

Protecting What Matters Most

Life is unpredictable and things often go sideways. Some things are frustrating, like coming home to a burst water pipe and calling the restoration company. Others can be traumatic such as an unexpected injury, illness, or worse, losing a loved one all too soon.

While we cannot control life, we can try to protect what matters most. A common solution can be insurance. To keep things simple, insurance generally falls into two categories:

1. **Property insurance:** covers objects such as your home, car, trailer, etc.
2. **Personal insurance:** covers individuals from certain illness, injury or death.

We will not focus on property coverage other than we are advocates that if you value the property, it should be adequately insured (think replacement value).

Below are six common types of personal insurance:

Life Insurance: Life insurance can serve several needs: paying final expenses and debts, helping replace lost income, maintaining a standard of living, providing tax-free inheritance and assisting in estate wishes, including blended families.

According to 2019 report from Life Insurance and Market Research Association (LIMRA), nearly 33% of Canadians do not have any life insurance. One reason could be that in their study, LIMRA found that nearly 80% of consumers over-estimate the cost of insurance.

Life insurance generally falls into 2 categories: term and permanent.

Term: coverage for a set period of time. Group policies offered through work benefits often fall under this category as well. Typically, term is aligned to debt reduction, a retirement date or coverage while caring for dependents.

Permanent: designed to meet lifelong needs and often referred to as Whole Life or Universal Life. Costs are higher than term insurance and can be paid over a predetermined number of years or life. These products also have the ability to shelter cash value in a tax-deferred manner.

1. **Disability:** A 2019 RBC Insurance report revealed that half of working Canadian do not have disability coverage. Also, a 42-year old male was 3.5 times more likely to become disabled than die. If you cannot work, who is going to pay your bills, let alone look after your needs? Be careful relying only on group coverage through work because you may be surprised at what your benefits include and how long they pay for.
2. **Critical Illness:** Covers an individual in the event of being diagnosed with certain life-altering illnesses or diseases. This can help pay down debts, provide cash flow if off work, or enhance quality of life. Common coverages may include heart attack, stroke and cancer. Some cover upwards of 30 different ailments. Coverage will vary by product and provider, and is typically paid out in a lump sum upon diagnosis.

3. **Long Term Care:** provides assistance should you become unable to care for yourself due to aging, an accident, illness or deteriorated mental ability. Usually measured by inability to perform two or more of activities of daily living including eating, bathing, dressing, etc.
4. **Creditor Insurance:** Involves insuring your debts in case something should happen to you as debtor. Commonly there is life, disability, and critical illness. It is important to note that the beneficiary of these policies is the lender.
5. **Travel Insurance:** There could be some significant changes that arise due to the COVID pandemic. When travelling opens up more, we recommend reviewing any exclusions or updates before you book that next trip. Furthermore, we have heard claims arising from parasailing, scuba diving or riding an All-Terrain Vehicle (ATV) could be denied.

These are a brief overview of some avenues that could help protect yourself and loved ones. There are many options, and while it can feel overwhelming, we believe working with a trusted insurance advisor can help ensure that you are protecting what matters most

Until next time...Invest Well. Live Well.
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