled and cannot work.

* The monthly benefit amount and the number of months the benefit will be paid depends on the type of plan you select and your eligible debts, and will be determined upon approval of a claim



Provincial and employer provided disability benefits may not be enough to protect your family

Provincial workplace insurance programs may only cover disabilities that occur as a result of accidents that happen on the job. Long-term disability benefits available through employee benefit plans generally replace only 60% to 70% of your salary, which may not be enough coverage for all of your short term and long term expenses such as groceries, utilities, insurance, mortgage, car payments, fees for children extracurricular activities, etc.

If you become disabled and cannot work, having an additional disability insurance rider that covers eligible monthly debt payments can help supplement traditional long-term disability benefits you may receive.





Empire Life Disability Credit Protect can be a smart alternative to mortgage disability insurance from the bank

Getting disability insurance to cover payments on your mortgage and other loans is smart. Signing up for it with your mortgage lender may not be the best solution for you. With mortgage disability insurance from lenders:

- Your lender owns the policy and gets the benefit payments, not you.
- If you change lenders, you may have to re-qualify.
- It may not cover financial obligations such as rent or a car lease.

With Empire Life Disability Credit Protect, you stay in control because as the policy owner, you receive the monthly benefit and you decide how best to use it. And the coverage stays with you even if you change lenders.



Why pay more?

Buying mortgage insurance from the bank may be convenient, **but it could cost more.**

12%
SAVINGS¹



Solution 25 Term Life
Insurance & Empire Life
Disability Credit Protect rider



Average cost for
mortgage life & disability
insurance from banks

For male, age 45,
healthy non-smoker
who has a \$250,000
mortgage with 25-
year amortization and
a \$2,000 monthly
mortgage payment

¹Saving percentage is based on monthly premiums for Solution 25 and Empire Life Disability Credit Protect rider vs. an average of the monthly premiums charged by top 4 banks for mortgage life and disability insurance. Premiums for mortgage life insurance and disability rider stay the same during the initial term of the mortgage, but the amount of life insurance coverage decreases as the mortgage balance decreases. Premiums for Solution 25 stay the same for the first 25 years of coverage and premiums for the Empire Life Disability Credit Protect rider stay the same for life of the coverage. Solution 25 with the Empire Life Disability Credit Protect rider and mortgage life insurance with a disability rider have different features and eligibility requirements.

²Premiums shown are the monthly premiums as of November 16, 2020, for a 45-year-old male healthy non-smoker, for the initial term of a Solution 25 (coverage of \$250,000) and for a Empire Life Disability Credit Protect rider with a maximum monthly disability benefit of \$2,000 and a 24-month benefit period. At the end of the initial 25-year term, Solution 25 automatically renews and the premium increases annually.

³The average cost is based on the average of the monthly premiums charged by Scotiabank (\$141.50), BMO (\$134.68), RBC (\$141.87) and CIBC (\$128.50) during the initial mortgage term for the same individuals as above for mortgage life insurance for \$250,000 mortgage and for mortgage disability insurance covering \$2,000/month mortgage payment as determined by Empire Life in a survey conducted September 21, 2020.



How Empire Life Disability Credit Protect works

If you become disabled due to an accident or illness and are unable to work, Empire Life Disability Credit Protect can provide you, as the policy owner, with a monthly benefit to cover your eligible debt payments once your claim is approved. Here's how it works:

1

Choose either a 12-month or a 24-month benefit period plan and the maximum monthly benefit amount available to cover your eligible debts, which cannot be more than the lower of \$3,500 per month or 3.5% of the life insurance coverage you are applying for.

2

If you become disabled and your claim is approved, a monthly benefit equal to the required monthly payments for your eligible debts at claim time, up to the maximum monthly benefit amount you selected, is payable during the benefit period.

3

Up to 12 or 24 monthly benefit payments will be made per claim if conditions for payment are met, with a total of 24 or 48 monthly payments for all approved claims.

This rider contains limitations, reductions and exclusions. Please talk to your advisor for more details.



CASE STUDY

Carlos

Carlos purchased a term life insurance coverage and an Empire Life Disability Credit Protect rider with a 12-Month Benefit Period



His term life insurance coverage amount..... **\$75,000**
The maximum monthly benefit amount available (3.5% of \$75,000) **\$2,625**
Based on his needs, Carlos selects a maximum monthly benefit amount of **\$2,500**

Note: Empire Life Disability Credit Protect premiums are based on the maximum monthly benefit amount selected, in this case \$2,500.

2 years later, Carlos becomes disabled due to an accident. He cannot work and is under the continuous care of a physician. He makes his first claim under the Empire Life Disability Credit Protect rider. Carlos provides all claim requirements to confirm his disability and two eligible debts and their monthly payments, which are:

- **\$240,000 mortgage with a financial institution, with monthly payments of \$1,500**
- **\$80,000 personal loan with a financial institution, with monthly payments of \$800**

Carlos' claim is approved and he continues to meet all requirements at the end of the Waiting Period. As the policy owner, Carlos will receive up to 12 monthly benefit payments for this claim. The monthly benefit amount is the lower of:

- the maximum monthly benefit amount of \$2,500; and
- the total eligible debt payments of \$2,300 (\$1,500 + \$800)

The monthly benefit amount for this claim \$2,300



Applying for Empire Life Disability Credit Protect

Applying is easy. If you have been working over 20 hours per week for at least 8 of the last 12 months and are able to answer “no” to each screening question for this product, then simply select the Empire Life Disability Credit Protect rider as an optional benefit when you apply for an Empire Life permanent or term life insurance coverage, and select the maximum monthly benefit amount and the benefit period that suits your needs. Speak with your insurance advisor to find out if you qualify for the rider and to determine your disability insurance needs.

It's important to get the insurance that's right for you

Speak with your insurance advisor to make sure you understand important details about Empire Life Disability Credit Protect, including:

- How much your maximum monthly benefit amount should be (min. of \$300 and max. of the lesser of \$3,500 or 3.5% of the life insurance coverage you are applying for). This is what your premium payment is based on.
- How long you need the monthly benefits to last (12-months or 24-months per claim, subject to a maximum benefit period of 24 months or 48 months, respectively, for all claims)
- The definition of disability you will have to meet at claim time and what is excluded
- What constitutes an "eligible debt" and which debts are excluded
- How the monthly benefit amount for a claim will be calculated (the lesser of the maximum monthly benefit amount and the required monthly payments for eligible debt at claim time)
- The period of time you will have to wait before your monthly benefits begin for a claim (also known as the elimination period) and how long you have to wait to get your first payment (also called the waiting period, which is 30 or 90 days)
- Monthly benefits, if payable, are always paid to the policy owner.
- Conditions that have to be met for monthly benefits to continue being paid and what happens if a eligible debt is paid in full during a benefit period



Did you know?

A waiting period is required for all claims, which is 30 or 90 days.

The monthly benefit amount is determined for each approved claim based on the required monthly payments for your eligible debts at the time the claim is made, meaning that your monthly benefit payments may be lower than the maximum monthly benefit amount you chose for this product and on which your premiums are determined. Note that premiums will not be refunded if the monthly benefit amount that is paid is less than the maximum monthly benefit amount or if there are no eligible debts at claim time. You should speak with your insurance advisor regularly to discuss changes in your financial circumstances to make sure you have the right amount of coverage in place to meet your needs.

In order for the monthly benefit to be payable during the allowable benefit period, you must be a Canadian resident or a permanent resident of Canada, you must be residing in Canada or the United States or another jurisdiction approved by Empire Life, and you must be under the continuous care of a physician and complying with recommended treatment. If you are not in Canada or the United States or another jurisdiction approved by Empire Life at the onset of disability and don't return to Canada within 60 days of the onset of disability, the monthly benefit will be payable for a maximum of three months.

Even if you become disabled and are receiving the Empire Life Disability Credit Protect benefit, you must continue to pay premiums on your life insurance and Empire Life Disability Credit Protect rider. Speak with your insurance advisor about adding a disability waiver of premium benefit to your coverage if you are interested in having your premium payments waived during a disability.

The Empire Life Insurance Company

259 King Street East,
Kingston, ON K7L 3A8

The Empire Life Insurance Company (Empire Life) is a proud Canadian company that has been in business since 1923. We offer individual and group life and health insurance, investment and retirement products, including mutual funds through our wholly-owned subsidiary Empire Life Investments Inc.

Empire Life is among the top 10 life insurance companies in Canada¹ and is rated A (Excellent) by A.M. Best Company². Our mission is to make it simple, fast and easy for Canadians to get the investment, insurance and group benefits coverage they need to build wealth, generate income, and achieve financial security.

Follow Empire Life on Twitter @EmpireLife or visit our website, www.empire.ca for more information.

¹ Based on total assets as reported in December 31, 2019 OSFI filings.

² As at June 24, 2020. For the latest rating, access www.ambest.com.

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