

HEALTH PRIORITIES GUIDE - INSURING CHILDREN

# Critical Illness Insurance



# No one is immune from being diagnosed with a critical illness, but did you know you can reduce the emotional and financial fallout?

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When you're a parent, nothing is more important than your child's health and well-being. With Health Priorities critical illness coverage from Desjardins Insurance, you can insure your child and make sure you'll have the financial freedom to support them as you see fit if they're diagnosed with a covered critical illness.

This guide is for you. Learn how Health Priorities can provide financial assistance in the event that your child is diagnosed with a covered critical illness.

# How does Health Priorities work?

Desjardins Insurance offers 2 types of critical illness insurance to protect your insured child. You'll receive a tax-free benefit if your child is diagnosed with a critical illness covered by the policy. You can use the money however you see fit.

## **Health Priorities – Child, 20 Pay**

This permanent policy offers coverage for 29 critical illnesses, including 3 childhood illnesses. You can also take out coverage for 3 additional childhood illnesses. If your child is diagnosed with a less severe condition, you'll receive an advance on the insurance amount.

## **Health Priorities – Term 20**

If your child is diagnosed with one of the 26 covered critical illnesses, you'll receive a tax-free benefit to use as you see fit.

And if your child is diagnosed outside Canada, you're still entitled to the benefit.

# Why would you need critical illness insurance?

- To take time off work to be at your child's bedside when they need you most
- To get prescription drugs or access specialized treatments that aren't covered by the public health plan or your employer's insurance plan
- To pay for private-sector or international medical treatment
- To cover unexpected expenses such as travel, accommodations and hospital parking
- To protect your child's insurability





### **DID YOU KNOW?**

The term 20 critical illness insurance is also available for children. Convertible into a permanent product and transferable to your child once they're an adult, it could also help you meet your needs. Term insurance doesn't cover childhood illnesses.

### **DID YOU KNOW?**

This insurance covers all types of cancer and several cardiovascular procedures. An advance is paid for certain cancers or minor procedures.

# Who should get a child Health Priorities coverage?

Health Priorities for a child is a product of interest for parents and grandparents who want coverage for their child or grandchild.

## Which illnesses are covered?

Depending on the product and options you choose, Health Priorities can cover your child for up to 32 illnesses and conditions. When the insured child is diagnosed with a condition that meets the policy definition, you'll be entitled to a benefit payment of up to 100% of your insurance amount.

You're free to use the money as you see fit, for example, to pay for healthcare outside Canada or to hire help around the house so that you can give the child all your attention as they recover.

### Cancers and tumours

- Cancer (life-threatening)
- Benign brain tumour

### Accidents and functional loss

- Severe burns
- Blindness
- Coma
- Acquired brain injury
- Paralysis
- Loss of speech
- Loss of limbs
- Deafness

### Cardiovascular

- Stroke
- Aortic surgery
- Heart attack
- Coronary artery bypass
- Heart valve replacement or repair

### Other

- Aplastic anemia
- Occupational HIV infection
- Permanent loss of independent existence

### Neurological

- Dementia, including Alzheimer's disease
- Parkinson's disease and specified atypical Parkinsonian disorders
- Motor neuron disease
- Bacterial meningitis
- Multiple sclerosis

### Vital organs

- Major organ failure on waiting list
- Major organ transplant
- Kidney failure

### Childhood diseases included with Health Priorities – Child, 20 Pay

- Autism spectrum disorder
- Cystic fibrosis
- Rett syndrome

### Additional childhood diseases for Health Priorities – Child, 20 Pay

- Type 1 diabetes mellitus
- Muscular dystrophy
- Cerebral palsy



Being diagnosed with an illness by a doctor doesn't automatically entitle your child to a benefit payment. According to the contract definitions of some illnesses, only severe cases may be covered. The benefit will be paid if your child's diagnosis corresponds to the contract definition.

# In addition to covering 26 critical illnesses, Health Priorities also provides advances

Health Priorities critical illness insurance also provides partial payment (an advance) for some illnesses and conditions that don't meet the definitions of the 26 covered illnesses. The amount of these payments varies between 1% and 30%. You can receive up to 5 payments (1 per category). The categories are:

Category	Advance
<b>Early-stage cancers</b> <ul style="list-style-type: none"> <li>• Carcinoma in situ</li> <li>• Chronic lymphocytic leukemia – Stage 0</li> <li>• Dermatofibrosarcoma</li> <li>• Ductal carcinoma in situ of the breast or lobular carcinoma in situ of the breast</li> <li>• Malignant carcinoid tumours</li> <li>• Malignant gastrointestinal stromal tumours</li> <li>• Malignant melanoma – Stage 1</li> <li>• Papillary thyroid cancer or follicular thyroid cancer – Stage 1</li> <li>• Primary cutaneous lymphoma</li> <li>• Prostate cancer – Stage T1a or T1b</li> </ul>	Advance of 15% of the insurance amount (\$50,000 maximum)
<b>Other cancers</b> Cancers that do not qualify as life-threatening under the contract and are not listed as cancers detected at an early stage	Advance of 1% of the insurance amount (\$5,000 maximum)
<b>Surgical removal:</b> Total mastectomy or total prostatectomy	Advance of 30% of the insurance amount (\$100,000 maximum)
<b>Minor cardiovascular conditions and procedures</b> <ul style="list-style-type: none"> <li>• Aortic aneurysm</li> <li>• Coronary angioplasty</li> <li>• Endovascular treatment of aortic aneurysm or disease</li> <li>• Insertion of a permanent cardiac pacemaker or cardiac defibrillator</li> </ul>	Advance of 15% of the insurance amount (\$50,000 maximum)
<b>Temporary loss of independent existence</b>	Advance of 15% of the insurance amount (\$25,000 maximum)

## IMPORTANT

Throughout the years, if you claim more than one advance categories, the payments will be deductible one from the other. For a better understanding, please refer to the following example.



### Example of a case study with advances:

*Laura's parents purchase a \$100,000 Health Priorities critical illness policy on their child.*

When Laura remains healthy and when she is an adult, her parents transferred the policy to her. Five years later, she's diagnosed with basal cell carcinoma (a skin cancer with very favourable outcomes when treated), which falls under the "other cancers" category. That means she's entitled to a \$1,000 advance.

Ten years later, Laura is diagnosed with ductal breast carcinoma in situ, which falls under the "early-stage cancers" category. She's therefore entitled to a \$15,000 advance, minus the \$1,000 she received for her basal cell carcinoma diagnosis 10 years earlier.

Over the following year, her cancer progresses to a stage requiring a total mastectomy, which falls under the "surgical removal" category. That means she's entitled to a \$30,000 advance, minus the \$15,000 in payments she previously received.

After making these claims, if Laura were to be diagnosed with an illness other than the 3 for which she has already received a benefit, she'd still be covered for up to \$100,000, minus the \$30,000 she already received.

## Second medical opinion

If you're diagnosed with a covered illness, we offer a second medical opinion service. You can also use it for any other medical situation not covered by your policy for which you'd like a second opinion. With this service, you can get confirmation of your diagnosis from a specialist who will perform an in-depth review of your medical records and history. This service is available to anyone covered by a Health Priorities policy, even if the reason for their consultation is unrelated to a claim.

The service covers a wide range of health issues, including back pain, sports injuries, chronic conditions and critical illnesses.



### DID YOU KNOW?

Our Complimentary Assistance Services are available at any time and can be accessed by the insured child, their immediate family (parents and siblings) or their grandparents if they are the policyowners. Ask for the Complimentary Assistance Services brochure to learn more.<sup>1</sup>

<sup>1</sup> Desjardins Insurance is not contractually obligated to provide these services. They may be withdrawn at any time without prior notice.

# Tailor your policy to your needs

With Health Priorities, you can tailor your child's critical illness insurance to your needs by adding return of premiums or additional coverage options. These options are outlined below.

## Insurance amount

Health Priorities lets you take out insurance for your child with an amount ranging from \$10,000 to \$1 million. Your advisor<sup>2</sup> can conduct a needs analysis to determine the right amount for your personal situation.

## Return of premiums

### Included with Health Priorities – Child, 20 Pay

With this option, if you terminate the critical illness policy for your child, you'll receive a refund for a percentage of the premiums you've paid, provided you haven't claimed the full insurance amount for one or more critical illnesses. The exact amount will depend on the number of years your policy has been in force. The refund percentage increases gradually every year until it reaches 100% of the premiums you've paid.

If you ever reduce your coverage amount, you'll receive a partial refund of your premiums. If you terminate your policy, the full return of premiums percentage you are entitled to will be returned. Note that any advances paid for a covered health issue will be subtracted from your refund.

## Return of premiums on death

### Only available with Health Priorities – Child, 20 Pay

In the event of your child's death, the beneficiary of the child's policy will receive an amount equivalent to the total premiums paid or 25% of the insurance amount, whichever is higher.

This payment will be made only if the insurance amount hasn't already been paid out in full. Any advances paid for a covered health issue will be subtracted from the payment.

## Death benefit

### Only available with Health Priorities – Child, 20 Pay

In the event of the child's death, the policyowner will receive an amount equal to the critical illness insurance amount.

This payment will be made only if the insurance amount hasn't already been paid out in full. If an advance was paid for a less severe diagnosis or treatment, or a temporary loss of independent existence, the amount of the advance will be deducted from it.

This option cannot be combined with the Return of Premiums on Death option.

<sup>2</sup> In Quebec, this refers to a financial security advisor registered with the Autorité des marchés financiers. This person is licensed to distribute Desjardins Insurance products or works on behalf of Desjardins Financial Services Firm Inc. In other parts of Canada, financial security advisors may be called financial services advisors or life and health insurance advisors, among other titles.



## Additional coverages

### Disability waiver of premiums

If the policyowner of the child policy receives a diagnosis resulting in a period of total disability lasting more than 6 months before age 60, the premiums can be waived.

### Accident

This additional coverage pays an amount in the event of the accidental death of your child. You'll also be entitled to a lump-sum benefit if your child experiences an accidental fracture, dismemberment or loss of use.

### Accidental fracture

If your child sustains a fracture as a result of an accident, you'll receive a lump-sum benefit. The exact amount depends on which bone is fractured.

### Accidental death, dismemberment or loss of use

In the event of the accidental death or dismemberment of your child, you'll receive a percentage of the insurance amount. The percentage varies based on the type of loss. 100% of the insurance amount is payable in the event of accidental death.



With the disability waiver of premiums, you can get a break from paying your policy's premiums provided you meet the contract definition of total disability.

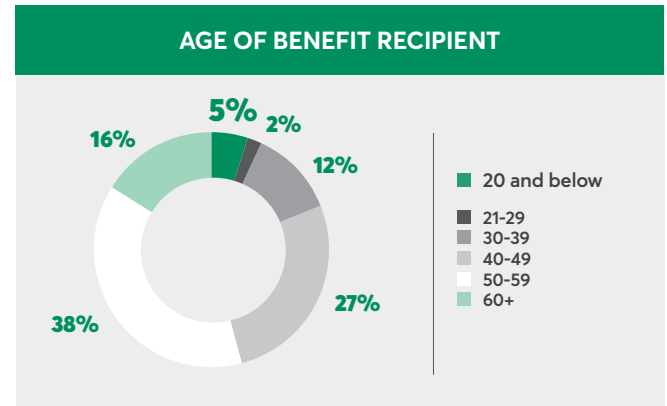
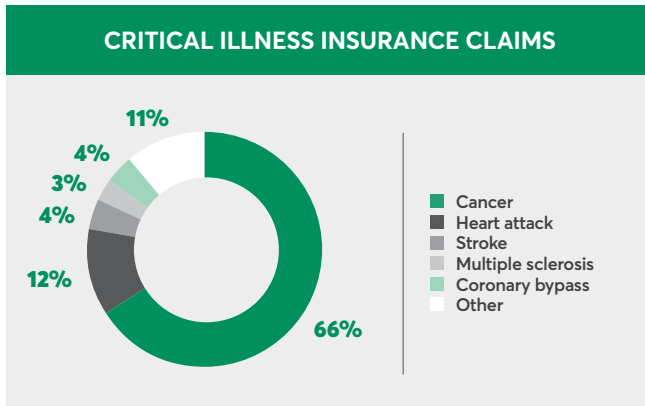




# Our claims experience

To give you a better idea of how people use Health Priorities critical illness insurance, here are our claims statistics and some examples of real claims that have been paid out.

Over the past 15 years, Desjardins Insurance has paid out more than **\$104 million** in benefits to members and clients who were diagnosed with a covered critical illness, helping them focus on their recovery and alleviating their financial stress. Benefits are paid according to the contract definitions of the covered illnesses. Some conditions, limitations and exclusions may apply.



All statistics are dated December 31, 2021.

## Examples of actual claims

### Critical illness diagnosis resulting in a payment of 100% of the insurance amount

Age at diagnosis	Benefit payment	Critical illness/condition
0 year	\$25,000	Paralysis
0 year	\$50,000	Bacterial meningitis
0 year	\$50,000	Loss of speech
3 years	\$25,000	Kidney cancer
3 years	\$50,000	Autism spectrum disorder
6 years	\$25,000	Kidney failure
12 years	\$25,000	Leukemia
15 years	\$25,000	Type 1 diabetes mellitus
16 years	\$25,000	Coma
16 years	\$100,000	Major organ transplant

# Making a claim

## Definitions of covered critical illnesses

Being diagnosed with a critical illness by your doctor doesn't automatically mean you qualify for a benefit payment. Benefits are paid according to the contract definitions of the covered illnesses.

There may also be some limitations and exclusions, such as needing to wait out a moratorium, survival or qualifying period. These are explained below.



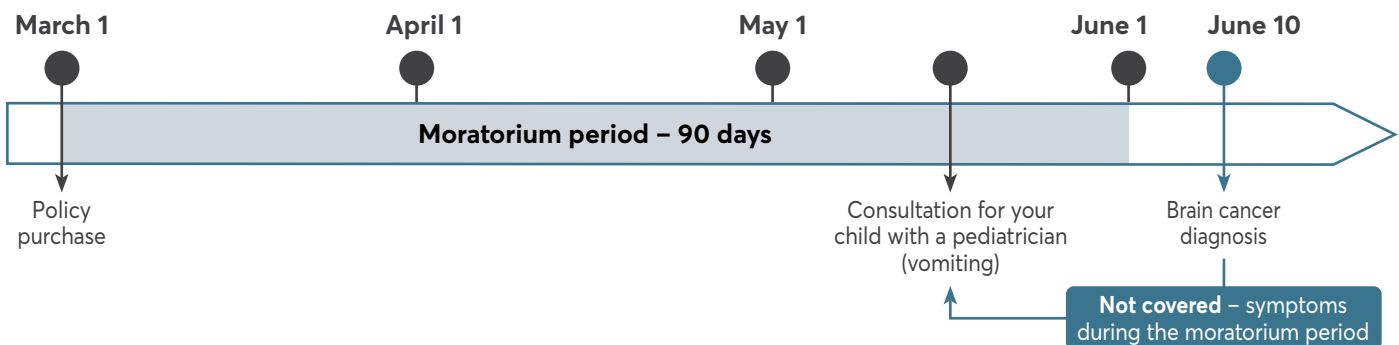
## Moratorium period

It refers to the period following the start of insurance coverage, during which the child must not present certain diagnoses, signs of illness, symptoms or medical examinations for an amount to be paid. This period is either 90 days or 12 months, depending on the illness. It applies to the following illnesses only:

Illness	Moratorium period
<ul style="list-style-type: none"><li>• Cancer (life-threatening)</li><li>• Benign brain tumour</li><li>• Illnesses listed in the "early stage cancers" category</li></ul>	<b>90 days</b>
<ul style="list-style-type: none"><li>• Parkinson's disease and specified atypical Parkinsonian disorders</li></ul>	<b>12 months</b>

### Example of a moratorium period

You purchase a Health Priorities policy for your child on March 1. In May, you schedule an appointment with a pediatrician because your child often vomits in the morning. The pediatrician orders some tests for your child over the next few days. On June 10 (100 days after your policy came into effect), your child is diagnosed with brain cancer. Even though the diagnosis was made after the applicable 90-day moratorium period, if you were to submit a claim it would be denied, because your child's symptoms first presented during the moratorium period.





## Survival period

The survival period only applies to cardiovascular conditions and procedures. It runs 30 days from the date of diagnosis or surgery. It doesn't include any days during which the insured person is on artificial life support. The insured person must be alive at the end of the survival period and must not have experienced irreversible loss of all brain function.

### Cardiovascular conditions and procedures with a survival period

- Aortic surgery
- Heart attack
- Coronary artery bypass
- Heart valve replacement or repair
- Aortic aneurysm
- Coronary angioplasty
- Insertion of cardiac pacemaker or cardiac defibrillator
- Endovascular treatment of aortic aneurysm or disease

## Qualifying period

This is a minimum period during which the insured person must present certain symptoms, neurological deficits or functional losses or meet specific criteria.

The start of the qualifying period depends on the contract definition of the critical illness in question. For example, it can begin on the date of diagnosis, the date of the instigating event, the date of functional loss or when the insured person meets the criteria of the contract definition.

These are the illnesses that have a qualifying period:

Critical illness	Qualifying period
Stroke	<b>30 days</b>
Dementia, including Alzheimer's disease	<b>6 months</b>
Bacterial meningitis	<b>90 days</b>
Coma	<b>96 hours</b>
Acquired brain injury	<b>180 days</b>
Paralysis	<b>90 days</b>
Loss of speech	<b>180 days</b>
Occupational HIV infection	<b>90 to 180 days</b>
Permanent or temporary loss of independent existence	<b>90 days</b>
Multiple sclerosis	<b>6 months*</b>
Type 1 diabetes mellitus	<b>3 months</b>

\* Some criteria may cause the 6-month period to be circumvented.



### IMPORTANT

The qualifying period for these critical illnesses begins when the eligibility criteria are met.

For example, in the event of a loss of independent existence, the qualifying period begins when you're no longer able to carry out 2 of the 6 activities of daily living as defined in the contract. A medical diagnosis is not always enough. All of the contract criteria must be met in order to qualify for a benefit payment.

## What to do if your child is diagnosed with a critical illness

If your doctor diagnoses your child with a critical illness, it's important to read the contract to ensure that all established criteria are met.

- Is there a moratorium, survival or qualifying period?
- Does the critical illness qualify for a full or partial benefit payment?
- Is it 1 of the 26 critical illnesses covered by your Health Priorities policy?
- Does your coverage include childhood illnesses?

To help you figure out which forms you need to fill out and what supporting documents you need to provide, contact our Client Relation Centre or your advisor. They can guide you through the claims process.

Once you've assembled all the necessary documents, send them to Desjardins Insurance so that we can process your claim. Note that we'll only be able to issue a decision once we've received all the documentation we need.

Once we've finished processing your claim, we'll contact you to let you know our decision. If we've approved your claim, we'll explain how your benefit payment will be made. You can expect payment to take several days.



**There is a 2-year contestability period applicable to insurance policies. That means that if less than 2 years have elapsed between the start of the policy and the event giving rise to a claim, the insurance company may request additional documentation to confirm the information provided on the application for insurance. Note that it may take several months to obtain information needed to process your claim from government agencies or hospitals, as wait times for these types of documents can be long.**



# Other important information

## Issue age

### Health Priorities – Child, 20 Pay

0 to 25 years

0 to 17 years, if the 3 optional childhood illnesses are added to the contract

### Health Priorities – Term 20

0 to 65 years

## Renewal

**Term policy:** Health Priorities – Term 20 will automatically renew at the end of the term for a new term of the same period, up to the insured person's 75th birthday. With each renewal, the premium will increase based on the insured person's age.

**Permanent policy:** For Health Priorities – Child, 20 Pay, premiums are predetermined for the entire payment period. At the end of the period, the insurance remains in force and no further payments are required.

## Conversion option

To avoid a premium increase at the end of each term, you can apply to convert your term critical illness policy to a permanent policy, without any medical requirements. You can use this option as soon as the insured person turns 18 and until they turn 65 for the purposes of the coverage (according to the definition of age in your contract).

# Look to the future with confidence

## Choose Desjardins Insurance

**Choose the strength and stability** of a company specialized in life and health insurance and group retirement savings that over 7.5 million Canadians count on each day to ensure their financial security. Backed by over a century of experience, it is also one of the country's leading life insurers.

**Choose Desjardins Group**, the largest cooperative financial group in North America and one of the country's best capitalized financial institutions. Desjardins Group enjoys excellent credit ratings comparable to those of several major Canadian and international banks and is recognized as one of the most stable financial institutions in the world according to *The Banker* magazine.

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200 Rue Des Commandeurs, Lévis QC G6V 6R2 / 1-866-647-5013



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