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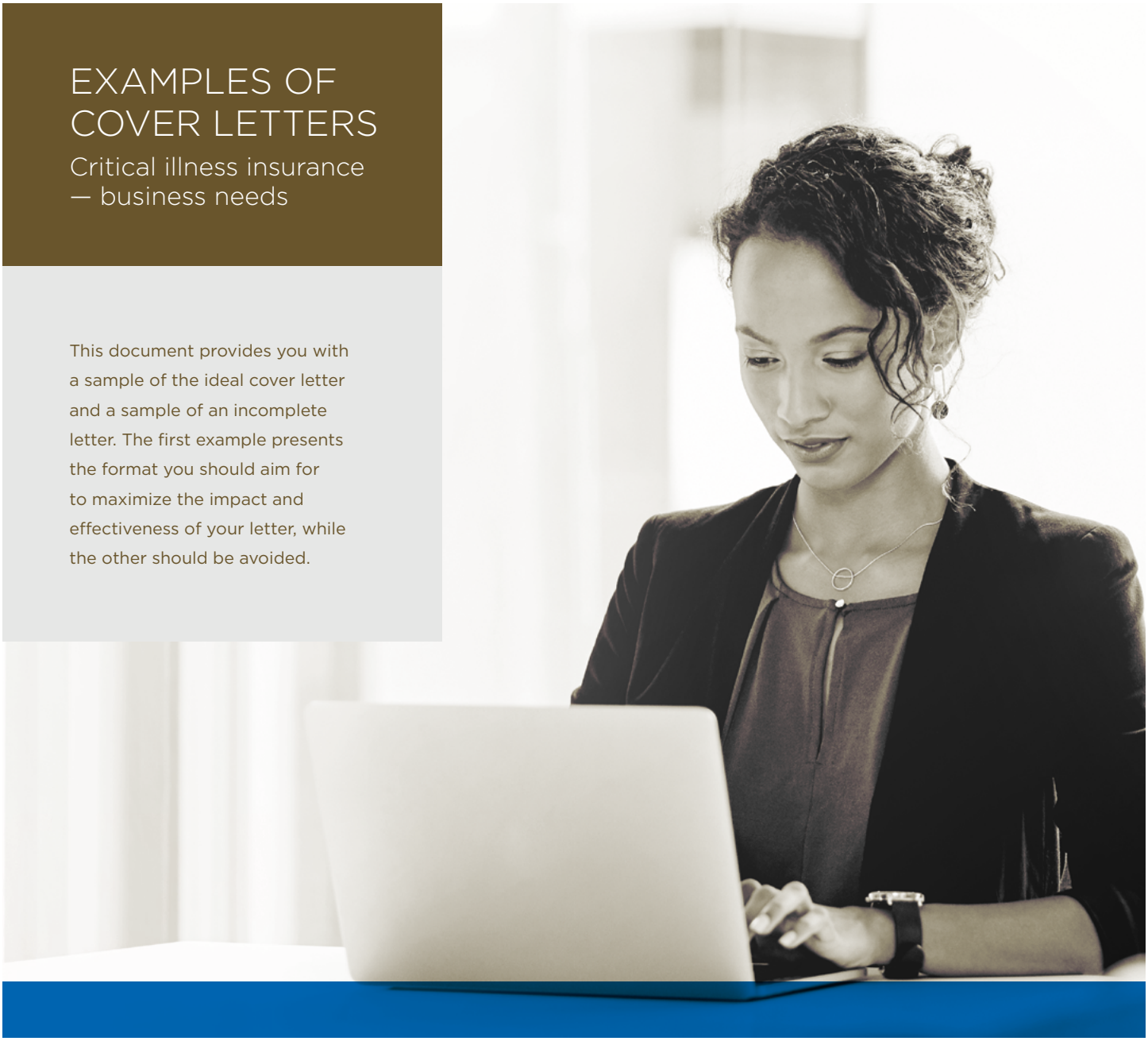
EXAMPLES OF COVER LETTERS

Critical illness insurance — business needs

This document provides you with a sample of the ideal cover letter and a sample of an incomplete letter. The first example presents the format you should aim for to maximize the impact and effectiveness of your letter, while the other should be avoided.



Note – The masculine gender is used for the sole purpose of simplifying the text.

iA Financial Group

iA Financial Group is a business name and trademark of Industrial Alliance Insurance and Financial Services Inc.

Ideal cover letter example

January 1, 2026

iA Financial Group, Underwriting

Advisor's name and iA code
Phone number
Email
Other relevant contact information if needed (e.g., contact person in case of emergencies)

Objet : Critical illness insurance application on the life of Ms. Gagnon for Gagnon & Sons Inc.

Dear Sir/Madam,

I met with Ms. Gagnon to assess her insurance coverage needs. Ms. Gagnon, aged 43, is married and the mother of two children. She has been the sole shareholder of Gagnon & Sons Inc. for 11 years. She oversees day-to-day operations, relationships with key suppliers and a team of 18 employees. Her personal annual income is $165,000, and her personal net worth is estimated at $1.2 million.

Purpose of the requested coverage

Separate coverage is being applied for on the life of Ms. Gagnon to meet the needs of Gagnon & Sons Inc.:

– A $200,000 critical illness insurance policy, with Gagnon & Sons Inc. as the policyholder, payer and beneficiary, to mitigate the financial impact of a temporary absence on the part of Ms. Gagnon, who is a key person within the business.

Justification of amounts

Ms. Gagnon plays a central role in the operations of Gagnon & Sons Inc. If a critical illness were to temporarily prevent her from performing her duties, the corporation might have to hire an experienced replacement, fund that individual's onboarding and training, and arrange for temporary support resources. Her absence could also delay certain operational decisions and increase the workload of the other shareholder.

The corporation's need for $200,000 was determined as follows:

Additional compensation for a temporary replacement: $120,000
Recruitment, onboarding and training fees: $25,000
Consultants, temporary support or overtime: $20,000
Buffer for loss of productivity and ongoing financial commitments: $35,000

The corporation currently has no critical illness coverage in place for Ms. Gagnon. The business coverage being applied for is intended exclusively to address the financial consequences incurred by the corporation and is not intended to replace Ms. Gagnon's personal insurance needs.

Ms. Gagnon already has a personal critical illness insurance policy in the amount of $100,000. This existing coverage has been disclosed but is not factored into the overall analysis of the need and the total amount of coverage for Gagnon & Sons Inc. This personal insurance policy is intended solely to cover Ms. Gagnon's personal insurance needs.

Ms. Gagnon's financial situation

Ms. Gagnon owns a residence valued at approximately $850,000, personal investments of about $420,000 and holds an ownership interest in the corporation of which she is the sole shareholder. Her main debts are a $310,000 mortgage and a $35,000 personal line of credit. The premiums will be paid from the profits of Gagnon & Sons Inc.

Ms. Gagnon's net worth=

Personal assets: investments ($420,000) + residence ($850,000) + ownership interest in the corporation ($750,000)
Personal liabilities: mortgage ($310,000) + personal line of credit ($35,000)
Personal net worth: $1,675,000

Financial situation of Gagnon & Sons Inc.

Corporation net worth=

Assets
Annual revenue of Gagnon & Sons Inc.: approximately $3 million
Pre-tax earnings: between $100,000 and $125,000 over the past three years
Land, buildings and equipment: approximate value of $350,000
Total assets: $1,165,000

Liabilities
Mortgage loan: $175,000
Operating line of credit: $95,000
Accounts payable and other liabilities: $145,000
Total liabilities: $415,000

Approximate corporation net worth: $750,000

The premium for the business coverage will be paid by the corporation. Audited financial statements for the past two fiscal years and an organization chart can be provided upon request.

Existing coverage and other applications

Ms Gagnon already has a personal critical illness insurance policy in the amount of $100,000, an individual disability insurance policy with a monthly benefit of $6,500 and a life insurance policy for $1 million.
Gagnon & Sons Inc. currently has no critical insurance coverage in place for Ms. Gagnon.
Apart from the business insurance application described in this letter, no other critical illness insurance applications to cover the business needs of Gagnon & Sons, Inc. are currently pending.

I confirm that the coverage amounts being applied for are based on an analysis of the business needs of Gagnon & Sons Inc. I remain at your disposal to provide any further clarification or supporting documentation that may be required.

Advisor's name, advisor's title
Advisor's iA code: 000000
Phone number: 000-000-0000 | Email: financial.advisor@example.ca

Advisor's signature: _____

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Incomplete cover letter example

January 1, 2026
iA Financial Group, Underwriting

I have known Ms. Gagnon for many years. She works in a family business and earns a good living. She wanted her corporation, Gagnon & Sons Inc., to purchase $200,000 in critical illness insurance on her life to ensure that her corporation would be financially secure if anything were to happen to her.

Her corporation would likely have difficulty operating without her, so the requested amount seems reasonable to me. It is also possible that the corporation would need to hire someone else to replace her on a full-time basis.

Payment of the premiums should not be a problem. Thank you for approving the application. If you have any questions, please feel free to contact me.

Advisor's name

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