



USA FRANCE
FINANCIALS GROUP



Understanding life and disability insurance in your corporate plan

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Employer-sponsored **life and disability insurance** benefits are an essential component of financial planning, providing crucial protection for you and your family in the event of unexpected life changes. From life insurance that helps your loved ones after a loss, to disability coverage that guarantees income protection in the event of illness or injury, these benefits are designed to support you when you need it most. Understanding the key elements of each type of coverage can help you make informed decisions about how best to protect your future.

Life insurance (Group Term Life Basic and Complementary)

Group term life insurance covers a lump sum in the event of death, often a multiple of your salary, to provide financial support for your family. It is in the employee's name and provides financial cover for his or her family in the event of death. You can sometimes add additional coverage for your spouse or children. If you leave your employer or your employment contract comes to an end, in some cases you can continue to benefit from life insurance cover via a portability option, but this may mean a higher insurance premium as it will no longer be subsidized by the employer.

Accidental death and dismemberment insurance (AD&D)

Accidental Death and Dismemberment (AD&D) insurance pays an additional sum in the event of accidental death or loss of members. It does not generally cover natural death or illness.

Short-term disability insurance (Basic and Complementary)

Short-term disability insurance pays you a portion of your salary if you are unable to work due to a temporary illness or injury outside the workplace. It covers only the employee for a limited period, often between 3 and 6 months. Accidents occurring in the workplace are included in Workers' Compensation.

Long-term disability insurance (Basic and Complementary)

Long-term disability insurance takes over when the inability to work extends beyond the short-term insurance coverage. It replaces a portion of income over a longer period, even up to retirement age. It covers the employee for a longer period, depending on the terms of the contract. We recommend that you cover 60 to 66% of your income, while keeping a close eye on the coverage ceiling in basic contracts (offered by your employers).

If the coverage offered by your employer does not cover 60% to 66% of your income in the event of disability, you often have the option of taking out additional coverage to bridge the gap.

Certain terms are important to know:

The **Elimination** Period is the length of time before the disabled insured begins to receive payments under the policy. This generally represents 14 days for short-term disability, and 90 days for long-term disability.

Own Occupation provides benefits to an insured if he or she is unable to perform the duties of his or her occupation.

This option is more expensive than "Any Occupation".

Any Occupation provides benefits to an insured if he or she is unable to perform the duties of any occupation for which he or she is qualified by education, training or experience. By carefully selecting your life and disability insurance options, you can ensure solid financial protection for you and your loved ones against the unexpected. That's why it's important to understand the terms and conditions of your contract, so you can choose the coverage that's right for you.



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