

# Oasis

CRITICAL ILLNESS INSURANCE



Could a critical illness  
cost you your RRSP?

THE  
**Great-West Life**  
ASSURANCE  COMPANY

# Are you prepared to survive?

Alan and Kristen have two young children, a mortgage and dreams of retirement. They have a retirement plan in place and jointly have managed to accumulate \$200,000.

At 42, Alan suffers a stroke and takes a leave from work to focus on recovery. Kristen becomes his primary caregiver and her own income suffers. They do not have critical illness insurance and their RRSPs are their only safety net.

During the 10 months it takes him to recover, a drastic drop in family income as well as unexpected expenses add up to \$137,000 - which Alan and Kristen can only partially cover by depleting the funds in their RRSP.

## Price Tag

Alan's lost income (\$8,000 x 10 months)	<b>\$80,000</b>
Kristen's lost income (\$5,000 x 10 months)	<b>\$50,000</b>
Childcare costs (\$400 x 10 months)	<b>\$4,000</b>
Transportation costs (to and from treatment)	<b>\$1,500</b>
Parking and meals (while at treatment)	<b>\$1,500</b>
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Total Price Tag	<b>\$137,000</b>

## What is the potential impact on long-term plans?

Even by withdrawing their full \$200,000 in RRSPs, Alan and Kristen are able to net only \$108,000 after tax, if they are taxed at a 46% marginal tax rate. This will leave them with no savings and a shortfall of \$29,000.

Not only do they have to borrow, if they can, just to cover their needs, but their plan to retire at age 65 is no longer realistic. Being forced to deplete their RRSPs could result in a significant loss in value in retirement savings at age 65 - **\$614,305** in the example below!



*If you were to survive a critical illness, could you afford to lose your retirement savings?*

Oasis critical illness insurance provides flexibility in plan design and can be tailored to fit your individual needs. In addition, it may provide you with a one-time, lump-sum payment as well as medical and emotional support at a critical time in your life. You can use the money any way you wish – leaving your retirement savings untouched!

**Are you prepared  
to survive?**

## Could it really happen to me?

*Your odds of suffering a critical illness during your working career significantly outnumber your odds of dying.\**

- A female has a **1 in 5** chance of becoming critically ill during her working career, which is **more than double** that of dying.<sup>1</sup>
- A male has a **1 in 4** chance of becoming critically ill during his working career, which is **55% higher** than his chances of dying.<sup>1</sup>

*Chances are you'll recover from a critical illness, but chances are your retirement plan won't.*

\*For purposes of this illustration, critical illness refers to cancer, heart attack or stroke, and working career refers to the period from age 18 to age 65

<sup>1</sup>Compiled by Great-West based upon 1999/2000 Hospital Morbidity; Canadian Cancer Society 2001; Stats Can Life Tables 1995-1997

For more information about  
Great-West Life and its products, visit  
[www.greatwestlife.com](http://www.greatwestlife.com).

For more information about how  
*Oasis* critical illness insurance may  
fit your needs, ask your representative  
for an illustration.

experience  
knowledge  
strength

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