AMOVA
FINANCIALS

FREE GUIDES

Family Protection Checklist

Life, disability and critical illness insurance basics, with questions to see where your family stands.

01 Why this checklist

Most family plans assume that income keeps coming in. This checklist helps you understand the three main kinds of personal insurance designed for the moments when it doesn't: death, disability and serious illness. It explains what each one is and gives you questions to think through.

02 Life insurance: the basics

- **What it is:** a contract that pays a tax-free lump sum (the death benefit) to named beneficiaries when the insured person dies. (Source: CLHIA consumer guides (https://www.clhia.ca/en-ca/consumers/consumer-guides))
- **Two broad families:** *term* (covers a set period, such as while children are young or a mortgage is outstanding) and *permanent* (whole or universal life, meant to last a lifetime and often with a cash value). Each has trade-offs in cost, flexibility and duration.
- **Group vs individual:** coverage through an employer usually ends when you leave that job. Individual coverage is owned by you.

Questions to ask yourself

- [ ] Who depends on my income today, and for how many more years?
- [ ] Do I have coverage through work? How much, and what happens if I change jobs?
- [ ] Who are my named beneficiaries, and are they up to date (after marriage, divorce, a new child)?
- [ ] If my spouse or partner died, what would change in our household costs (childcare, housing)?

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03 Disability insurance: protecting your income

- **What it is:** pays a monthly benefit, usually a portion of your income, if illness or injury stops you from working. (Source: CLHIA, A Guide to Disability Insurance (http://clhia.uberflip.com/i/199350-a-guide-to-disability-insurance/))
- **Key terms:** waiting (elimination) period, benefit period, definition of disability ("own occupation" vs "any occupation"), partial or residual benefits, and whether benefits are taxable (this depends on who pays the premiums; confirm with CRA or an accountant).
- **Consumer protection:** if a life insurer fails, Assuris (https://www.assuris.ca) protects disability income policyholders so they keep up to $2,000 per month or 85% of the promised monthly benefit, whichever is higher (CLHIA disability guide).

Questions to ask

- [ ] If I couldn't work for 6 months, or 2 years, how would bills be paid?
- [ ] Does my workplace plan have short- and long-term disability? What is the waiting period and the definition of disability?
- [ ] I'm self-employed: do I have any income protection at all?

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04 Critical illness insurance

- **What it is:** pays a one-time lump sum if you are diagnosed with a covered condition (as defined in the policy) and survive any required waiting period. You can generally use the money however you choose. (Source: CLHIA, Guide to Critical Illness Insurance (http://clhia.uberflip.com/i/1516153-guide-to-critical-illness-insurance/0))
- **How it's offered:** individual policies, group plans through an employer or association, and coverage tied to a mortgage or loan. Coverage linked to a mortgage may need re-qualifying if the mortgage is renegotiated.
- **Read carefully:** the list of covered conditions, definitions, exclusions, survival period and any optional features.

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05 How much coverage? A framework to think with

People often think in four buckets. Write your own numbers; we can help you test them in a planning conversation.

BUCKET	WHAT TO LIST	MY ESTIMATE
Debts	Mortgage, loans, credit cards	
Income replacement	How many years the family would need support	
Children's future	Childcare, education goals	
Final and transition costs	Funeral, legal, a buffer	

Then subtract what already exists (group coverage, savings). The gap is a starting point for a conversation, not an answer.

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06 Before you sign anything

- [ ] Check that anyone advising you is licensed with the BC Financial Services Authority (https://www.bcfsa.ca).
- [ ] Ask for the policy illustration and contract summary in writing, and read the exclusions.
- [ ] Answer health questions fully and honestly; misstatements can lead to denied claims.
- [ ] Know where to complain: OmbudService for Life and Health Insurance (https://www.olhi.ca).

→ Next step

Want to talk it through? Book a complimentary 30-minute conversation with Amova Financials at amovafinancials.com/book.

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