

Financial Concepts *at a Glance*



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Whether your clients are looking for income protection, asset accumulation or estate preservation, **BMO Life Assurance Company** has the tools to help you to create the right insurance solutions for your clients! Use the following guide to help you determine the right solution for your clients and be sure to use the latest version of the BMO® Insurance *wave* illustration software to help you create customized proposals for your clients.

	PLAN	TARGET MARKET	OBJECTIVE	APPROACH	TYPICAL PLAN DESIGN
INDIVIDUAL Insurance Solutions	Mortgage Solutions	<ul style="list-style-type: none">Individuals or couples with an outstanding mortgage balance	<ul style="list-style-type: none">Complete home mortgage protection from unexpected loss or unforeseen events	<ul style="list-style-type: none">Purchase term life insurance to cover current mortgage balance and potentially bundle critical illness protection	<ul style="list-style-type: none">Single Life (or Joint First to Die)Preferred Term 20 with a critical illness coverage combined under one plan
	The BMO Insurance Insured Retirement Plan	<ul style="list-style-type: none">High income earners who have an adequate time horizon to plan and save for retirement and who have maximized their RRSP contribution limits	<ul style="list-style-type: none">Create a source of supplemental retirement income that stretches beyond the limits of RRSPs and traditional pension plans	<ul style="list-style-type: none">Maximum fund a UL policy with the least amount of insurance coverage. At retirement, assign the Cash Value of the policy as collateral for a series of bank loans that act as a source of tax-free income. At death, pay back the outstanding loan balance from the proceeds of the tax-free Death Benefit	<ul style="list-style-type: none">Single Life (or Joint Last to Die)Maximum premiumYRT COILevel Death Benefit with InvestorMaximizer or MaximizerSelectEquity-style investment options are selected pre-retirementGIAs may be used closer to or during the retirement period
	Universal Life Investment Loan Plan	<ul style="list-style-type: none">High net worth individuals with a substantial amount of taxable income who are also looking for low-cost permanent insurance	<ul style="list-style-type: none">Purchase low cost insurance with the ability to borrow capital for reinvestment purposes at guaranteed rates	<ul style="list-style-type: none">Maximum fund a UL policy and obtain maximum policy loans for reinvestment purposes; repay interest on loan on an annual basis; offset the cost of interest from investment income	<ul style="list-style-type: none">Single Life (or Joint)Maximum premiumYRT or Level COI may be used, depending on the needDeath Benefit option is usually Level to maximize the amount of cash accumulationDuring the loan period, it is recommended that excess funds be invested in the Daily Interest Account to ensure preservation of capital within the policy
	Personal Asset Transfer Plan	<ul style="list-style-type: none">Individuals with sizeable taxable investments who are looking for a more tax effective vehicle to maximize their estate value	<ul style="list-style-type: none">Reposition investments earmarked for the next generation by moving them from a taxable investment vehicle into a tax-exempt life insurance policy	<ul style="list-style-type: none">Transfer sums from taxable investments into a UL policy to benefit from the tax-deferred growth	<ul style="list-style-type: none">Single life or joint, depending on insurance needsLevel of funding will depend on the financial objectives of the clientYRT COIDeath Benefit option will depend on the overall insurance requirements
	Family Asset Transfer Plan	<ul style="list-style-type: none">Older individuals with sizeable non-registered estates who are planning to transfer this wealth to their children or grandchildren	<ul style="list-style-type: none">Transfer surplus non-registered taxable assets to the next generation without incurring costly taxes and estate charges	<ul style="list-style-type: none">Parent (or grandparent) purchases insurance on an adult child (or grandchild) and transfers ownership of the policy during his/her lifetime (or at death)	<ul style="list-style-type: none">Single LifeLife insured is the adult child/grandchild to whom the assets are to be transferredMaximum premiumYRT COILevel Death Benefit with InvestorMaximizer or MaximizerSelect
	Personal Insured Annuity	<ul style="list-style-type: none">Older individuals (or couples) in their retirement years who are looking to draw on supplemental retirement income from their non-registered investments	<ul style="list-style-type: none">Enhance the after-tax return on income and preserve investment capital	<ul style="list-style-type: none">Purchase a life insurance policy and a prescribed annuity that funds the insurance premium and provides the income required	<ul style="list-style-type: none">Prescribed life annuity combined with a permanent (T100 or UL) life insurance policy
	Estate Preserver	<ul style="list-style-type: none">Older individuals (or couples) with significant taxable assets such as non-registered mutual funds, stocks, real estate, RRSPs/RRIFs, etc.	<ul style="list-style-type: none">Minimize the impact of taxes on the net value of an estate	<ul style="list-style-type: none">Purchase insurance with a Face Amount that is equivalent to the amount of projected taxes at death	<ul style="list-style-type: none">Single Life (or Joint Last to Die)Minimum premiumLevel COISum Insured plus Fund Value Death Benefit <p><i>* A T100 plan may also be used</i></p>
BUSINESS Insurance Solutions	The BMO Insurance Corporate Insured Retirement Plan	<ul style="list-style-type: none">Corporations that require permanent life insurance as well as supplemental cash flow	<ul style="list-style-type: none">Create a source of supplemental cash flow for a corporation that also requires insurance on a key employee	<ul style="list-style-type: none">Fund a UL policy based on the insurance and investment objectives of the corporation; assign the cash value of the policy as collateral for bank loans, which can then be used for reinvestment (or payout) purposes. At death, repay the loan from the Death Benefit proceeds	<ul style="list-style-type: none">Single LifeLevel of funding will depend on the financial objectives of the corporationDeath Benefit option will depend on the overall insurance requirements
	Universal Life Investment Loan Plan	<ul style="list-style-type: none">Business owners with a substantial amount of taxable income who are also looking for low-cost permanent insurance or to invest in a business	<ul style="list-style-type: none">Purchase low cost insurance with the ability to borrow capital for reinvestment purposes at guaranteed rates	<ul style="list-style-type: none">Maximum fund a UL policy and obtain maximum policy loans for reinvestment purposes; repay interest on loan on an annual basis; offset the cost of interest from investment income	<ul style="list-style-type: none">Single Life (or Joint)Maximum premiumYRT or Level COI may be used, depending on the needDeath Benefit option is usually Level to maximize the amount of cash accumulationDuring loan period, excess funds are invested in the Daily Interest Account to ensure preservation of capital within the policy
	Corporate Asset Transfer Plan	<ul style="list-style-type: none">Business owners looking for a tax effective way to pass on corporate assets to shareholder's heirs	<ul style="list-style-type: none">Pass on the value of corporate assets to named beneficiaries in a tax effective manner	<ul style="list-style-type: none">Use accumulated surpluses to purchase a corporate owned universal life policyFund policy as quickly as possible to reduce current corporate taxationThe death benefit less the adjusted cost basis to the corporation flows through the capital dividend account to the successor tax-free	<ul style="list-style-type: none">Single LifeLevel of funding will depend on the financial objectives of the corporationDeath Benefit option will depend on the overall insurance requirements
	Corporate Insured Annuity	<ul style="list-style-type: none">Business owners looking to maximize their income, while preserving their investment capital to make a gift when they die	<ul style="list-style-type: none">Enhance the after-tax return on income and preserve investment capital in a holding company	<ul style="list-style-type: none">Corporation purchases a life insurance policy and a non-prescribed annuity that funds the insurance premium and provides the income required to the business owner	<ul style="list-style-type: none">Non-prescribed life annuity combined with a permanent permanent (UL or T100) life insurance policy

To find out more about BMO Insurance products, please call your MGA, contact the BMO Insurance regional sales office in your area, call 1-877-742-5244 or visit www.bmoinsurance.com/advisor.

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