

Term Insurance



Simple financial protection for you
and your loved ones.

Term Insurance – it's simple and cost-effective

Not having enough insurance – or not having insurance at all – can set someone up for a double shock: a dreaded life event such as a premature death plus a subsequent drain on savings. That's why having the right type and amount of insurance coverage can help protect your finances against many of life's uncertainties.

When it comes to life insurance, there are many options to choose from – term or permanent insurance – *which one is right for me?*

Working with your insurance advisor, it's wise to review your financial goals and then decide what makes the most sense for you.


If you need insurance coverage for a specific period of time, term insurance may be a good option.

What is term insurance and how does it work?

Term insurance provides you with life insurance coverage for a set number of years and then your coverage terminates. If you die during that period, the death benefit is paid to the person or people you choose (your beneficiary). Premiums are typically guaranteed for the duration of the term (which can be set for various periods, e.g. 10 years as is the case with BMO Insurance's Term 10 plan). After this initial term, coverage may be renewed and premiums may increase depending on the type of coverage you purchase. Your policy can continue to be renewed until a pre-determined age after which time your insurance coverage will end. There are other term policies that don't renew and your coverage expires after the initial term.

Term insurance can be one of the most cost effective life insurance options. Your premiums can be lower when compared to other kinds of permanent life insurance since coverage only lasts for a set period of time (the "term"). Many term plans also allow you to add supplementary or additional insurance coverages to your policy called **riders**, which provide additional types of insurance protection to complement your basic life coverage.

Many term plans also include a **conversion option** which allows you to change your term policy to permanent life insurance coverage (or coverage that's there for life). This may be helpful if your insurance needs change and you require insurance coverage for a longer period of time.


 Ask your insurance advisor for a premium comparison of the different term life insurance options using BMO Insurance's Premium Matchmaker.

Is term insurance right for you?

Term insurance can be a good fit if you need insurance protection for a specific period of time to provide your loved ones with a source of cash. It can be useful for a variety of life insurance planning needs such as:

- replacing your lost income to maintain your family's standard of living
- helping to financially secure your dependents' futures by covering their education costs and other needs
- covering your daily living expenses and debt (e.g. your mortgage payments)
- paying for final expenses and funeral costs
- leaving money to your favourite charity

How much life insurance do you need?

 Ask your insurance advisor about the Life Insurance Calculator from BMO Insurance. It's a simple way of calculating how much life insurance protection is right for you.

BMO Insurance can help you meet your insurance needs with our flexible term options:

- coverage amounts from \$100,000 to \$10,000,000
- flexible terms to suit your needs – 10, 15, 20, 25 or 30 year guaranteed terms
- You can add supplementary or additional insurance coverages (called riders) to your policy for a more complete insurance solution – critical illness, accidental death, children's life insurance and waiver of premium riders (subject to insurability).
- All term insurance plans can be converted to an eligible permanent plan at any time prior to age 71 without evidence of insurability – this will allow your life insurance coverage to continue for life.

- Alternately, you can switch to another available term policy with a longer duration using the Term Exchange Program (for Term 10 and Term 15 policies only). Under this program, you can request:
 - that all or part of your Term 10 policy be exchanged for a Term 15, 20, 25 or 30 policy.¹
 - that all or part of your Term 15 policy be exchanged for a Term 20, 25 or 30 policy.¹
- Depending on the what you have selected, the policy can be issued on one life (single life plan) or two lives (combined life or joint last-to-die plan). If the plan type is single life, the death benefit is payable on the death of the life insured. For a combined life plan, the death benefit is payable on the death of each life insured, and for a joint last-to-die plan type the death benefit is payable on the death of the last surviving life insured.

When Coverage Begins

Your insurance coverage takes effect when the policy has been delivered to you;² the first premium is paid in full and if there has been no change in insurability between the time the application for insurance was completed and the time the policy is delivered to you.

How we determine premiums

Your premiums are calculated according to your age, sex and smoking status as well as an assessment of your health and lifestyle.

Your rights and obligations

Ten Day Right to Examine Policy – You have the right to return the policy to us within 10 days of its receipt, along with a written request for cancellation, for a refund of the premiums you have paid.

Change in information prior to policy delivery – A life insurance policy is issued after careful assessment of the information given on your application and the results of any medical tests and reports. At the time your advisor delivers the policy to you, if there has

been any change in your health or information since you completed the application, you must advise of this new medical information and return the policy to the company for our further assessment of this new medical information.

Restriction on Benefits

Suicide – If a life insured commits suicide within the first two years that the insurance coverage is in effect, we will not pay the insurance benefit. We will only refund premiums paid for the insurance coverage, less any other amount you may owe us.

Incontestability – After your policy has been in effect for two years, we will not dispute any of the statements you made in your life insurance application, unless we believe that you made those statements fraudulently.

Non-disclosure – It is your responsibility to fully disclose every fact that is relevant and important to the life insurance coverage. This includes the information you provide in your application for insurance, any medical examinations, written statements, application for reinstatement or in any proof of claims. We may void your life insurance policy, if we discover that you do not disclose any relevant or important information.

Our Commitment to You

BMO Life Assurance Company, a part of BMO Financial Group, appreciates the opportunity to help you meet your financial needs.

We are committed to respecting and protecting your privacy and confidentiality of the personal information you have entrusted to us.

It is important for you to understand what information we will collect, how we will use it, and who may see it.



To view our full privacy policy, please visit the privacy section at [bmoinsurance.com](https://www.bmoinsurance.com)

¹ Certain conditions apply. Ask your insurance advisor for more details.

² In Quebec, this is when we have approved the application for insurance without modification.

Let's connect

For more information about BMO Insurance or our products, please consult with your insurance advisor or contact us at:



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Insurer: BMO Life Assurance Company

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