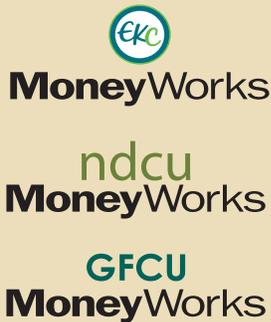


MoneyWorks



LIFE INSURANCE

- ▶ WHY YOU NEED IT
- ▶ TYPES OF LIFE INSURANCE
- ▶ INSURANCE AND TAXES



Simple, convenient and hassle-free, we have solutions that work for you.

Points to consider

What is life insurance?

- ▶ Life insurance is a contract between the person insured and the insurance company to pay a certain sum upon death.

Two uses for life insurance

- ▶ The traditional use is to protect your survivors from unnecessary financial burden, but the new era of life insurance focuses on tax deferral and the elimination of estate tax liabilities.

Term insurance

- ▶ Term insurance provides a death benefit only for either a limited period of time or to age 100.

Permanent insurance

- ▶ Universal and whole life insurance provides tax-advantaged growth of deposits along with an increasing death benefit, or whole life with guaranteed cash values and death benefits.

Seek professional advice

- ▶ Getting the correct type and amount of insurance can be confusing. Seek professional advice.

Life Insurance is one of the most important financial products, yet it is one of the least understood. Life insurance is a contract between the person insured and the insurance company to pay a certain sum upon death.

Term insurance provides a death benefit only for either a limited period of time or to age 100. Universal life insurance provides either tax-advantaged growth of deposits along with an increasing death benefit, or whole life with guaranteed cash values and guaranteed death benefits.

WHY DO I NEED LIFE INSURANCE?

Traditional uses for life insurance

Our earning potential is usually our greatest asset, and we make all sorts of financial commitments based upon our ability to generate an income. Suppose you died. How would your survivors pay for all these commitments? This is where life insurance plays its role. Life insurance can be used to eliminate debts, pay estate taxes, fund your children's education, and pay for your funeral. It can also be used to set up an investment pool which your survivors can draw upon for income.

The new era of life insurance

With opportunities for tax deferral decreasing and income and estate taxes increasing, life insurance is now being used as a tax haven for those who have additional cash to invest and as

a tax liberator for those with large tax liabilities because of accumulations in RRSPs, RRFs, and Capital Gains from personal and/or business assets.

TYPES OF LIFE INSURANCE

Term insurance

Term insurance provides a death benefit only. Renewable term insurance is for limited periods of time and has a level death benefit with increasing cost. Term to age 100 (T100) has a level death benefit as well as a level cost.

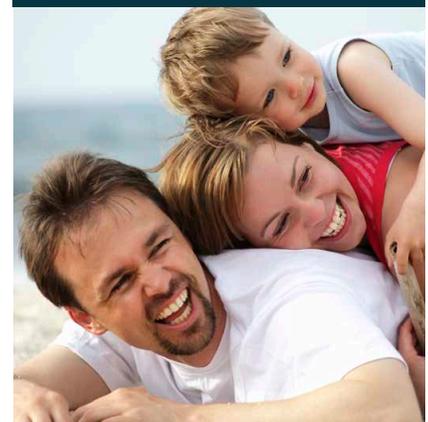
Permanent insurance

Permanent insurance lasts for as long as you continue to pay the premiums and has no fixed time frame. In the early years of the policy, the premiums are

— continued

Bring your dreams

Look after their future



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higher than for term insurance so as to create a policy reserve which effectively spreads the cost over the life of the policy. There are two main forms: whole life and universal life.

Term or permanent?

The choice depends upon your circumstances. Generally, term insurance is often the best option if you need

coverage for a specific time or for a specific expense that must be paid. However, whole life, or universal life are two different options when the need is for lifetime coverage. Both types of permanent insurance can offer tax advantaged asset growth, a shortened deposit period, guaranteed death benefit, guaranteed cash values as well as premium flexibility, and can be custom tailored to suit a specific need.

TEST YOURSELF

In the event of my death:

	YES	NO	UNSURE
1. My/our mortgage will be paid off.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. My automobile loan and other debts will be paid off.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. There will be enough money to pay all remaining bills, final expenses and the costs and taxes associated with my estate.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. My Will truly provides for the fair distribution of my estate and there will not be any forced sale of inheritances to meet expenses.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. There will be enough money to properly support and educated my children.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. My surviving spouse/partner will receive enough income to live comfortably.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

As a business owner, in the event of my death:

7. I am totally satisfied that my business will continue to provide my loved ones with an income or that my business will be sold for its true worth.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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If I were unable to work due to injury or lengthy illness:

8. I would continue to receive a monthly income and be able to maintain my existing standard of living.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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When I retire:

9. I am confident that my retirement planning will be tax-efficient and will provide me with the best possible income.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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If you answered **NO** or **UNSURE** to even one question, you would be wise to meet with one of our financial advisors. We help make your money work for you.