



Wealth  
Management

## Protecting your wealth with insurance

Like most Canadians, you want to be free of financial worry. That means knowing you will have enough money to live comfortably in retirement and potentially leave something for your family in your estate.

Unfortunately, without proper planning, the value of your assets could be reduced by a hefty tax bill. Your estate may not have enough liquid assets or cash on hand to pay this bill and your heirs may have to decide which assets to sell in order to fulfill the obligation.

Upon passing (if you are unable to roll over assets to your spouse), registered assets, as well as gains on non-registered investments and property (excluding your principal residence), will be included in your income in the year of death. While the tax bill may be relatively low today, it may increase over time as your assets increase in value, so your family is not only inheriting the assets, but also the tax bill.

### An effective solution

There are strategies using life insurance to help your family when the time comes to settle your final tax bill. Once integrated into your overall financial plan, these strategies will help to protect the value of your assets and provide your heirs with the funds necessary to pay the taxes due when you pass away, all for just a fraction of the potential tax bill.

Traditionally, we view life insurance as a means to replace lost income or to provide money for final expenses like a funeral. However, permanent life insurance may be valuable as a financial planning tool in other ways, especially for families with more complex financial needs.

### Three types of permanent insurance

- **Term To 100:** Basic insurance coverage that lasts your lifetime.
- **Universal Life (UL):** Combines the security of insurance coverage with the growth opportunity of a tax-sheltered investment account that is managed by the policyholder to achieve long-term estate growth.
- **Whole Life (WL):** Generates long-term growth by crediting policy dividends, which are largely created by the performance of a diversified investment portfolio managed by the insurer's professional money managers. It is a product intended to maximize estate values with the help of a managed investment approach.

The use of permanent life insurance provides the ability to manage your tax risk today and in the future.



The insurance premiums relative to the benefit make it an extremely cost-efficient method of covering your future tax liability.

There are several differences in the mechanics of whole life and universal life insurance, but in the end, they may both be used for either personal or corporate planning needs. They may also offer a tax-deferred accumulation of wealth and a tax-free benefit payable to your heirs.

The use of permanent life insurance provides the ability to manage your tax risk today and in the future. It is important to keep in mind that you

must medically qualify for coverage in order to purchase life insurance and implement this type of strategy.

The insurance premiums relative to the benefit make it an extremely cost-efficient method of covering your future tax liability.

Selecting the right insurance solution for you will depend on your objectives and investment style. Whether your

needs are simple or complex, there is a solution for you. We will analyze your situation, determine your needs and implement a strategy that is right for you.

**Please contact us if you are interested in getting more information on life insurance and how it fits within your overall wealth plan.**

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