



Your greatest asset

Create opportunities with disability insurance.

Introduction

Disability insurance can provide valuable coverage for clients to help them cope with the financial costs of an illness or injury.

And as an advisor, it can help grow your business.

It's why we've created the following presentation, which includes information, tips, strategies and scripts you can use for your disability insurance conversation.

Ideal clients for this presentation include:

- Recent graduates (for example, doctors or lawyers)
- Working individuals and families
- Business owners

Start the conversation

Before you talk about the specifics of Canada Life disability insurance products, it's a good idea to ask your client what they think could happen if they became too sick/injured to work – including financial consequences and costs.

Here are three key messages you may find effective in starting the conversation:

1. Your client's greatest asset isn't their home or car. It's their ability to earn an income over their lifetime.
2. One-in-three Canadians will become disabled for 90 days or longer before age 65.¹
3. Disability insurance can help protect "your greatest asset" if your client is injured or too sick to work.

Once a client realizes there's a risk if the unfortunate were to happen, that's a good time to talk about how disability insurance can help.

¹[A guide to disability insurance, Canadian Life and Health Insurance Association, December 2018.](#)

What is disability insurance?

Disability insurance is what we call a living benefits product, meaning it provides money to clients while they're alive.

Specifically, disability insurance works when your client can't. If an illness or accident keeps them from working, disability insurance can give them a monthly income to help pay for ongoing expenses. It gives them a monthly disability benefit while they can't work, starting after the waiting period, and according to their monthly benefit, benefit period start date, definition of disability and other plan features purchased.

Best of all? This monthly benefit is tax-free.

What does disability insurance cover? Some examples include:

- Musculoskeletal (fractures, dislocations and sprains)
- Nervous disorders (depression and anxiety)
- Cancer/tumors
- Cardiovascular
- And more

In fact, three-quarters of our claims are for musculoskeletal injuries (like fractures, dislocations and sprains) and nervous disorders (like depression and anxiety).¹

¹Based on Canada Life active claims as of April 2015. Nervous disorders may not be covered by all plans.

What does disability insurance protect?

There's an important distinction to make between "what does disability insurance protect?" and "what does disability insurance cover?"

Disability insurance covers any sickness or injury that prevents someone from working. But disability insurance protects a client's income if they can't work due to an accident or illness. It provides protection by replacing part of their income while they recover.

If your client becomes disabled, they'll need their income to cover important costs.

For example, let's say your client earns \$100,000 a year. If they're involved in a serious car crash and can't work for a year, that's \$100,000 not going toward things like:

- Mortgage payments
- Retirement savings
- Education savings plans for children
- Vacation/leisure time with family

This raises even more questions:

- How will their household pay their bills? Could they keep their family home with one less income earner?
- Can they catch-up on their savings plans – retirement or RESP savings? Will they have to work harder to make up this difference, or will they have to alter their plans (delay retirement, child delays going to university, etc.,)
- Are some opportunities – to make cherished memories with family on vacation – gone forever?

So, can we say disability insurance can help protect all of your client's priorities? That's probably a stretch. However, by giving your clients income support while they're disabled, disability insurance can help keep their plans on track.

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Disability insurance
– the basics

Your client's greatest asset

If you ask your client, “what’s your most valuable asset?” they’ll probably say, my house,” or possibly, “my investments/RRSP.”

However, the truth is, over a 30- or 40-year career, a client’s accumulated income is likely to be far more valuable than any other asset they’ll own.

For example, someone who makes \$50,000 a year at age 30 will earn more than \$3 million by the time they turn 65.¹

However, that assumes they work each year. But what happens to that potential income if they’re disabled and can’t work? It could put a dent in their future earning and saving goals. That’s why it’s important to help your client realize how important their lifetime earning potential really is and why they need to protect it.

Your client's
greatest asset

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¹Total potential earnings to age 65, assuming a 3.1% increase every year.

More than just lost income

A disability could be more costly to your client than just lost income. Here are just a few examples of extra expenses they could face:

- They may need a personal support worker for in-home support
- If their spouse has to stay home and take care of them, they're not working either. Can their household afford losing two regular income earners?
- Depending on their disability, they may have to modify their home – for example, a wheelchair ramp or chair lift.
- They may need to retrofit, or buy, a vehicle (like a wheelchair van) to help them get around.
- If they're not able to cook for themselves, they'd either need home delivery services or eat out more.

These extra costs could be problematic if someone can't work because of a disability.

More than just
lost income

How common are disabilities?

As with many emergencies and incidents in life, it's natural for people to think, "Well, it may happen to someone else, but it won't happen to me!"

The truth is that disabilities are surprisingly common.

- One-in-three Canadians will become disabled for 90 days or longer before age 65¹
- More than half of Canadians would find it difficult to pay their bills if their paycheque was delayed by even a single week²
- The average length of a disability (if it lasts longer than 90 days) is 5.75 years³

Remember a disability can be many things –injuries from a car crash, a bad fall, chronic depression or anxiety.

Even if they're very healthy right now, who knows what could happen down the road? A disability can occur at any time – perhaps it's something in their family history they didn't know about. Or maybe it's completely random – they're struck by a car while crossing the street.

Your client may not feel like it'll happen to them, but statistics show it could.

How common are disabilities?

[A look at living benefit claims](#)

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[Age table – Risk of disability, critical illness or death before age 65](#)

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¹[A guide to disability insurance, Canadian Life and Health Insurance Association, December 2018.](#)

²Source: Canadian Payroll Association annual consumer survey, September 2014.

³Canadian Institute of Actuaries (CIA) 86-92 Agreement Table & 2012 Society of Actuaries – Individual Disability Experience Committee Table.

Perception versus reality

No one can predict the future. When it comes to a potential disability, there are many unknowns:

- The event may not happen for many years
- The client may need more assistance over the long-term
- Recovery may take longer than expected

Why does this matter?

Today, a client may think they're healthy and won't become disabled. However, that's a perception – and perceptions don't always equal reality. The fact is, nobody really knows what might happen in the future.

The one thing that you do know (and can tell them)?

If a client has disability insurance and they meet the conditions in their policy, the monthly income they receive could help offset financial hardship while they recover.

Perception versus reality

Plenty of options

At its core, disability insurance covers your client's income by giving them a monthly disability benefit.

However, disability insurance offers more options than just its base coverage.

In fact, clients can choose customized options depending on their needs.

For example:

- Longer or shorter waiting period (before they qualify for disability benefits).
- Adjustable benefit period – how long they receive disability insurance payments before they end.
- Optional benefits – for example, the return of premium option, which allows a client to get some of their disability premium payments back if they don't experience a disability.

And of course, their options can be customized depending on their budget, too.

If a client sees their potential premium payments and becomes hesitant, work with them to find a price point they're comfortable with. Disability insurance offers enough options that you can adjust to deliver something the client can afford (within what's reasonable and possible with available Canada Life disability insurance options).

Plenty of options

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[Protect your family instead of your lender](#)

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For business owners

Let's say your business owner client got into a serious car crash on their way home from work one day and they couldn't return to their business for a full year.

- Who would handle your client's duties– including decisions to grow the business, day-to-day issues, etc.?
 - If it's a current employee, would that person continue their old duties? Would they need a raise for their extra tasks?
 - If it's a new employee, can the business afford to hire someone else?
- How would the business pay the bills?
 - Would it come out of business revenue?
 - Could this affect staffing/salaries?
- What would their business look like when they returned?

This opens the door to ask a key question: What if the client's business didn't have to pay for those extra costs – instead, they'd come from a disability insurance benefit? This shifts the risk of a disability from the business to an insurance company.

These things can all be covered, based on what your client chooses to spend their disability benefit money on.

For business owners

[Overhead expense plan: how disability insurance can help protect your business](#)

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[Taxation of disability insurance plans](#)

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Impact on clients

The ripple effect

The ripple effect

Disability touches many people a client knows. It's a ripple effect, like a pebble tossed into a pond.

The pebble represents a disability and the water, the affected person.

The ripples are challenges that move outward to family and friends.

If a client thinks about a health situation they've faced – perhaps they broke their ankle in the past – they know everything that happens to them affects someone else.

The same is true with a disability.

But, if a client has disability insurance and receives a monthly benefit, these proceeds can create a ripple too, giving family, friends and important people options during a tough time.

Client script: What could a disability mean for your spouse and child (children)?



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Impact on clients

Protect how much you've saved

Protect how much you've saved

Disability can mean bad news for clients with investment planning goals and personal financial objectives.

If a client can't work because of a disability, that probably means they don't have money coming in each month. How will they continue to fund investments like registered retirement savings plans (RRSPs), registered education savings plans (RESPs) as well as other investments?

Also, will they need to draw on investments to replace their income or pay for extra costs?

Either one could affect their long-term investment planning goals.

If a client worked with you to create a financial plan, now's a good time to revisit their plan, examine their goals and talk about how disability insurance can help protect what they've saved.

Some key messages you can use:

- Disability insurance can help keep their financial plans on track – the monthly benefit could mean your client doesn't need to draw on investments/can keep funding their investments even if they're sick and can't work.

[Client script: Plan for a health emergency](#)



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Impact on clients

Premium payments aren't the biggest cost

Premium payments aren't the biggest cost

Even if a client realizes they need disability insurance, they may not want to pay for it.

Disability insurance can be expensive, depending on their monthly income and what additional benefits (riders) they add to their policy. So, it shouldn't be a surprise that for some clients there's a degree of "sticker shock" when you tell them how much their monthly premium payments will be.

However, in most cases, the cost of paying for disability insurance coverage is far less than what a client will lose in lost income, as well as expenses they'd face with a disability, if they couldn't work.

[Client script: Two scenarios](#)

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[Insurance for your paycheque](#)

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Flexibility and options

Opportunity

There are plenty of ways clients can customize their coverage.

Lifestyle protection plan – comprehensive disability insurance coverage

Choose a benefit period – how long they'll receive a monthly benefit. In general, the longer the payment period, the more they'll pay in premium for their coverage.

Lifestyle protection plan:

- 24 months (two years)
- 60 months (five years)
- 120 months (10 years)
- To age 65

Pick a waiting period – this is how long they wait until their coverage begins. Typically, the longer the waiting period, the more affordable the premium payments.

Lifestyle protection plan:

- 30 days (one month)
- 60 days (two months)
- 90 days (3 months)
- 120 days (4 months)

And choose optional benefits (also called riders)

Some options available include:

- Own occupation
- Future insurability option
- Cost of living
- Return of premium (50%) (lifestyle protection plan only)
- Residual disability
- Partial disability
- Accident death and dismemberment

[Disability and critical illness insurance: Product overview](#)

46-8955



[An easier approach to disability insurance](#)

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Introduction

After you've talked to your client about disability insurance, perhaps they want to buy a policy. Or maybe they're skeptical.

Here are some hints that can help you address any challenges or questions you may face:

- Brush up on Canada Life's disability insurance product – The more you know about the product and how it works, the better you'll be able to address client concerns.
- Review this presentation and scripts – Go through this presentation and the accompanying scripts. It contains plenty of information to help you talk to clients.
- Read marketing material – This presentation also links to numerous client brochures and supplementary pieces designed to give clients, and yourself, more info about disability insurance.

If those don't work, we've identified some common questions/objections here and potential answers.

Note: We designed these answers with two purposes in mind:

- To help you make a sale
- To further build your relationship with your client

“I’m not interested.”

If a client says, “I’m not interested” or “I don’t need this,” after you’ve told them about disability insurance, there’s a good chance there’s more to their answer than they’re letting on.

The natural follow-up question here is, “why?” There’s a reason they feel this way and if you can find out what it is, you can possibly address it.

Some possible follow-up questions could be:

- “May I ask why you’re not interested/feel you don’t need this?” – Depending on their answer, your response can be wide-ranging. Once you have their answer, you can create a response using material in this section, or earlier in this presentation.
- “Was anything I’ve said unclear or was there something you didn’t understand?” – If yes, ask some further questions to discover their concern and explore in detail.

“I’m not interested.”

[Insurance for your paycheque](#)

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[Value of insurance – Tool](#)



[Disability and critical illness insurance:
Product overview](#)

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[Client script – Plan for a health emergency](#)



“It’s too expensive/I can’t afford it.”

Disability insurance can be expensive. However, remind your client about the following:

- There are considerable costs involved if they become disabled and can’t work.
- Disability insurance could cost them less in the long run if they get sick.
- If your client adds the return of premium benefit and if your client doesn’t become disabled, they could get some of their premium payments back.

Disability insurance is very flexible and can be tailored to your client’s current needs. If it seems too expensive, maybe you can work together to find a policy/coverage amount that fits their budget. Maybe they can pick an option with a longer waiting period or shorter benefit period to lower costs. After all, some insurance coverage is better than none. Offer to go over some options and remind them you can adapt their plan in the future if their needs change.

If their budget is too tight for disability insurance, look at their financial plan or create a financial security plan together and see if there’s some way you can help them get covered.

“It’s too expensive/
I can’t afford it.”

[Client script – Two scenarios](#)



[Flexibility and options](#)



“I can get protection from somewhere/ someone else for less money.”

If a client raises this concern, a couple of things may have happened

- They’ve talked to other advisors/financial institutions and received disability insurance quotes.
- They’re trying to get a better price by suggesting the cost of Canada Life disability insurance is too high.
- They’re suggesting they’ll self-insure.

Ask some probing questions to find out what they mean – and who/how they’ll obtain this cheaper coverage?

If another company offers it for less

- Comparing costs with other companies is tricky for a few reasons.
- Insurance companies and financial institutions offer similar disability insurance products – each features a monthly benefit amount depending on your age, income and other conditions such as waiting period.
- However, in any situation, your client needs to make sure they’re making an “apples to apples” comparison. Investigate and you may find there’s a reason why one company offers their product for less money. It could be that the client receives less features/benefits.

If they’re trying to get a better price through Canada Life

- They’re using a negotiating tactic. If that’s the case, remind them that if price really is a concern, there are ways to lower premium payment costs for Canada Life disability insurance – such as a longer waiting period or shorter benefit period.

“I can get protection from
somewhere/someone
else for less money.”

“I’ll use my own money if I get sick / I’ll find my own way to pay for it.”

Using their own money can be a good idea, but how much would they need to set aside?

There are plenty of costs to a disability but let’s start with one as an example. Let’s say they couldn’t work for a year because of a disability. That means the client would need to find a way to replace their salary, so they could keep their bills paid up and other plans on track.

How long would it take your client to save that much money if they set aside a certain amount each month?

If they set aside 10% of their salary each month, it’d take 10 years to save up enough.

They may not become disabled in 10 years, but what would happen if they did? It’s something to think about.

Also remember: if your client sets aside 10% of their salary in case they become disabled, that’s money they’re not putting into retirement savings, paying off debt or even enjoying life with their family and loved ones. Plus, they’re spending their hard-earned money on the cost of recovering from a disability when they could spend it on something else.

[If a client says they’ll find their own way to pay for it]

Ask them which ways they have in mind to cover these costs. Some examples could include:

[If they plan to borrow the money or fundraise it from family/friends or even strangers via crowdfunding online] –

Unless your client knows for sure they can get the money when they need it, this could be a risky strategy.

[If they’ll take out a bank loan] – Bank loans aren’t guaranteed. Often, banks look at your client’s income before they issue a loan. They may not loan money if they’re not working. Also, to borrow money your client needs to pay it back. Without an income, how will they make those payments?

These are some potential answers, but they address the central point: Your client assumes the risk. And if things don’t turn out the way they expect, it could mean serious financial problems for them and their family.

“I’ll use my own money if
I get sick / I’ll find my own
way to pay for it.”

“It won’t happen to me.”

The fact is one-third of all Canadians will become disabled for 90 days or longer before they’re 65.¹

Here are some key points that you could use with clients who think it won’t happen to them:

- Even if they’re very healthy/in shape, etc., right now, who knows what could happen down the road? A disability can strike out-of-the-blue – who can predict a car crash or a bad fall?
- There’s no amount of exercise or proper nutrition that can eliminate the risk of a disability
- Sometimes the more active someone is, the greater their chances of experiencing a disability (for example, falling off one’s bike, getting a sports injury, etc.)

So, while your client may not feel like it’ll happen to them, statistics show it could. Of course, that doesn’t mean they will become disabled. But there’s a chance.

“It won’t happen to me.”

¹[A guide to disability insurance, Canadian Life and Health Insurance Association, December 2018.](#)

“I have disability insurance coverage.”

You should clarify right away whether your client has:

- Personal coverage
 - Coverage through their employer (called group disability insurance)
 - Coverage through an association (for instance, a union)
- In many cases, group disability insurance coverage is different – and in some cases, not as comprehensive as personal coverage.

If they have personal coverage:

- Ask them to bring a copy of their policy. This way you can see if there are any gaps in their coverage which could be filled with a Canada Life disability insurance policy.

If they have group or association disability insurance coverage:

- Ask your client to bring a manual or other document which explains details of their coverage. This way you can do a thorough comparison between their policy and Canada Life disability insurance.
- In contrast to personal coverage, group or association disability insurance coverage often has:
 - Fewer questions to qualify, meaning it's easier to get
 - Limits on how much coverage your client can have
 - Different definitions for what's considered a disability
 - Claims restrictions
 - Periodic price increases
 - Some group disability plans only cover salary in their benefit calculation. This could be a big deal for clients who earn commission.
 - Employer controls the policy – for instance, if a client leaves their employer, coverage doesn't come with them.

However, even if they have other disability insurance coverage, they could benefit from more disability insurance coverage.

“I have disability
insurance coverage.”

[Client script - Another option](#)



[Exploring government and employment disability coverage](#)



[Disability insurance needs analysis calculator](#)



[Should you rely on group insurance alone?](#)

46-10419



[Enhanced group insurance with top-up or offset - tool](#)



Introduction

Disability insurance is valuable by itself. But when combined with other kinds of insurance – particularly life insurance – it can better protect clients and their families from the unexpected.

Important:

Review client coverage/investment specifics before you meet so you can tailor your conversation to their needs. For example, it's important to know what life insurance riders (if any) they need, and/or their investment contributions, portfolio size and long-term investment goals.

Current life insurance clients

If you have existing life insurance clients, now might be a good time to talk to them about disability insurance.

Life insurance and disability insurance are often a good fit, because people buy both types of insurance for the same reason: to help protect their families, financially, if something happens to them.

While recipients of funds are different – the monthly disability insurance benefit goes to the client, while life insurance goes to a beneficiary (often family or loved ones) – in the end, the client’s loved ones benefit from coverage. After all, if someone doesn’t have disability insurance coverage and they can’t work because of a disability, they and their family could experience financial hardship. The same is true with life insurance: when someone dies, if there’s not enough money to pay for the funeral, settle debts and replace their income, it could mean hardship for those left behind.

The *Why did you buy life insurance?* concept is a good way to present this idea to your client.

[Client script – Why did you buy life insurance?](#)



[Age table – Risk of disability, critical illness or death before age 65](#)



Investment client

When your client chooses their investments and risk profile, chances are they make their choices based on risk. If they're worried about market changes, they'd probably pick a conservative profile – including fixed-income assets. Whereas if they're comfortable with more risk, an aggressive profile with more investment in equities may be more appropriate.

How much risk are your clients comfortable with? If they knew there was a one-in-three chance their assets would take a significant hit, would they still invest? Probably not. If they could take steps to protect their investments from such a change, would they do so?

Statistics don't lie – one-in-three Canadians will experience a disability lasting longer than 90 days before they're 65.¹

And since most disabilities mean a client can't work, they're not generating income for their family.

And no income means no investment contributions or purchases.

In fact, your client may need to draw on investments and savings to pay their bills. If they did, they may have to pay tax on what they withdraw which could deplete what they've already set aside – putting their retirement plans at risk.

These implications may only become clear after they've returned to work – and when they try to get their investment plans back on track.

Some questions to ask your client are:

- Will they need to invest more money than planned to make up the difference?
- Will your client need to make do with less?
- Will they need to delay retirement?
- What will this mean for their family/future goals?

Disability insurance is one way to keep those investment plans on track.

The monthly benefit may leave enough for your client to continue investing/buying new assets. At the very least, it means they probably won't have to draw on their existing investments for emergency cash to pay their bills. Disability insurance can't replace everything, and your client shouldn't assume their income and investments will remain status quo, but it can make a difference.

[Age table – Risk of disability, critical illness or death before age 65](#)



[Value of insurance - Tool](#)



¹[A guide to disability insurance, Canadian Life and Health Insurance Association, December 2018.](#)