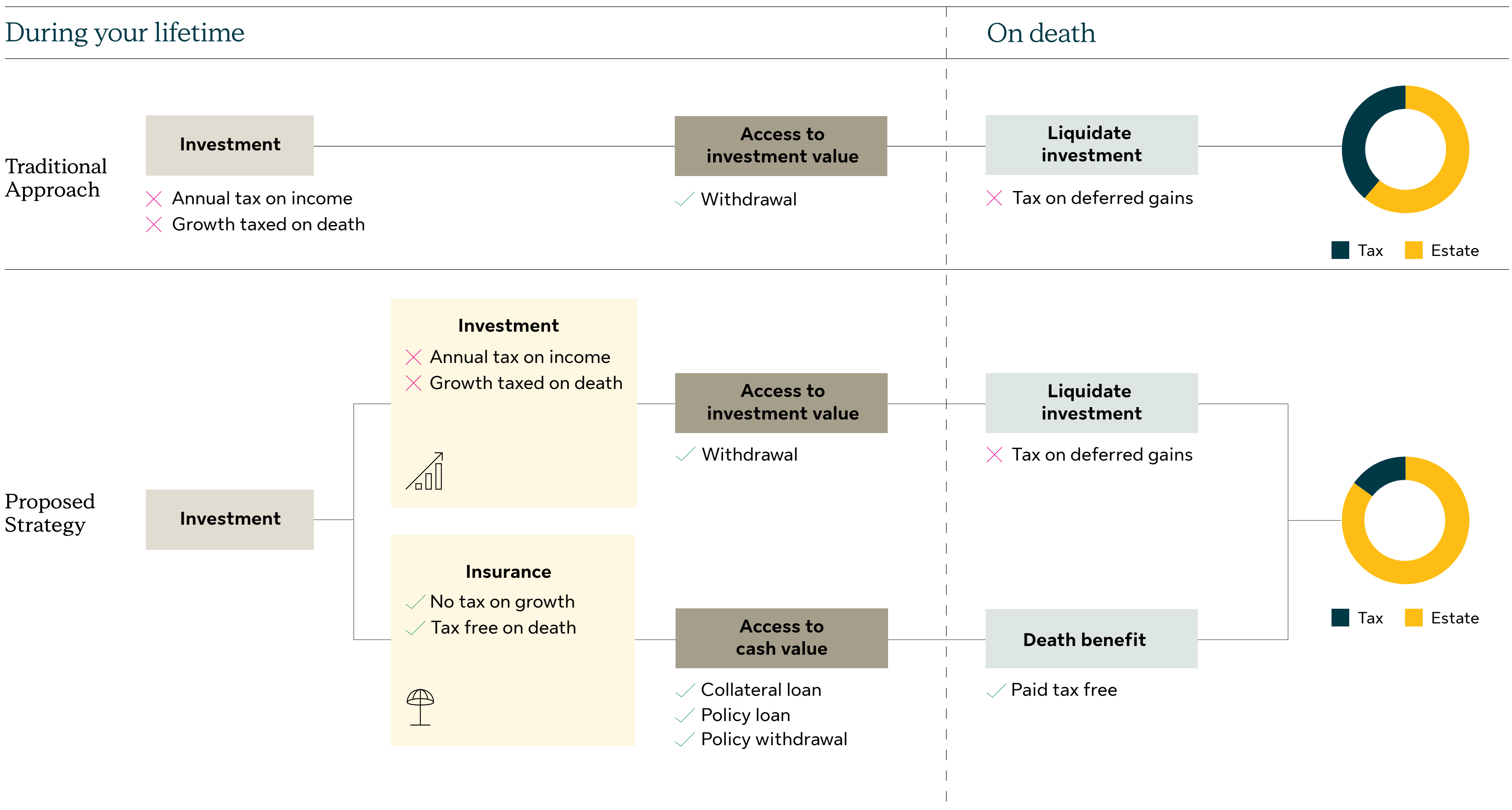
Individual asset transfer

A tax-exempt life insurance strategy

You've maximized your retirement savings and have significant assets in taxable, non-registered, fixed income investments, which could result in a large tax liability at death. You want to create a diversified, stable pool of assets that you can grow and protect to maximize the value of your estate for your beneficiaries, but don't want to sacrifice cash accessibility.

The Individual Asset Transfer strategy helps to diversify your asset mix in a tax-efficient manner, provides comparable liquidity to a traditional investment portfolio, and can help to significantly increase the estate value available for your beneficiaries.



How it works

You buy a permanent life insurance policy to provide the protection you need to secure your estate value. Premiums are paid by transferring funds from your current investment portfolio to the life insurance policy. In addition to protection, the policy also offers you a number of benefits.

- Tax-preferred cash value accumulation. This helps reduce the taxes you had been paying on your investment income, while also allowing you to diversify your asset mix and potentially lower the overall volatility in your portfolio. It can also offer comparable asset values while living.
- If you need access to cash values, the policy offers a number of options that allow you to maintain the liquidity and flexibility that traditional investments provide. You may be able to take a policy loan, take a withdrawal from the policy, or assign the policy to a lending institution as security for a loan. The cash values in the life insurance policy may offer higher collateral values than traditional investment portfolios offer, and it may be possible to access up to 90% of the cash value in this manner.
- On your death, the tax-free death benefit goes directly to your named beneficiaries, bypassing your estate and the associated estate settlement costs. This helps to protect and significantly increase the estate value available for your beneficiaries.

When to use it

Consider this strategy if you:

- Have a regular, high income stream that exceeds your lifestyle needs.
- Have a high net worth with a secure financial future.
- Hold significant taxable, non-registered, fixed-income investments and want to diversify your asset mix.
- Have already maximized your RRSP and TFSA contributions.
- Are looking for ways to minimize the tax burden associated with your taxable investments.
- Want to satisfy your life insurance need without giving up liquidity in your existing investment portfolio.

Notes

There are additional considerations and risks associated with the Individual Asset Transfer strategy beyond those discussed here. Policy loans and withdrawals may have tax implications. Before implementing any strategy, consult with your tax and legal advisors.

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