



INCOME REPLACEMENT

Many families today have two incomes to cover their monthly cost of living expenses. Expenses like mortgage and car payments, daycare, groceries, utilities, gas, travel, entertainment and much more. It can also allow a family to save for future expenses such as family trips, education and retirement.

What happens if a wage-earner dies? What would happen to the family if one paycheque suddenly disappeared? Many families can be left struggling both emotionally and financially.

“

What would happen to the family if
one paycheque suddenly disappeared? ”



Importance of Buying Life Insurance

Canadians may not realize the immediate financial benefit life insurance policies can offer to help supplement lost income. An income replacement strategy can make up the largest portion of all life insurance need, especially for younger families. Most families who have a financial plan, intend to work until retirement. The earlier a family member dies, the more insurance protection is needed to cover lost income for the remaining years.

The Cost of Waiting

There is a cost to putting off the purchase of life insurance. In fact, there are three;

- Premiums go up as age increases
- Change in health impacts eligibility
- Dying before applying means the family will lose a large source of monthly income to pay for the day-to-day expenses.

A Good Rule of Thumb

Some experts say a good measure for income replacement is to choose between 10 years of income or to look at replacement up to age 65. 10 years of income allows families plenty of time to adjust to their new circumstances and income up to age 65 allows the family to continue their original plan with little disruption, almost like their loved one was still there providing for them.

Next Steps

Income Replacement coverage can be done in **three simple steps**:



1. DETERMINE NEEDS

Indicate the monthly payment desired and for how many years. Factor inflation and future needs when selecting an amount. Using the gross income instead of net provides some additional funding because insurance benefits are not taxable.



2. DETERMINE ELIGIBILITY AND PRODUCT

Complete the health questionnaire and select the best life insurance product that fits the current health status of each applicant.



3. SUBMIT APPLICATION

Once both needs and products are selected, an application can be submitted in as little as 15 minutes.

Assumption Life Solutions

We can offer many product options that support an income replacement strategy, including some unique options only available through Assumption Life. The important thing to remember is considering both immediate and future needs when determining what is best for the client. Assumption Life offers multiple solution options to help protect what matters most.

.....
For more information on Income Replacement, please contact your Assumption Life advisor.



Assumption Life

www.assumption.ca