



Mortgage Solutions

Critical
Illness

**Using Critical Illness
coverage to protect your
greatest asset ...your home!**





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Critical Illness

Using Critical Illness to protect your home

The need for immediate cash if you are diagnosed with a critical illness is imperative to the financial well being of your family and yourself. With the change to lifestyle and health, your mortgage payments should not be keeping you from a comfortable living or even better, a full recovery!

Many critical illness products are used to help assist you pay off your mortgage or keep up your mortgage payments if you are diagnosed with a serious illness. This added funding can also assist you when refinancing your mortgage if there has been a change to your income due to your illness.

The following are three such products, including AIG Life's premiere Living Benefit 100 plan.



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Available Critical Illness plans with AIG Life

It is important to find the right product for your financial planning needs. The following will show the three products used in mortgage protection. They are:

- **Living Benefit 10**
- **Living Benefit 20**
- **Living Benefit 100**



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Living Benefit 10

This plan allows the maximum amount of coverage for your mortgage at the most affordable price. For most looking to cover their mortgage, cost is extremely important in the early years, especially with the high mortgage payments in today's market.

This plan features

- Industry high 25 covered conditions
- For ages 18 to 65
- guaranteed rates, renewable every 10 years to age 75
- guaranteed conversion privilege, up to age 60, to convert to a level to age 75 or level to age 100 critical illness plan.
- Return of Premium on Death available as a rider



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Living Benefit 20

This plan provides the best cost of insurance for the period of most standard mortgages. The Living Benefit 20 combines the longer term coverage with the added affordability of renewable critical illness insurance to suit all budgets quickly and easily.

This plan features

- Industry high 25 covered conditions
- For ages 18 to 55
- guaranteed rates, renewable every 10 years to age 75
- guaranteed conversion privilege, up to age 60, to convert to a level to age 75 or level to age 100 critical illness plan.
- Return of Premium on Death available as a rider



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Living Benefit 100

The Living Benefit 100 plan provides the ultimate flexibility for critical illness coverage by providing both coverage against all major critical illnesses and allowing the option to surrender part or all of the coverage starting on the 10th policy anniversary for a partial of full return of premium².

This plan features

- Guaranteed rates, level to age 100
- Return of Premium on Surrender Benefit rider allowing 50% ROP on the 10th policy anniversary and increasing 10% each year to 100% on the 15th policy anniversary and thereafter.
- Return of Premium on Death Rider available

² Based on Annual Base Premium (including any medical ratings)



Case Study

Critical Illness

You've just been approved for a \$175,000 mortgage. The mortgage rate is 6% and you've selected an amortization period of 25 years. You also want the financial security of knowing that your mortgage will be paid off if you become critically ill.

You make the right choice and buy a Living Benefit 100 plan providing a benefit of \$175,000. If you suffer a critical illness, the Benefit can be used to pay off your mortgage.

And with AIG, your plan also includes a Return of Premium on Surrender Benefit Rider, which gives you the option to surrender coverage anytime after the 10th year and receive back a portion of your premiums. After the 15th year, you can receive 100% of your annual premiums...anytime!



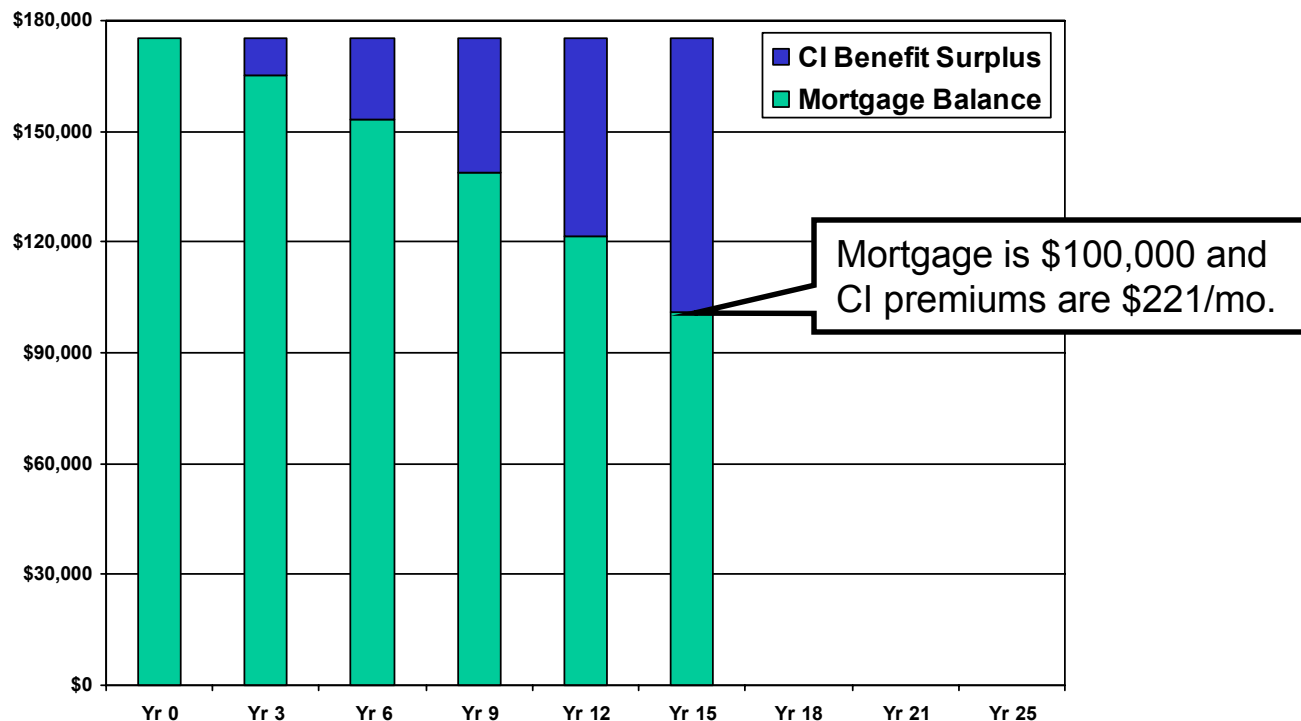
Case Study

Critical Illness

| | |
|---|----------------|
| Monthly mortgage payment | \$1,120 |
| Monthly critical illness premium (based on a Male, age 35, and non-smoker rates) | \$ 221 |
| Total Monthly Payment | \$1,341 |

On the 15th policy anniversary:

| | |
|---------------------------------|-----------|
| Mortgage principal is just over | \$100,000 |
| Critical Illness Benefit is | \$175,000 |





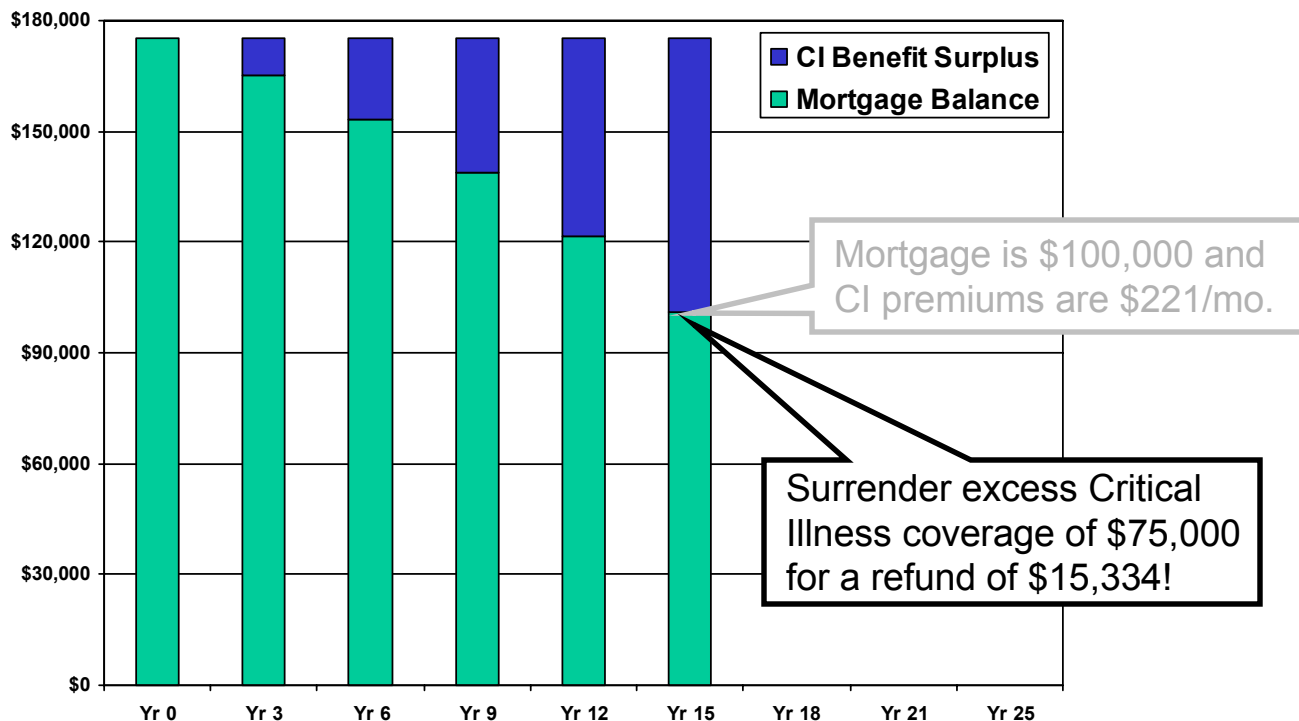
Case Study

Critical Illness

Now that your mortgage has been reduced, you may want to surrender \$75,000 of coverage.

If you reduce your Critical Illness Benefit to \$100,000, you receive a premium refund of **\$15,334!**

Partial surrender of coverage is available provided that a minimum coverage of \$25,000 is maintained in force. The return of premium on a partial surrender is based on the annual base premium excluding the policy fee. \$75 of the policy fee is only returned when there is a full surrender of coverage.





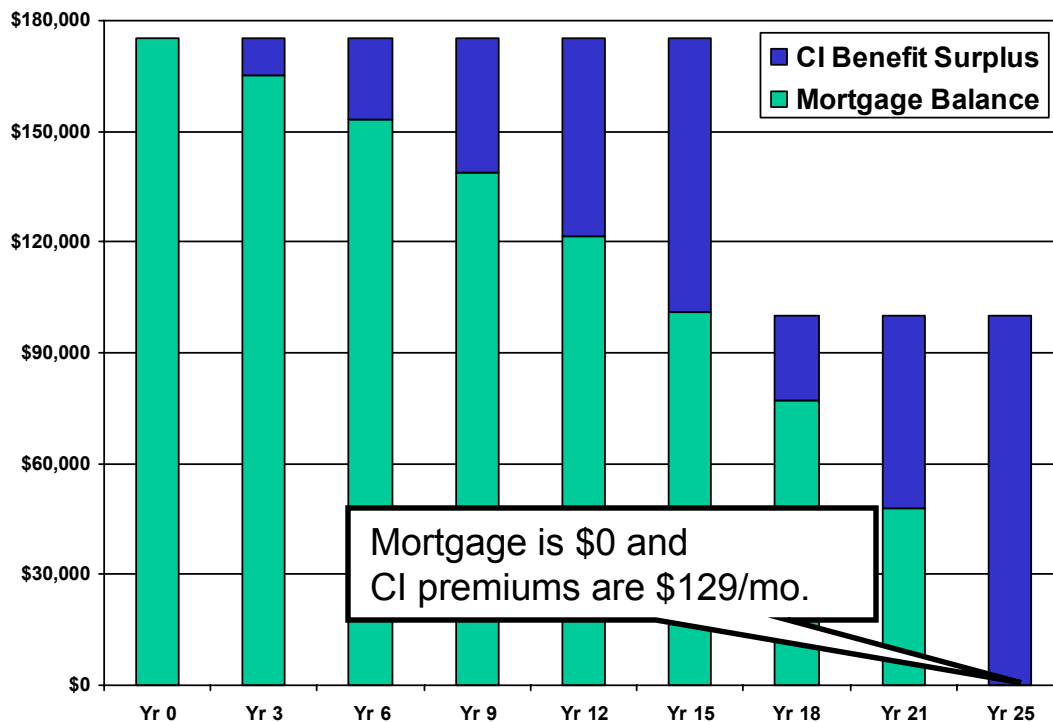
Case Study

Critical Illness

| | |
|---|----------------|
| Monthly mortgage payment | \$1,120 |
| Monthly critical illness premium (Premium for \$100,000 of coverage) | \$ 129 |
| Total Monthly Payment | \$1,249 |

On the 25th policy anniversary:

Mortgage is Nil



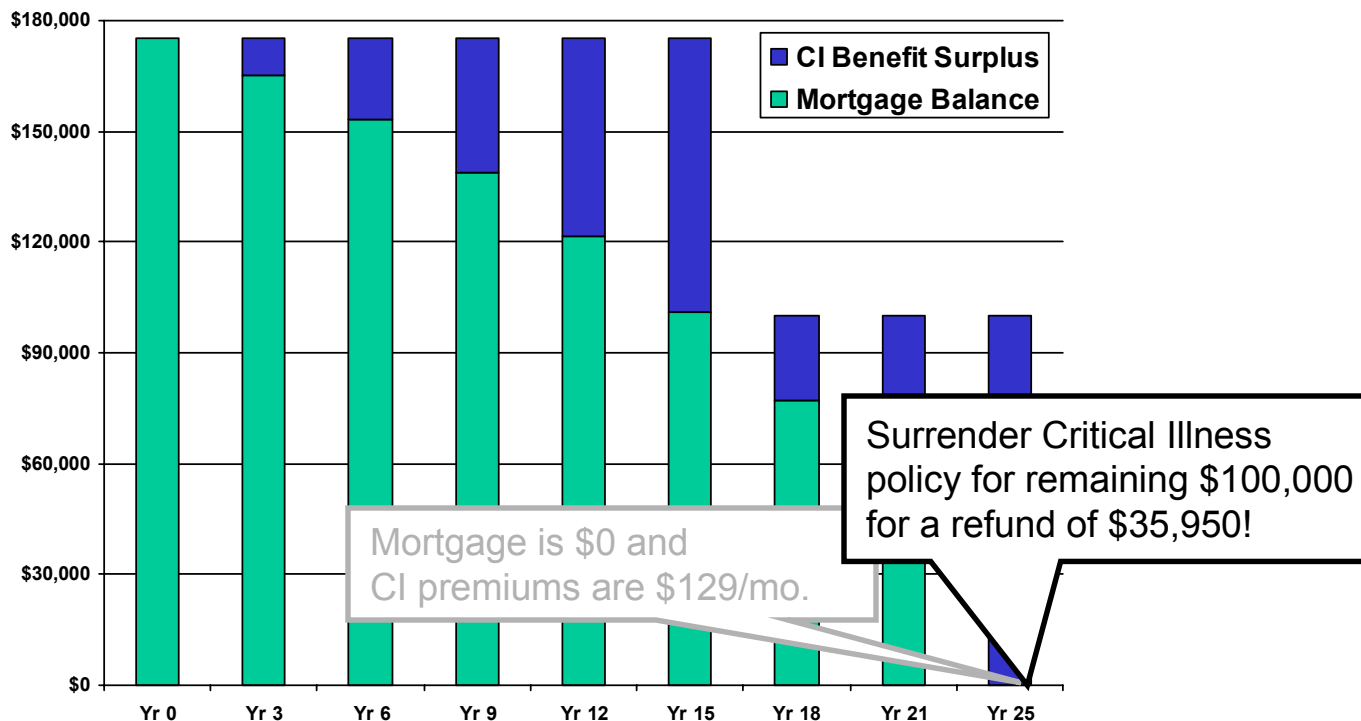


Case Study

Critical Illness

Now that your mortgage is paid off, you may want to surrender your Critical Illness Policy and receive a premium refund of **\$35,950!**

If the premium is being paid on a monthly basis, the modal loadings would not be included in the refund, nor are the cost of riders, such as, the Waiver of Premium Rider, Accidental Death Benefit Rider and Children's Term Rider.





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You can use this money to top up an RRSP, make a home improvement, fund your children's education, take a trip...

And most importantly...through the term of your mortgage, if you become critically ill, your Critical Illness Benefit will pay off your mortgage.

