



# Insurance for your paycheque

Help protect one of your most valuable  
assets with disability insurance

# Are you protecting one of your most valuable assets?

We protect the things that we find valuable – the things that are difficult or impossible to replace.

We insure our homes and vehicles because most of us can't afford to lose them.

## What are you doing to protect your ability to earn a living?



**\$33,000<sup>1</sup>**

Average price of a new Canadian vehicle



**\$437,699<sup>2</sup>**

Average value of a Canadian home



**\$2,008,154<sup>3</sup>**

Average earnings over a 30-year career

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<sup>1</sup> Jeremy Cato, *Savvy shoppers knock about \$4,000 off car prices in Canada*, The Globe and Mail, May 2014.

<sup>2</sup> The Canadian Real Estate Association, July 2015, <http://crea.ca/content/national-average-price-map>.

<sup>3</sup> Assuming annual income of \$45,741 with a 2.5 per cent increase annually for 30 years. Peter Harris, *So, how much are we earning? The average Canadian salaries by industry and region*, Workopolis.com, February 2014.

## How much will you earn in your lifetime?

Consider your earnings between now and age 65 based on your current income and age.

Current age	Current income					
	\$35,000	\$50,000	\$100,000	\$150,000	\$200,000	\$250,000
30	\$1,922,487	\$2,746,410	\$5,492,821	\$8,239,231	\$10,985,641	\$13,732,051
40	\$1,195,522	\$1,707,888	\$3,415,776	\$5,123,665	\$6,831,553	\$8,539,441
50	\$627,617	\$896,596	\$1,793,193	\$2,689,789	\$3,586,385	\$4,482,981

Total potential earnings to age 65, assuming a 2.5 per cent increase every year.

Over a 30- or 40-year career, your accumulated income is likely to be far more valuable than any other asset you'll own.



# Disabilities are a fact of life



**1 in 4**

the odds of becoming disabled for 90 days or more before age 65.<sup>4</sup>



**More than three quarters**

of our claims are for nervous disorders (like depression and anxiety), cancer and musculoskeletal injuries (like fractures, dislocations and sprains).<sup>5</sup>



**5.75 years**

the average length of a disability, if it lasts longer than 90 days.<sup>6</sup>

<sup>4</sup> Canadian Institute of Actuaries (CIA) 86-92 & 2012 Society of Actuaries – Individual Disability Experience Committee Table.

<sup>5</sup> Great-West Life disability insurance – based on all new claims paid between May 1, 2014 and Apr. 30, 2015. Nervous disorders may not be covered by all plans.

<sup>6</sup> Canadian Institute of Actuaries (CIA) 86-92 Agreement Table & 2012 Society of Actuaries – Individual Disability Experience Committee Table.



**During a disability, you won't only need to cover current expenses to maintain your lifestyle** – you might also have to deal with additional costs, such as paying for childcare, medication or home modifications.

How would you maintain your lifestyle for an extended period if you couldn't work because of an illness or injury?

## How realistic are these options?

### Your spouse

A disability could affect your spouse's income if they need to reduce time at work or give up their job to take care of you. Can you maintain your lifestyle on one reduced income or no family income at all?

### RRSP and savings

How long can you live off your current savings? Will that leave you with enough for retirement? Withdrawing money early from your RRSP will have tax implications that could mean less money to cover expenses.

### Loans and credit

These are short-term 'band-aid' solutions that are likely to leave you further in debt. Obtaining a loan under normal circumstances can be difficult – obtaining a loan when you're unable to work might be impossible.

### Government

To qualify for Canada Pension Plan or Quebec Pension Plan benefits, your disability must be severe and prolonged and prevent you from being able to work at any job. Employment Insurance has a limited benefit, while Workers' Compensation benefits only cover disabilities that occur on the job.

### Sale of assets

Would you be willing to quickly sell assets to meet your needs? What impact will the sale of these assets have on your lifestyle?

### Employer coverage

Is disability coverage through your employer enough? It may not provide the level of protection you need and it is only in place if you stay with the same employer.

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\*In accordance with the monthly benefit, start date benefit period, definition of disability and other plan features purchased.

# Protect your paycheque

Disability insurance works when you can't. If an illness or accident keeps you from working, disability insurance can give you monthly income to help pay ongoing expenses. It replaces a per cent of your earnings over the short or long term.\*



\* In accordance with the monthly benefit, start date benefit period, definition of disability and other plan features purchased.

## How much of your income do you need to get by?

**Total monthly expenses** \$ \_\_\_\_\_

**Less: Current monthly disability coverage**  
(group, individual, if any) \$ \_\_\_\_\_

**Your income gap**  
(disability insurance needed) \$ \_\_\_\_\_

The following chart shows the **maximum amount you could receive tax-free each month** if you faced a disability.

Annual insurable income	Monthly benefit
\$35,000	\$2,200
\$50,000	\$2,975
\$100,000	\$5,200
\$120,000	\$5,925
\$140,000	\$6,625
\$200,000	\$8,550
\$300,000	\$11,350
\$500,000	\$16,050
\$1,000,000	\$25,000

The above examples are for illustrative purposes only. Situations will vary according to specific circumstances. Actual amounts are subject to your age and occupation. Some limitations apply.

For more information about how disability insurance may fit your needs, ask your financial security advisor for an illustration.

Great-West Life is an industry leader in disability insurance and has more than 70 years' experience in the disability insurance market.



The information provided is for general information only. It is not to be relied upon as providing legal or tax advice. You are encouraged to consult with your professional tax and/or legal advisor about your particular circumstances.

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