

# EMPLOYEE BENEFITS

## Why Life Insurance?

If you're wondering whether or not you should purchase additional life insurance, ask yourself this question: "Would my death leave anyone in a financial bind?" If your answer is "yes", it may be time to get serious about life insurance and why you need it.

Life insurance offers peace of mind, ensuring that your debts or loved ones will be taken care of in the event of your death. The rule of thumb is, once you become a parent, any adult in your house earning income should have life insurance coverage that will last until your youngest child completes college. If you have large financial obligations such as high credit-card debt or a mortgage, you could use life insurance to ensure that debt is covered.

To determine if you qualify, life insurance policies require you to complete a medical questionnaire to check for any current, prior or family history of medical conditions. Prior to issuing a policy the insurance carrier will also check things such as your hobbies, and alcohol-related issues. Premiums are based on age, gender and smoking status.

Life insurance is pure insurance protection that pays a predetermined sum if the insured dies due to accident or sickness while the policy is in force. On the death of the insured, life insurance pays the face value of the policy to the named beneficiary. All premiums paid are used to cover the cost of insurance protection.

## Why Disability Insurance?

Is it a good idea to buy disability insurance? Of course. Disability insurance is a policy that will supplement your income in the event of a sickness or injury that prevents you from working. This insurance is meant to allow you to maintain a stream of income to help you stay on top of your financial obligations during the time you are away from work and not earning an income.

Without disability insurance, disability can be a financial disaster for you and your family. If you become disabled during your working life, you lose your earning power, but you continue to have the same living expenses along with increased medical costs.

Some disability insurance policies consider you disabled only if you are unable to perform the duties of any occupation. Better disability insurance plans pay benefits if you are unable to perform the duties of your own occupation.

Disability policies have a waiting period from the time you become sick or injured, and before payments begin. During the waiting period make sure you have enough money in savings to cover your living expenses for at least that long. After the waiting period is over and you start to receive disability benefits, payment will continue until you reach age 65, should you continue to be totally disabled.



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