

# Life insurance

## It's not just for dying anymore

# Questions

- Do you need life insurance?
- How much life insurance do you need?
- What are the different types of life insurance you can buy?
- What is the right type of life insurance for your needs?

# What does life insurance do for you?

- When you die it can be used to
  - Cover final expenses and pay off debt
  - Ensure your family maintains their standard of living
  - Leave a legacy to your favourite charity
- While you're alive it can be used to
  - Build a tax-advantaged cash value
  - Supplement your retirement income
  - Provide for long-term care or home care

# Who needs life insurance?

- People with responsibility for others
  - Immediately after your death
    - Provide the money for the funeral, unpaid bills and other expenses
  - Over the longer term
    - A source of funds to make up for the loss of your income or assist with childcare costs

# Who needs life insurance?

- People with no family ties
  - Take care of final expenses, unpaid bills and other debts
  - Supplement retirement income
  - Leave a gift to a loved one or a favourite charity

# Who needs life insurance?

- People with estates to protect
  - Cover growing tax liabilities
  - Pass estate on to beneficiaries or a favourite charity

# Who needs life insurance?

- People who want to leave a legacy
  - Provide your favourite charity with stable, long-term funding
  - Tax-effective, without jeopardizing your own financial independence or reducing your estate

# Who needs life insurance?

- Business owners
  - Debt protection
  - Access liquidity
  - Business succession and buy-sell agreements

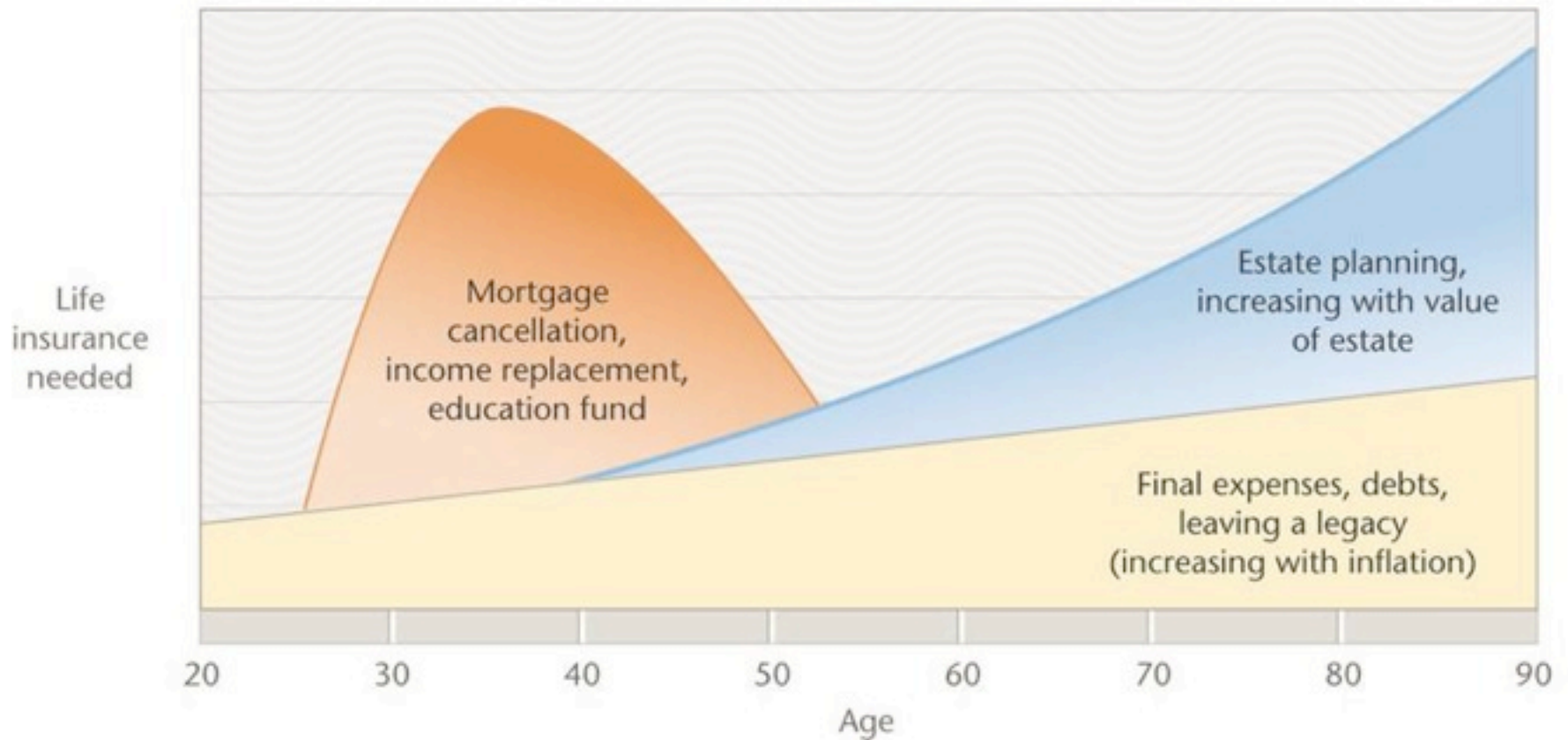


# When should you purchase life insurance?

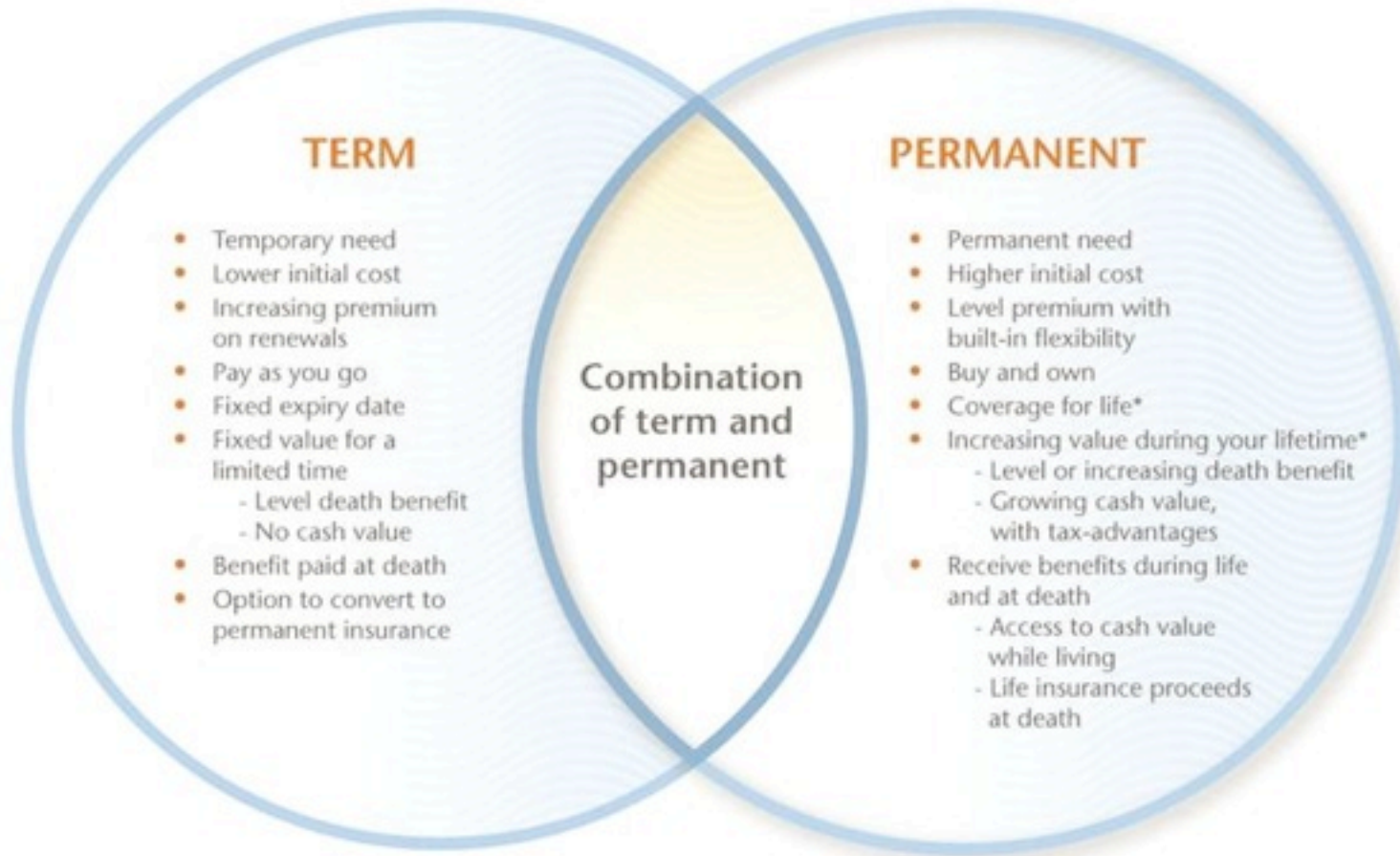
- When you least expect to need it
- Important events in your life
  - A new child or grandchild
  - Marriage or divorce
  - Death of a parent or spouse
  - Children leaving home for college or to start families of their own
  - Purchase of a home or cottage
  - New job or business

# How much life insurance do you need?

## The changing need for life insurance



# What types of life insurance can you buy?



\* As long as premiums continue to be paid or there is cash value in the policy to cover premiums

# Term and permanent life insurance

- Term life insurance
  - Meet high, short-term needs, low initial cost, renewable, option to convert
- Permanent life insurance
  - Protection throughout your lifetime, provides a death benefit, builds cash value

# Universal life insurance

- Combines permanent life insurance with a tax-advantaged investment component
- Select an investment mix that's as individual as you are
- When available, cash value could be used to pay the cost of insurance or increase the total death benefit
- Suited for people who want to actively manage the investment component

# Participating life insurance

- Guaranteed values, tax-advantaged growth, opportunity to receive policyowner dividends
- You decide which dividend option to use

# Group insurance

- Doesn't offer the same control, portability or flexibility as personal life insurance
- Often insured only as long as you're part of the group
- Employers own their employees' coverage
- May only be allowed to convert to non-convertible term life insurance

# How can you tailor your life insurance to your needs?

- Protection in the event of disability
  - If a covered accident or illness prevents you from working, the life insurance company pays your premiums
- Right to buy more life insurance
  - Guarantees your right to buy more life insurance, regardless of your health
- Accidental death benefit
  - Pays an additional benefit in the case of a fatal accident



# Selecting the right life insurance for your needs

- Professional advice
- Value for your money
  - Features that meet your needs and budget today, flexibility for tomorrow
- Variables affecting the cost of life insurance
- The company standing behind your life insurance

# Notes

- This material is current as of August 2011. It is for information purposes only. It should not be construed as legal or tax advice. Every effort has been made to ensure its accuracy. However, errors and omissions are possible.