

EHP: Executive Health Plan

COULD YOUR COMPANY MANAGE
WITHOUT YOU?



 **Desjardins**
Insurance
Life • Health • Retirement

A solution for your business in the event of a critical illness

The Executive Health Plan (EHP) allows you to own a critical illness policy jointly with your company.*

Your company will receive a lump-sum benefit if you are diagnosed with a covered critical illness, and if you remain healthy, you will get back up to 100% of the premiums paid by both you and your company.

*Company refers to a Canadian-controlled corporation.

In the event of a critical illness, your company can use the non-taxable lump-sum benefit to:

- Keep its financial plans on track
- Limit its financial losses by hiring qualified replacement personnel
- Repay debts, thereby reassuring its creditors, suppliers and customers
- Buy back your shares, or the shares of another shareholder who is ill or wishes to retire
- Help you get back on your feet by paying you a portion of this amount*.

*This portion will be taxable.

Setting up an EHP

- 1 Your company and you jointly purchase Health Priorities – Business critical illness insurance.
 - Your company pays the portion of the premiums for the critical illness and death benefits for the needed coverage period.
 - You pay the portion of the premiums for the health benefit.*
- 2 Your legal advisor prepares a shared ownership insurance agreement.
- 3 At the first of the following events, a non-taxable benefit is paid if:
 - You are diagnosed with a covered illness, your company receives the critical illness benefit.
 - You die, your company receives the death benefit.
 - You remain healthy until the expiration of the coverage period needed by your company, you can claim the health benefit.**

The critical illness benefit is a non-taxable amount paid to your company if you are diagnosed with one of the 26 covered illnesses.

The death benefit is a non-taxable amount paid to your company if you die prematurely. This amount is the higher of 100% of all the premiums or 25% of your insurance amount.

The health benefit is a non-taxable amount paid to you if you remain healthy. This amount can be up to 100% of what you and your company have paid.**

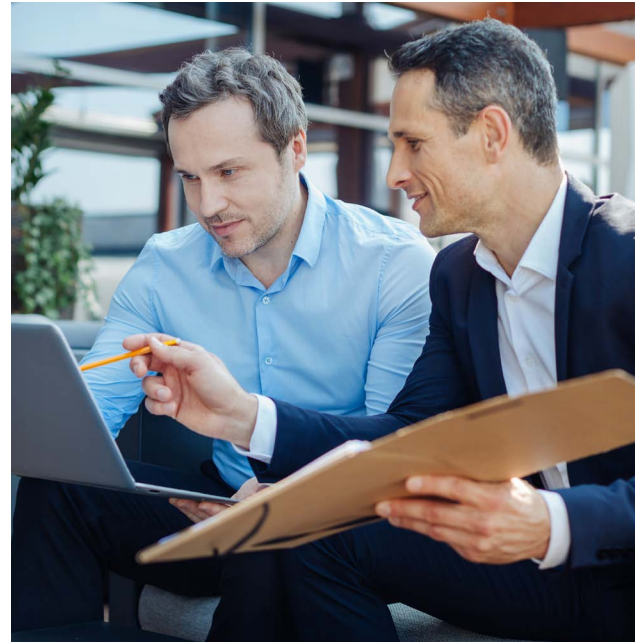
*The premium split between you and the company reflects the situation at which you take out a Health Priorities – Business T75 policy with the agreement that the company needs coverage if you were diagnosed with a critical illness. This coverage is required by the company until you turn 75.

**You cannot receive the health benefit before the expiration of the coverage without tax consequences if the company still needs it.

Shared ownership insurance agreement

This agreement sets out the rights and obligations for the parties involved in this insurance contract.

It is established for a period of time equal to the coverage period needed by the company. It indicates the portion of the premiums assumed by your company and yourself.



Don't let the unexpected affect the financial future of your company.

Desjardins Insurance's comments are based on legislation and administrative policies published by the tax authorities as of June 15, 2020 but do not cover every possible situation. These comments also only pertain to the tax rules that apply to the EHP concept. Desjardins Insurance expressly reserves the right to amend its comments, without notice, with respect to the tax implications outlined in this brochure in the event of any such change in legislation and administrative policies. Since Desjardins Insurance cannot guarantee the tax implications of the EHP and cannot be held liable for any tax consequences that arise from the company paying the portion of premiums for critical illness and death coverages or from the payment of a benefit to the beneficiary, clients should consult their independent legal and taxation advisors before setting up an EHP.

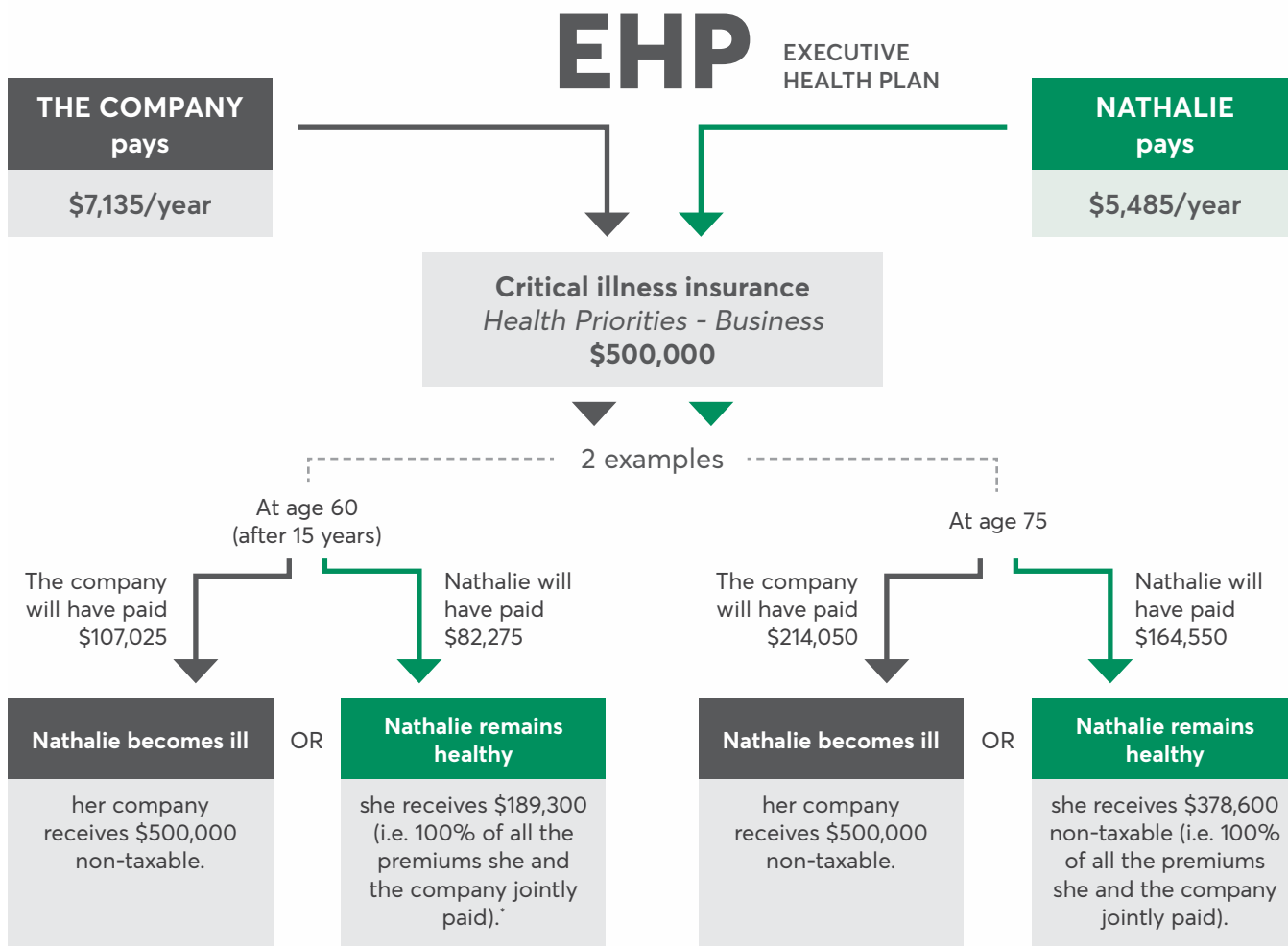
How it works

Example 1

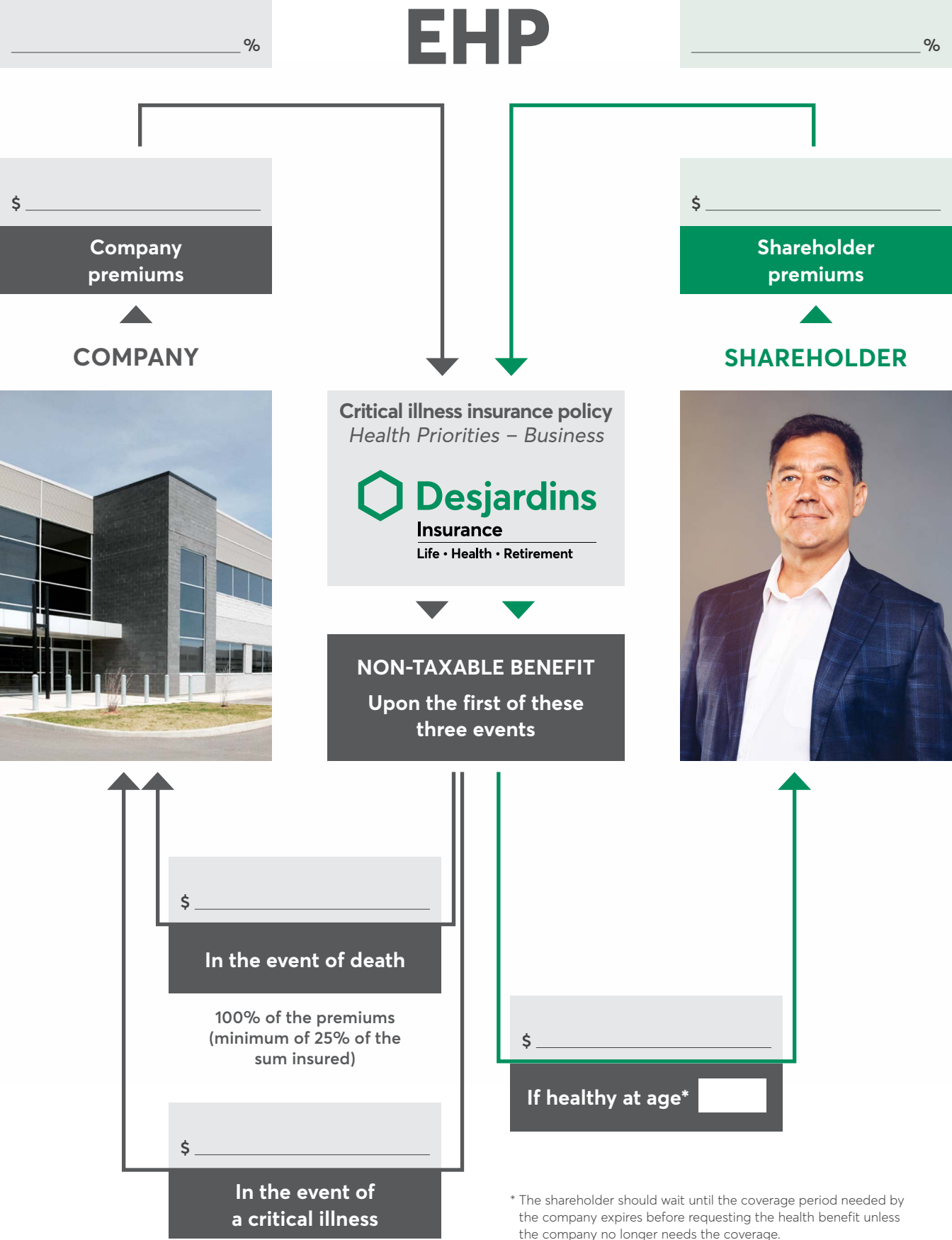


Nathalie, age 45, an Ontario resident and shareholder/owner of ABC Consulting Inc.

Nathalie and her company set up an EHP for a term ending on her 75th birthday, with a critical illness insurance amount of \$500,000.



Example 2





Defer your premiums for one year... without interest

If your business experiences financial challenges that make it difficult to pay the EHP premiums, you have the option of deferring them for one year without paying interest. Please note that your EHP coverage must have been in-force for at least five years prior to requesting a deferment.

EHP is also for key employees

Because the long-term absence of a key employee can often create just as big of an impact on a business as the owner's absence, you can also set up an EHP for your employees.

- Ensure the smooth running of your business in the event a key employee is away due to a critical illness
- Show your appreciation to your most important contributors with the Health benefit
- Make your employee's recovery as worry-free as possible



Covered illnesses and conditions

You can select a coverage amount from \$10,000 to \$3,000,000. If you are diagnosed with one of the covered illnesses, your company is eligible to receive the insurance amount without a waiting period. However, a 30-day waiting period is applicable for cardiovascular procedures.

Cancers and tumours

- Cancer (life-threatening)
- Benign brain tumour

Cardiovascular

- Aortic surgery
- Coronary artery bypass surgery
- Heart attack
- Heart valve replacement or repair
- Stroke (cerebrovascular accident)

Neurological

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

Vital organs

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

Accident and functional loss

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

Other

- Aplastic anemia
- Occupational HIV infection
- **Long-term care**

Advance payment: For a less severe diagnosis you can receive 15% of your total insurance amount, up to a maximum of \$50,000.

Desjardins Insurance is the only insurance provider that pays an advance benefit for:¹

- Cutaneous lymphoma without distant metastasis
- Endovascular treatment of aortic aneurysm or disease
- Carcinoma in situ
- Dermatofibrosarcoma
- Aortic aneurysm
- Insertion of cardiac pacemaker or cardiac defibrillator

The remaining balance is paid in the event of a new illness or surgery.

¹ As at June 2020.

Long-term care (loss of independence)

If you are no longer able to perform at least two of the six activities* of daily living on your own or if your mental capacity threatens your health or safety for 90 consecutive days, an advance payment for long-term care is paid to your company. This one-time advance is equal to 15% of the insurance amount, up to a maximum of \$25,000.

If you recover from this condition, the remainder amount of insurance will be available in the event of another covered illness, other than temporary loss of independence. If you do not recover and there is no reasonable chance of recovery, the remaining balance of the insurance amount is paid in full.

24/7 Health support

The EHP includes complimentary assistance services for you and your family** which are available at any time online or by phone, including:

- A health and well-being platform with reliable resources to help you make informed decisions
- 24/7 phone assistance services
- Direct consultation with a doctor to answer your questions and connect with world-renowned specialists to confirm a diagnosis and determine an optimal treatment plan (by Best Doctors®)
- Psychological counselling, as well as support from a health assistance team during recovery

The assistance services are not a contractual obligation of Desjardins Insurance. Best Doctors® is a world leader in connecting people with the best medical care using its renowned database of over 50,000 doctors.

* Activities of daily living independently are: bathing, dressing, toileting, transferring, feeding and continence.

** Access to the service is unlimited for the insured, their spouse, and their dependent children (up to age 21 or up to 25 if enrolled in school full-time). Their parents, siblings or their spouse's parents or siblings can use this service once every three years.

Why choose Desjardins Insurance?

- 1 **The only insurer in Canada to cover all types of cancers¹ and a number of exclusive cardiovascular procedures²**
- 2 **Get back all or a significant amount of what you and your company have paid, if you remain healthy**
- 3 **Defer premiums for a year without fees if you hit a rough patch (effective after the 5th policy year)**
- 4 **The only insurer that pays your company a minimum of 25% of your insurance amount if you die**

¹ For some cancers, a partial benefit of 30%, 15% or 1% will be paid depending on the severity of the diagnosis.

² As at June 2020.

Look to the future with confidence

Choose Desjardins Insurance

Choose the strength and stability of a company specialized in life and health insurance and retirement savings that over seven 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 leading cooperative financial group in Canada 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 solid financial institutions in the world.

desjardinslifeinsurance.com | desjardins.com

**You're working hard to build your business.
We can help you protect it.**



Desjardins Insurance refers to Desjardins
Financial Security Life Assurance Company.
200 rue des Commandeurs
Lévis, QC G6V 6R2 / 1-866-647-5013

The Desjardins brand is a trademark of the
Fédération des caisses Desjardins du Québec,
used under licence.



This document is printed on Rolland Enviro paper.