



# Protect your farm business



# If you weren't able to work due to an illness or disability, could your farm business survive without you?

## Don't let an unfortunate event jeopardize your business.

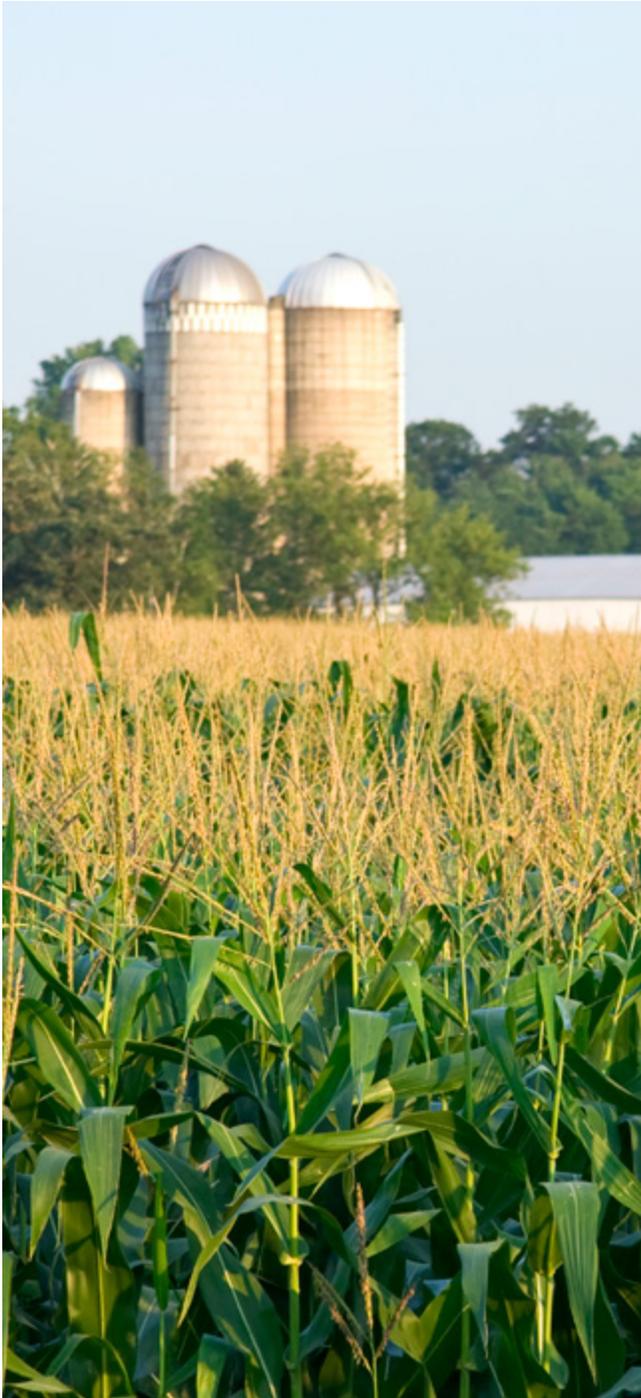
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Your farming business is the result of countless hours of hard work, decision-making and risk taking. The decisions you make today will not only affect your future but also your family and your business.

Desjardins Insurance offers a complete range of life, disability, critical illness and health insurance coverage to help you stay in control of your finances, protect your interests and plan your succession.

# Safeguard your assets

Could your farm business operate without you? Prepare for the unexpected by protecting yourself and your business with insurance coverage designed to meet farmers' needs.



## Continue to receive an income, even if you're unable to work

Could you meet the financial needs of your loved ones if you were unable to work?

Designed especially for farmers, **disability income insurance** pays you a monthly amount that replaces your income if you can no longer work due to a total disability following an accident or illness.<sup>1</sup>

You can then focus on your recovery knowing that your living expenses will be covered.

# Alex and Emily's story

Every day, Alex waters his crops while Emily, his common-law partner, works on their farm's website. A few months ago, Alex was momentarily distracted, and his shirt sleeve got stuck in a moving part of the equipment.

Because of this unfortunate incident, Alex lost the tips of 4 fingers on his right hand and had to be hospitalized for a few days. The pain also forced him to stop working full time for the next 6 months and he had to see a physiotherapist regularly.

Meanwhile, Alex and Emily hired a worker to take over some of the duties on their farm 3 days a week.

<b>WITH SOLO™ AGRICULTURE COVERAGE</b> (monthly amount of \$3,000 with a partial disability clause)	<b>WITHOUT COVERAGE</b>
<ul style="list-style-type: none"><li>• Alex receives 50% of this amount, which is \$1,500 a month, tax-free, for 6 months as he is considered partially disabled.</li><li>• He can use this amount to:<ul style="list-style-type: none"><li>– Pay the salary of his part-time employee<sup>2</sup></li><li>– Continue to make profits despite his disability<sup>2</sup> or</li><li>– Make up for his farm's lost earnings and continue to meet his family's financial needs</li></ul></li></ul>	<ul style="list-style-type: none"><li>• During Alex's recovery, the couple goes further into debt to cover their living and business expenses.</li><li>• Alex worries and struggles to find a solution to his financial problems.</li></ul>



<sup>2</sup> These examples may not apply if the farm business is a corporation or a partnership, because the disability benefits will be paid to the insured (shareholder or partner) and not to the corporation or partnership running the farm business.



## Spare your loved ones from financial worries in the event of your death

In the event of your death, you want to avoid leaving your family in financial difficulty. By taking out life insurance, you can protect your family and your estate. The insurance benefits can be used to cover your estate taxes, meaning you can leave more money to the people you care about.

It gives you a way to provide for your loved ones and free them from financial worries during a difficult time.

**Life insurance** provides a tax-free benefit that your loved ones can use to cover your financial obligations, including your debts, taxes and final expenses.

We offer a wide range of life insurance coverage. Your life and health insurance advisor<sup>3</sup> can help you find the coverage best tailored to your lifestyle and needs.

## Protect all your hard work

Most farm producers only stop working if they have a serious health problem. However, even if you start working soon after having cancer, a stroke or heart attack, you may have many unplanned expenses for things like trips to the hospital, drugs that aren't covered and recovery care. The person taking you to your appointments may earn less due to missing work and you'll need to pay others to carry out your most important tasks. You may need to dip into your savings or go into debt to pay for all these expenses.

**Critical illness insurance** pays you a tax-free benefit that you can use however you want if you're diagnosed with a covered illness. It also covers long-term care in the event of a loss of independence.

<sup>3</sup> In Quebec, this refers to a financial security advisor registered with the Autorité des marchés financiers. This person has a distribution contract with Desjardins Insurance or works on behalf of Desjardins Financial Services Firm Inc. In other parts of Canada, financial security advisors are called life and health insurance advisors or agents.

# Get coverage that's similar to group insurance

From visits to the chiropractor or other health professionals to prescription drugs,<sup>4</sup> dental and vision care expenses, healthcare costs can pile up fast. If you don't have group insurance, these expenses can quickly eat into your savings. And although we have access to good public healthcare, it has limitations and doesn't cover everything.

**Healthcare insurance** reimburses you for unexpected healthcare costs. It allows you to establish a personalized protection plan based on your priorities and budget.

Don't wait until you have a health issue. Healthcare coverage protects you against health-related risks. That means if you already have an illness, you could be eligible for coverage, but the care you need to treat it might not be included.

# Look after your interests no matter what

If you experience a medical problem, you may find it hard to fully understand all the information that you receive about your condition.

With your Desjardins Insurance coverage, you and your loved ones will have access to many free assistance services, depending on your insurance coverage, such as 24/7 phone support. You can get explanations and advice from a nurse on health-related questions. You can use these services whether you're healthy or facing an illness.

**Complimentary assistance services** can also help you get a second opinion on your diagnosis, treatment plan or surgery. You and your family can use this service to speak to medical specialists who'll be able to answer your questions and help you make informed decisions about your health.

Speak to your life and health insurance advisor to find out more about the various support services you can get with your insurance coverage.<sup>5</sup>

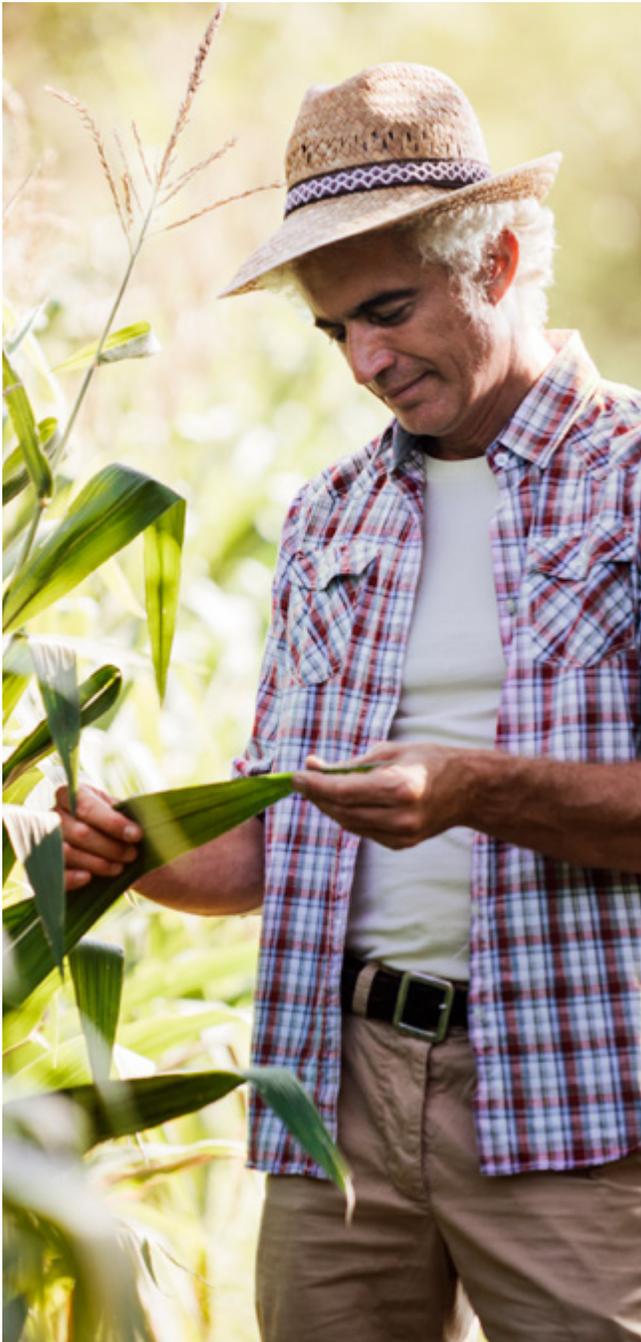
<sup>4</sup> In Quebec, the reimbursement applies to drugs not covered under the public drug insurance plan. It also applies to the amounts not reimbursed under the plan and eligible drugs.

<sup>5</sup> Desjardins Insurance is not contractually obligated to provide these services. They may be withdrawn at any time without notice.



# Protect the interests of your farm business

Working in agriculture requires the purchase of tools, equipment and specialized vehicles. That means you've probably accumulated some sizeable debts. There are several coverage options and strategies available to help you limit the impact of an unforeseen event on your farm business.



## Get through hard times without losing your farm

An unfortunate event, such as an accident or illness, could not only disrupt your personal life, but also hurt your income and affect your employees, suppliers and customers. Be sure to protect your ability to repay your debts no matter what happens.

Although disability insurance replaces your income, it doesn't cover payments relating to your commercial loans or the long-term lease of a vehicle used in your farm business.

**Disability insurance** covering your personal and commercial loans pays you a monthly amount if you're unable to work due to an accident or illness.

It's a good way to cover your business needs and meet your financial obligations.

# Minimize the impact of losing a key worker

What would happen to your farm business if you were unable to work for an extended period of time? Would it thrive without you?

**Shared ownership of a critical illness policy** (known as the Executive Health Plan) is specifically designed to avoid the risk of losses your farm business<sup>6</sup> would suffer if you were no longer able to work. This financial strategy allows business owners like you to take out critical illness insurance with your company, but also to share the tax benefits.

The Executive Health Plan pays a tax-free benefit when the first of the following occurs:

## You're diagnosed with a covered illness



Your business receives the critical illness benefit.<sup>7</sup>

## You pass away



Your business receives the death benefit.<sup>8</sup>

## You remain in good health



You can ask for the health benefit.

### DEFINITIONS

**A health benefit** is a tax-free amount that can be up to 100% of the premium paid by the farm business and its owner or by the key contributor who works for the business.

# Reduce the risk of conflict

As the owner of a farm business, what would happen if your co-owner became seriously ill? Would they continue to earn their share of the profits even if they were working less?

If they die, you may have to co-manage the farm with a member of their estate. To avoid these situations, protect your interests by:

- Signing a shareholders<sup>9</sup> or partnership agreement
- Developing an effective financing strategy that would enable you to quickly access the funds you need to purchase the shares of a co-owner in case of death or critical illness

In these circumstances, **critical illness insurance** can be used to provide funding for shareholders' or partnership agreement clauses in the event of death or the diagnosis of a covered illness.

<sup>6</sup> Only companies (corporations) are eligible for the Executive Health Plan.

<sup>7</sup> Certain covered illnesses may qualify for a 30%, 15% or 1% payment of the total insurance amount (called an advance), depending on the severity of the diagnosis. Some conditions and exclusions may apply.

<sup>8</sup> The death benefit is the higher of the total of all premiums paid until the date of death or 25% of the critical illness benefit.

<sup>9</sup> A shareholders' or partnership agreement prevents disputes by defining the rights, responsibilities and powers of each party. It also sets out what would happen in various situations, such as the death or disability of a shareholder or partner and the impact on business operations.

# Planning your succession

Do you have a succession plan for your farm business?

## Share the fruits of your labour fairly

You may want to transfer your farm only to your loved ones who are actively involved. Your life insurance would then serve to provide a fair share of your inheritance to the other members of your family.

If you name your company as a beneficiary, the insurance amount paid on your death may be used to buy back the shares held by any children not involved in the farming business.

**Life insurance** is a tax-efficient way of equitably distributing wealth among siblings.

Life insurance can also grow the value of your wealth tax-free. The accumulated sums could be paid to your beneficiaries on your death.



# At a glance

Coverage type	Product	Description
<b>Disability insurance<sup>10</sup></b>	SOLO Agriculture	This insurance is designed for farm producers looking for <b>financial security in the event of an accident or illness</b> . It provides a tax-free monthly benefit if you are <b>unable to work</b> due to partial or total disability, depending on the option chosen.
<b>Disability insurance – personal and commercial loans<sup>10</sup></b>	SOLO Loan Insurance <sup>11</sup>	This coverage is for individuals with <b>financial commitments</b> who want to protect their financial security. It provides a <b>tax-free monthly benefit</b> to help pay your <b>personal and commercial loans and long-term leases</b> if you are unable to work due to an accident or illness.
<b>Life insurance</b>	<ul style="list-style-type: none"><li>• Term</li><li>• Permanent</li><li>• Participating</li><li>• Universal</li></ul>	Life insurance is an effective way to protect your business and your family in the event of your <b>death</b> . The <b>tax-free insurance benefit</b> following your death can be used to <b>cover estate taxes</b> or <b>fund a shareholders' agreement</b> .
<b>Health insurance</b>	SOLO Healthcare	Healthcare insurance enables people who are covered under a public health insurance plan but who <b>don't have access to a group plan</b> to <b>get reimbursed for the cost of professional healthcare services, prescription drugs, dental care and other services</b> that aren't covered under public plans, depending on the coverage chosen.
<b>Critical illness insurance<sup>10</sup></b>	<ul style="list-style-type: none"><li>• Health Priorities – Term</li><li>• Health Priorities – Permanent</li><li>• Health Priorities – Business</li></ul>	Critical illness insurance gives you financial freedom. It pays you a <b>tax-free benefit</b> that you can <b>use however you want</b> so you can focus on getting better after being <b>diagnosed with a covered illness</b> .

## DID YOU KNOW?

If you take out 2 or more coverages at the same time, you may be eligible for a policy fee discount, a rate band discount and/or a premium discount on a SOLO product. Ask your life and health insurance advisor to find out more.

Note: The discount is not guaranteed. It can be withdrawn if changes are made to the policy.

<sup>10</sup> Some conditions and exclusions may apply.

<sup>11</sup> SOLO Loan Insurance can cover an individual or a legal entity, but not both at the same time. If an incorporated client requires personal and business coverage, they must take out 2 different SOLO Loan Insurance policies.

# Look to the future with confidence

## Choose Desjardins Insurance

**Choose the strength and stability** of a company specialized in life and health insurance and group retirement savings that over 7.5 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 largest cooperative financial group in North America 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 stable financial institutions in the world according to *The Banker* magazine.

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