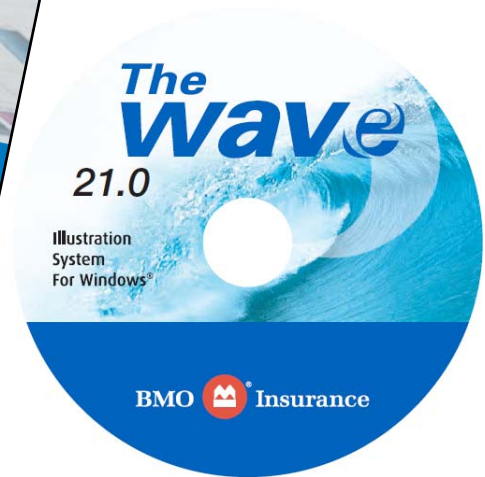


What's New on Wave 21.0

What's NEW on this release



Some NEW reasons why tax-sheltered universal life still makes sense at BMO Insurance

1

NEW
Maximizer*Select*

2

NEW
Cumulative Fund
Bonus

3

NEW
Skip Premium option

4

REDUCED
Surrender Charges

5

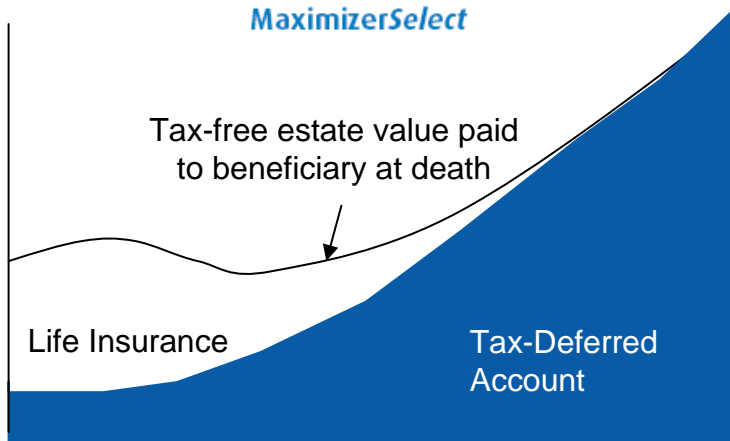
NEW
ETF Portfolios



The All NEW MaximizerSelect

1

The All NEW
MaximizerSelect



- For clients who like the tax-sheltered benefits of UL, want to minimize insurance costs but who may be unable to qualify for large amounts of insurance
- Lower surrender charge factors in years 1-8
- First year commission rate increased from 3.5% to 5.0% for deposits between the target and first year maximum premium amounts *(from 1.5% to 2.0% when the Fund Accelerator Bonus option is selected).*

NEW Cumulative Fund Bonus (CFB)


2

NEW Cumulative
Fund Bonus

- Starts on any Policy Monthly Anniversary on or after the 10th Policy Year as long as the Total Indexed Account Value at the Policy Monthly Anniversary is greater than or equal to:
 - \$25,000; and
 - Twice the cumulative Total Annual Minimum Premium at the end of the Policy Year
- The Bonus of 0.25% will be credited at the end of the Policy Year
- Once qualified, the Bonus will continue to be payable as long as the Total Indexed Account Value is at least \$25,000 (*i.e. the cumulative minimum premium test will no longer be required*)



NEW Cumulative Fund Bonus


BMO Insurance

A Universal Life Plan

Life Dimensions (Low Fees)

Premiums: Minimum: \$2,155.61 First Year Maximum: \$12,107.50

Policy and Investment Information

Projection based on an assumed rates of return that are not guaranteed

Performance depends on actual rates credited

This illustration is for information purposes only

Investment Allocation:

BMO GDN SelectClass Balanced Portfolio Advisor 100%

Year	Age	Total Planned Premium	Total Death Benefit	Fund Value	Total Cash Surrender Value	Projected Net Rate of Return (%)
1	46	\$10,000.00	\$258,127	\$8,127	\$4,893	5.00
2	47	\$10,000.00	\$266,660	\$16,660	\$11,271	5.00
3	48	\$10,000.00	\$275,620	\$25,620	\$19,692	5.00
4	49	\$10,000.00	\$285,028	\$35,028	\$29,100	5.00
5	50	\$10,000.00	\$294,906	\$44,906	\$38,978	5.00
6	51	\$0.00	\$294,988	\$44,988	\$39,061	5.00
7	52	\$0.00	\$295,075	\$45,075	\$39,147	5.00
8	53	\$0.00	\$295,165	\$45,165	\$39,776	5.00
9	54	\$0.00	\$295,261	\$45,261	\$40,949	5.00
10	55	\$0.00	\$295,473	\$45,473	\$45,473	5.25 ^
11	56	\$0.00	\$295,697	\$45,697	\$45,697	5.25 ^
12	57	\$0.00	\$295,933	\$45,933	\$45,933	5.25 ^
13	58	\$0.00	\$296,181	\$46,181	\$46,181	5.25 ^
14	59	\$0.00	\$296,442	\$46,442	\$46,442	5.25 ^
15	60	\$0.00	\$296,717	\$46,717	\$46,717	5.25 ^

2

NEW Cumulative
Fund Bonus

Years in which the CFB is payable are indicated with a "^^"

NEW Skip Premium Option

3

NEW Skip Premium
Option

- Available on all new (Wave 21.0) Life Dimensions policies
- A policy can go on “skip premium” unless:
 - Fund Value is less than the Monthly Deduction OR;
 - Cash Value is less than outstanding Policy Loan OR;
 - **Fund Value less 50% of Surrender Charges** is less than zero and policy owner has not paid the equivalent of the cumulative minimum premiums due on the policy to-date

Reduced Surrender Charges on Life Dimensions

4

Reduced Surrender
Charges

	YRT100 COI	Level COI	MaximizerSelect	InvestorMaximizer
Surrender Charge Period	REDUCED to 9 years from 10 years	REDUCED to 9 years from 10 years	No change	REDUCED to 9 years from 10 years
Surrender Charge Factors	No change	No change	REDUCED in years 1-8	REDUCED for all ages less than 50

*Refer to the Life Dimensions Product Overview (217E) for more details.
Life DimensionsPRESTIGE does not have any surrender charges*

6 NEW Exchange Traded Fund Managed Portfolio Indexed Accounts: *available exclusively on Life Dimensions*

- **Canadian Tactical ETF Class** Managed Portfolio Indexed Account
- **Global Tactical ETF Class** Managed Portfolio Indexed Account
- **Security ETF** Managed Portfolio Indexed Account
- **Balanced ETF** Managed Portfolio Indexed Account
- **Growth ETF** Managed Portfolio Indexed Account
- **Aggressive Growth ETF** Managed Portfolio Indexed Account

5

NEW Exchange Traded
Funds

UL Fees: 2.5% on Life Dimensions and 1.25% on Life Dimensions (Low Fees)



Other changes on this release...

- YRT cost of insurance rates have changed on all Life Dimensions plans (except Life Dimensions^{PRESTIGE}) and are reflected in the above examples
- The Market Value Adjustment (MVA) formula will be changed and based on the difference in Government of Canada bond rates of the same term (see the Life Dimensions Marketing Guide (182E) for more details)
- The minimum guaranteed interest rate on the 10 Year GIA is now 3% (including the Guaranteed Investment Bonus) for all new (Wave 21.0) Life Dimensions plans

Other changes on this release...

- “Increase and Reversals” now available on Term Conversions to Universal Life policies. Underwriting may be required for the increase in Face Amount on the UL policy
- There is now a minimum of three years of deposits required for all *MaximizerSelect* and *InvestorMaximizer* cases; single deposits will no longer be accepted
- The 5% Partial Withdrawal Redemption Fee will only be charged after the second policy year until the end of the Surrender Charge period



Other changes on this release...

- All new universal life policies in Quebec will now be assessed the new premium tax rate of 2.55% effective November 18th, 2010. This change affects the following plans:
 - Life Dimensions (including the Low Fee versions)
 - LifeProvider (including the Low Fees versions)
 - Universal Life Investment Loan Plan
- The change does not affect Term, Whole Life or Term 100 plans. Rates for these plans remain unchanged.

Transition Rules for Universal Life: Effective November 18, 2010

- In effect for Life Dimensions, Life Dimensions with Fund Accelerator Bonus, Life Dimensions^{PRESTIGE} and LifeProvider plans (including Low Fees options)
- Policies can be submitted during the transition period of November 18, 2010 to December 31, 2010 using either Wave 20.0 or Wave 21.0 rates
- Applications using Wave 20.0 rates will be accepted at our Head Office until December 31, 2010
- Pending cases will be issued as applied for
- Applications that have been submitted but not yet settled can be changed to Wave 21.0 rates upon submission of a written request and a new illustration
- Applications received in our head office after December 31, 2010 will receive Wave 21.0 rates
- Cases already settled cannot be changed.



Building a Better Income Annuity

Evolution and Innovation: enhancements to our Single Premium Immediate Annuity

1

CashReady
Option

2

Indexing
for Inflation

3

More flexible
guaranteed periods

4

Illustration Software
Improvements



CashReady Option

1

CashReady Option

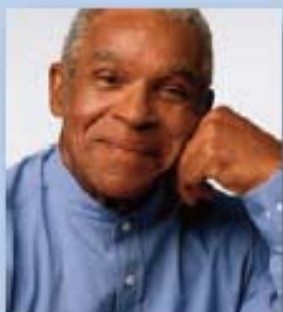
- Automatically included with all BMO non-registered, non-prescribed annuities at no extra cost!
- Allows a chosen percentage (up to 100%) of remaining guaranteed payments to be commuted¹ and paid in a lump sum
- Provides access to capital for emergency or special needs!
- Remaining guaranteed payments are reduced proportionately, but are restored to their full original amount after the guaranteed payment period

¹ Commutation is an exchange of one kind of payment for another. The percentage chosen of remaining, regular guaranteed payments are “commuted” to a present value lump sum payment. The lump sum payment is subject to a \$5,000 minimum. A portion of the lump sum payment may be deemed to be taxable income.

Building a better Income Annuity

1

CashReady Option



Case Study #1

John, age 60, uses \$250,000 of his non-registered funds to purchase a BMO life income annuity with a 15 year guaranteed period. This provides John with monthly income payments of \$1,500.

After 7 years, at age 67, John breaks his hip after falling down the basement stairs. John needs extensive surgery and rehabilitation services to help him get back on his feet. He finds the extra costs of rehabilitation are adding up, and needs a little extra help to make ends meet.

John asks BMO Insurance to commute 10% of his remaining guaranteed income payments (8 years left). The commuted value is determined to be \$11,000, which BMO Insurance pays in a lump sum to John.

John's remaining 8 years of monthly guaranteed income payments are reduced to 90% of their original amount, or \$1,350. At the end of the guaranteed payment period, at John's age 75, his monthly income payments are restored to their original monthly amount of \$1,500, and are paid for the rest of John's life.

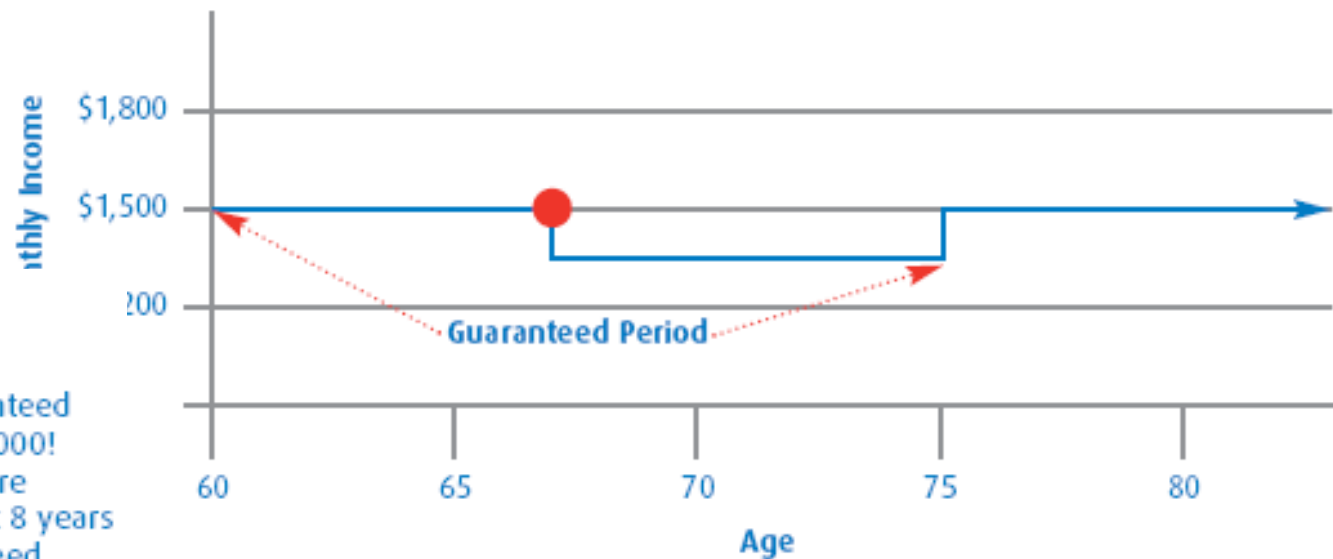
CashReady Option

1

CashReady Option



At age 67, John commutes 10% of his remaining guaranteed payments and receives \$11,000! Monthly income payments are reduced by 10% for the next 8 years until the end of the guaranteed period, but are then restored to the full \$1,500 and are payable for the rest of John's life.



Building a Better Income Annuity

1

CashReady Option



Case Study #2

Susan, age 70, uses \$150,000 of her non-registered funds to purchase a BMO life income annuity, selecting a 10 year guaranteed period with monthly income payments of \$1,000 provided.

After 5 years, Susan has an opportunity to join her lifelong friends on a summer long European tour, including a 2 week cruise, but needs extra funds to pay for this trip of a lifetime. Susan has calculated that her basic needs can largely be funded by her employer's pension plan, and has asked BMO Insurance to commute 50% of her remaining guaranteed income payments (5 years left). The lump sum payment is determined to be \$25,000, which is enough to cover not only the cost of Susan's European trip, but also some home renovations that Susan has recently wanted to make.

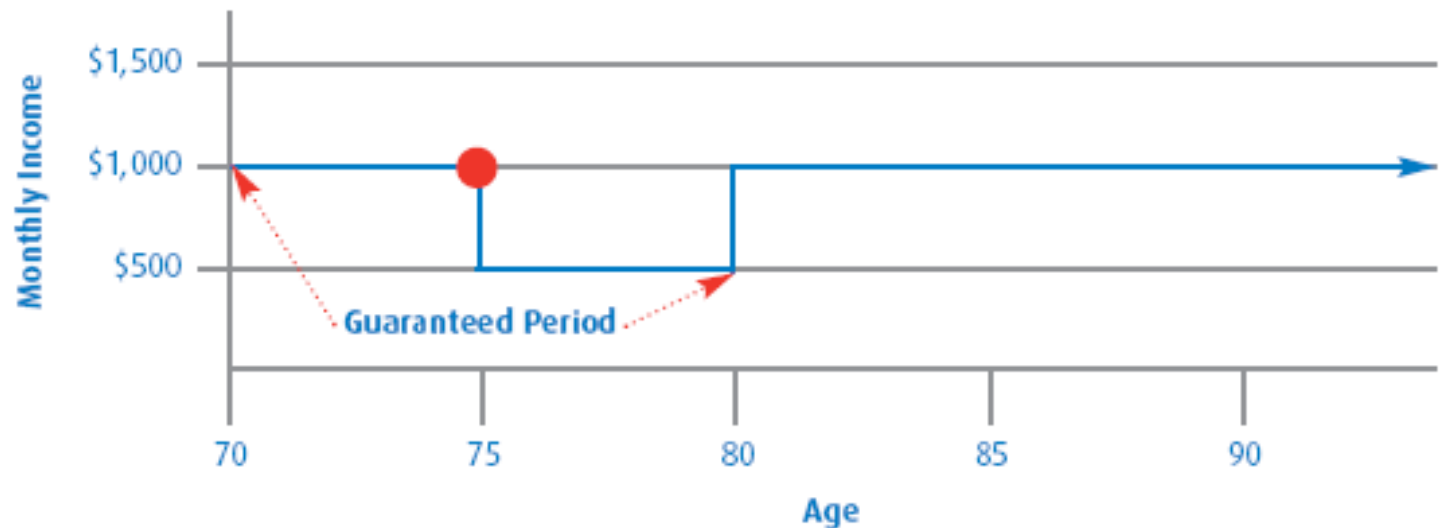
After the lump sum payment of \$25,000, Susan's remaining monthly guaranteed income payments of 5 years are reduced to 50% of their original amount, or \$500. At the end of the guaranteed payment period, at Susan's age 80, monthly income payments are restored to their original amount of \$1,000, and are paid for the rest of Susan's life.

CashReady Option

1

CashReady Option

- Susan commutes 50% of her remaining guaranteed payments and receives \$25,000! Monthly income payments are reduced by 50% for the next 5 years until the end of the guaranteed period, but are then restored to the full \$1,000 and are payable for the rest of Susan's life.



Illustrating the CashReady Option on the Wave

1

CashReady Option

BMO Insurance - The Wave Illustration System - Payout Annuity - SPIA V3.0/10-03 - HONAME

File Edit View Window Help Language Help

Annuity Information

Type of Annuity: Single Life

Client Name: John DOB: 28/09/1950 Age: 60 Sex: Male Marginal tax rate %: 50.00 Province: Ontario

Type of Funds: Non-Registered

Purchase Date: 28/09/2010 First Payment Date: 28/10/2010 Installment Frequency: Monthly Indexed Annually: 0.00 %

Guaranteed Period: 15 years 0 months

CashReady Option: ☒

Tax Status: Non-Resident

Insured Annuity Concept: ☐

RF Single Premiums Amount \$ 250,000.00

Income Amount \$ 1,211.02

Our SPIA illustration input screen will automatically include the CashReady Option when the quote is for non-registered funds with non-prescribed taxation having a guaranteed period greater than zero.

Description of CashReady Option included with the illustration!

1

CashReady Option

CashReady Option – Guaranteed Payments

Cash for emergency or special needs!
Automatically included at no extra cost for qualifying annuities¹ from BMO Insurance!

Income annuities have always been popular for providing regular and dependable income payments that are both secure and guaranteed... providing peace of mind especially in times of investment volatility and uncertainty. But what if your retirement years don't go exactly as planned or opportunities arise that you just have to take advantage of?

All qualifying income annuities¹ from BMO Insurance automatically include at no extra cost the CashReady Option. This special feature allows a chosen percentage (up to 100%) of remaining guaranteed income payments to be commuted and paid in a lump sum² to help pay for emergency or special needs. Remaining guaranteed income payments after commutation are reduced in the same proportion as the withdrawal, but income payments are restored to their original level after the guaranteed payment period.

Let's take a closer look at the CashReady Option in action!

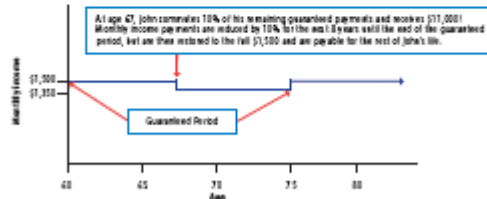
Case Study #1

John, age 60, uses \$250,000 of his non-registered funds to purchase a BMO life income annuity with a 15-year guaranteed period. This provides John with monthly income payments of \$1,500.

After 7 years, at age 67, John breaks his hip after falling down the basement stairs. John needs extensive surgery and rehabilitation services to help him get back on his feet. He finds the extra costs of rehabilitation are adding up, and needs a little extra help to make ends meet.

John asks BMO Insurance to commute 10% of his remaining guaranteed income payments (8 years left). The commuted value is determined to be \$17,000, which BMO Insurance pays in a lump sum to John.

John's remaining 8 years of monthly guaranteed income payments are reduced to 90% of their original amount, or \$1,320. At the end of the guaranteed payment period, at John's age 75, his monthly income payments are restored to their original monthly amount of \$1,500, and are paid for the rest of John's life.



BMO Insurance

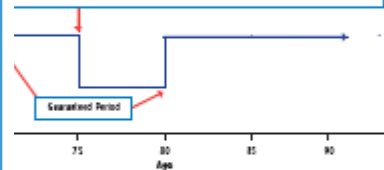
Case Study #2

Susan, age 70, uses \$150,000 of her non-registered funds to purchase a BMO life income annuity, selecting a 10-year guaranteed period with monthly income payments of \$1,000 provided.

She has an opportunity to join her lifelong friends on a summer-long European tour, including a 2-week cruise, but for this trip of a lifetime. Susan has calculated that her basic needs can largely be funded by her annuity, and has asked BMO Insurance to commute 50% of her remaining guaranteed income payments (5 years) to help fund the trip. The commuted value is determined to be \$25,000, which is enough to cover not only the cost of Susan's European trip, but also the travel insurance that Susan has recently wanted to make.

At the end of \$25,000, Susan's remaining monthly guaranteed income payments of 5 years are reduced to 50%, or \$500. At the end of the guaranteed payment period, at Susan's age 80, monthly income payments are restored to their original amount of \$1,000, and are paid for the rest of Susan's life.

Susan commutes 50% of her remaining guaranteed payments and receives \$25,000. Monthly income payments are reduced by 50% for the next 5 years until the end of the guaranteed period, but are then restored to the full \$1,000 and are payable for the rest of Susan's life.



BMO Insurance... simple, secure, guaranteed and now with added
help protect and promote active living during your retirement years!

annuities purchased with non-registered funds having 10%.

A change of one kind of payment for another. The 10% income payments chosen to be commuted are not a lump sum payment. The lump sum is a \$17,000 maximum. A portion of the lump sum earned to be taxable income.

1. Commuted to the life income payments only and not for the 10-year guaranteed period.

Each withdrawal, used under terms.

BMO Insurance

Source: BMO Insurance

BMO Insurance

Indexing for inflation now available!

2

Indexing
for Inflation

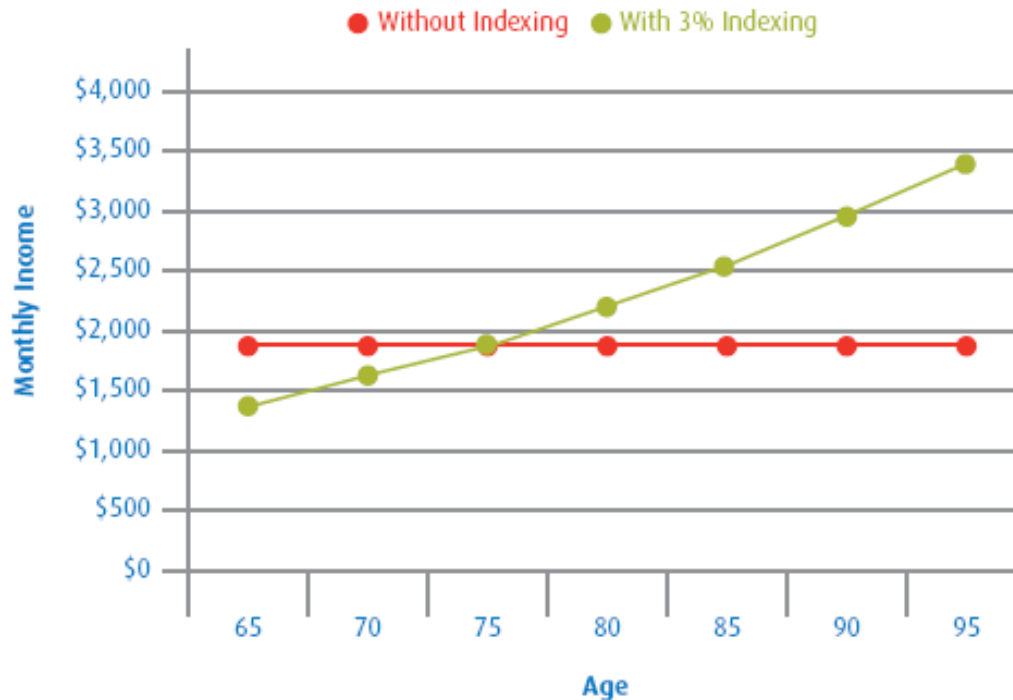
- Increase regular income payments annually to help protect against inflation!
- Up to 6% annually for non-registered funds, 4% for registered funds
- Non-registered annuities with indexing must have non-prescribed taxation

Indexing for inflation now available!

- With indexing, initial income is lower than without indexing, but will be higher later

2

Indexing
for Inflation



Male, age 65, \$300,000, 10 year guaranteed period

More flexible guarantee periods

- Guaranteed payment period can now include both years and months
- Added flexibility when guaranteed income is desired to a certain age or specific date

3

More Flexible
Guaranteed Periods

BMO Insurance - The Wave Illustration System - Payout Annuity - SP1A V3.0/10-03 - HCHAME

File Edit View Report Working Location Help

Annuitant Information

Type of Annuity: Single Life

Client Name: Susan DOB: 28/03/1940 Age: 70 Sex: Female Marginal Income %: 50.00 Province: British Columbia

Type of Funds: Non-Registered Tax Status: Prescribed

Purchase Date: 28/03/2010 First Payment Date: 28/10/2010 Income Frequency: Monthly Indexed annually: 0.00 %

Guaranteed Period: 10 years 6 months Cash/Free Option: ☐

Annual Taxable Income \$: 150,000.00

Single Premium Amount \$: 150,000.00

Income Amount \$: 141.70

Enter the number of years and months to cover the period or specific date that is required

Illustration software improvements: saves you time!

4

Illustration Software Improvements

BMO Insurance - The Wave Illustration System - Payout Annuity - SPIA V3.0/10-03 - HQNAME

File Edit View Window Help

Annuity Information

Type of Annuity: Single Life

Client Name: Susan DOB: 28/03/1940 Age: 70 Sex: Female Marginal Income %: 50.00

Type of Funds: Non-Registered Tax Status: Prescribed

Purchase Date: 28/03/2010 First Payment Date: 28/10/2010 Income Frequency: Monthly Indexed annually: 0.00 %

Guaranteed Period: 10 years 6 months

Annual Taxable Income \$ 150,000.00

☒ Single Premium Amount \$ 150,000.00

☐ Income Amount \$ 140.70

NUM SCRL

Prescribed taxable amounts now automatically shown on input screen

Illustration software improvements: saves you time!

4

*Additional information
on illustrations to help
show income benefits
provided by the annuity!*

**Illustration Software
Improvements**

NEW!

Highlighted columns
are new!

Tax Schedule

Annuitant: Client¹, Male, 17 Sep 1945, age at purchase 65

Year	Monthly Income*	Total Annual Income	Cumulative Payout	Annual Taxable Portion of Income
2010	\$614	\$1,842	\$1,842	\$471
2011	\$614	\$7,369	\$9,211	\$1,886
2012	\$614	\$7,369	\$16,580	\$1,886
2013	\$614	\$7,369	\$23,950	\$1,886
2014	\$614	\$7,369	\$31,319	\$1,886
2015	\$614	\$7,369	\$38,688	\$1,886
2016	\$614	\$7,369	\$46,057	\$1,886
2017	\$614	\$7,369	\$53,426	\$1,886
2018	\$614	\$7,369	\$60,795	\$1,886
2019	\$614	\$7,369	\$68,164	\$1,886
2020	\$614	\$7,369	\$75,533	\$1,886
2021	\$614	\$7,369	\$82,902	\$1,886
2022	\$614	\$7,369	\$90,271	\$1,886
2023	\$614	\$7,369	\$97,640	\$1,886
2024	\$614	\$7,369	\$105,009	\$1,886

Building a better Income Annuity

Single Premium Immediate Annuities

Enjoy your retirement.
We take the risk so
you don't have to.



*Simple, secure, guaranteed ...
and now with added flexibility to
help promote and protect active
living during your clients'
retirement years!*



Transition Rules for Single Premium Immediate Annuities: Effective November 18, 2010

- Please note that in order to run SPIA quotes on or after November 18, 2010, Wave 21 illustration software must be installed. After that date, Wave 20 software will no longer allow SPIA quotes
- The enhancements to our SPIA products and illustrations are reflected in both the new Wave 21 software and Cannex illustrations
- Any questions or require assistance? Please contact our Annuity hotline at 1-866-382-7401 or e-mail us at insurance.annuities@bmo.com.



What's New on Wave 21.0