



## ENHANCING YOUR WEALTH

Insurance solutions for  
Canadian investors



*The strategies, advice and technical content in this publication are provided for the general guidance and benefit of our clients, based on information that we believe to be accurate, but we cannot guarantee its accuracy or completeness. Readers should consult their own lawyer, accountant or other professional advisor when planning to implement a strategy. This will ensure that their own circumstances have been considered properly and that action is taken on the latest available information. Interest rates, market conditions, tax rules, and other investment factors are subject to change.*

*Insurance products are offered through RBC DS Financial Services Inc., a subsidiary of RBC Dominion Securities Inc. When providing life insurance products in all provinces except Quebec, Investment Advisors are acting as Insurance Representatives of RBC DS Financial Services Inc. In Quebec, Investment Advisors are acting as Financial Security Advisors of RBC DS Financial Services Inc. RBC DS Financial Services Inc. is licensed as a financial services firm in the province of Quebec.*

ENHANCE (06/05)





Like most Canadians, you want to be free of financial worry. That means knowing you will:

- › Have enough money to live comfortably in retirement
- › Leave adequate financial resources at death for surviving family members
- › Generate enough income to meet financial obligations in the event of disability

You want a financial plan that will give you peace of mind to enjoy the finer things in life. We can help. Not only can insurance play an important role in these three areas, but there are several ways it can have a positive impact on your overall portfolio.

## **Why you should consider insurance as part of your financial plan**

### **1. Estate preservation**

As an experienced investor who has developed a substantial net worth, insurance products can offset the impact of taxation on those assets at death to ensure the maximum value of your estate is passed on according to your wishes.

### **2. Tax minimization**

Many insurance products offer tax advantages that are recognized by Canada Revenue Agency. That means, with the right insurance product, you can enjoy the rewards of being an informed investor.

### **3. Estate maximization**

If you are building your assets for the sole purpose of passing them on to the next generation, consider making insurance part

of your overall plan. Taking advantage of the tax-preferred status of some insurance products is the first step toward achieving your goals.

### **4. Wealth creation**

If you are in the early stages of wealth accumulation, insurance can be a low-cost way to create a financial safety net in the event there is a loss of an income earner.

### **5. Income enhancement**

Certain insurance products can provide a supplemental stream of income for you or your family during retirement. Net income may be significantly higher than other to other types of traditional investment vehicles.

### **6. Liquidity**

When the unexpected occurs, insurance proceeds can provide much needed funds to cover financial obligations like taxes, outstanding bills and last-minute expenses. These proceeds are allowed to bypass the estate and, therefore, the entire probate process. That means these funds will not be held up in court or subject to fees that normally apply to the rest of your estate, such as executor, lawyer and accounting fees.

### **7. Protection against disability**

Everyone understands the benefit of life insurance as financial protection against death, but few realize that the odds are far greater that a person will become disabled. This can mean a major loss of income for your family. The greatest asset that many of us have is our ability to earn an income—so why not protect that asset? You might also ask yourself how long your investment portfolio would last if you were forced to liquidate in order to replace that income. Disability insurance can provide funds to offset living expenses during times of sickness or accident.

## 8. Business planning

Many people own private businesses. In the case of a partnership, the death or disability of one partner can have a devastating effect on the survival of a business. Insurance can be used to fund a business agreement, which would allow the full value of the business to be passed to the appropriate individuals. As well, it can provide business owners with the opportunity to maximize the net value of their corporate assets when passed on to the next generation.

## 9. Charitable giving

If allocating funds to a favourite charity or fraternal organization is an important part of your financial plan, then consider insurance. There are several insurance products and strategies that allow you to provide funds to a charity or charities of your choice in the most cost- and tax-effective way possible.

## 10. Diversification

We are all familiar with two distinct pools of capital: non-registered and registered assets. But life insurance is another pool of capital—a tax-exempt one that can add another layer of diversification to your overall asset allocation strategy. Create an insurance portfolio to complement your other investments and ensure that your interests are properly aligned with all your goals and values.

### We can help you answer a wide range of insurance questions

- › Why is insurance important to my portfolio?
- › How do I know if I need it, and how much is enough?

› What type of insurance is best suited to my needs?

› Which insurance company should I deal with?

These are challenging questions for many Canadians. A mismatched strategy, bad timing or incorrect information can complicate your plan for financial peace of mind. We can provide answers to your questions and structure an insurance policy that meets your needs and effectively complements your investment strategy.

There are several variables to consider before making a recommendations; for instance, your short- and long-term needs, which include final expenses, such as taxes and outstanding bills, future living expenses and requirements for children's educations. All must be evaluated.

Backed by a group of insurance specialists, each with many years of industry experience, you can be sure the recommendations you receive are right for you. These insurance specialists are also available to meet with you and your other professional advisors to ensure the recommendations contribute to a seamless and comprehensive financial strategy. They have knowledge of the most effective insurance products available and how those products will work for you and your family.



**We offer a variety of products and will create a solution that works for you**

#### **TERM INSURANCE**

This is a low-cost solution that addresses short-term goals, such as covering business liabilities, insuring mortgages and creating cash during a period when none is available.

#### **PERMANENT INSURANCE**

This addresses lifelong needs to ensure cash is permanently available when it is most needed.

Types of permanent products include:

- › Term-100—basic insurance coverage that lasts your lifetime
- › Universal Life—a product that combines the security of insurance coverage with the growth opportunity of an investment account
- › Whole Life—a product intended to maximize estate values with the help of a managed investment approach



## **Live comfortably in retirement**

#### **LIVING BENEFITS**

These provide either a lump sum or an income stream to supplement your lifestyle in the event of disability or debilitation.

Types of living benefits include:

- › Disability Insurance—replaces income in the event of sickness or disability
- › Long Term Care—coverage for the costs of a long-term care facility and/or home care provided by a qualified individual
- › Critical Illness—coverage that pays a lump sum, so you can significantly upgrade your level of care in the event one of a prescribed number of illnesses is diagnosed

#### **Canada's top product solutions**

There are a number of insurance companies operating in Canada. To ensure you are offered the most competitive and comprehensive insurance products in the industry, your coverage will be provided by one of our leading insurance suppliers.

#### **We can help make a difference**

Whether your insurance needs are simple or complex, there is a solution for you. We will analyze your situation, determine your needs and implement a strategy that will either protect or grow your assets. But no matter what your needs are, the solution will always be geared toward achieving one distinct goal—enhancing your wealth.