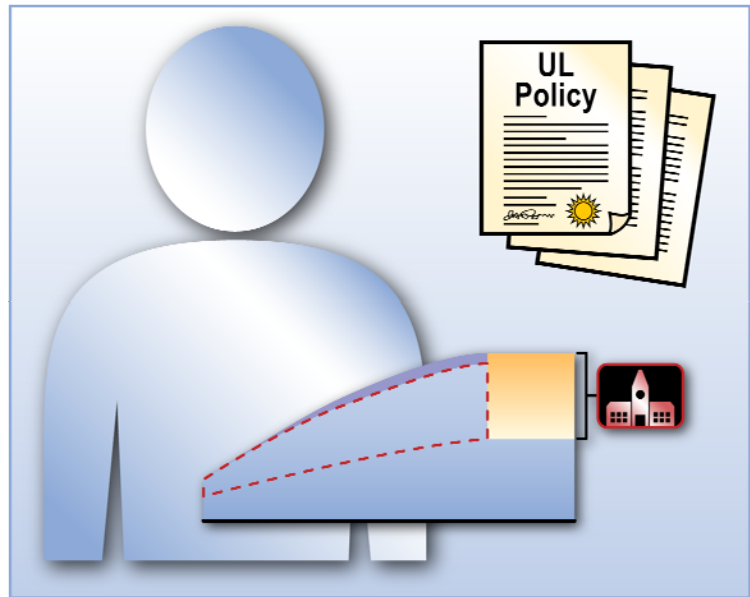




# Creating an Estate Bond



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Designed for: Life Guard Client

Designed by: Life Guard Insurance

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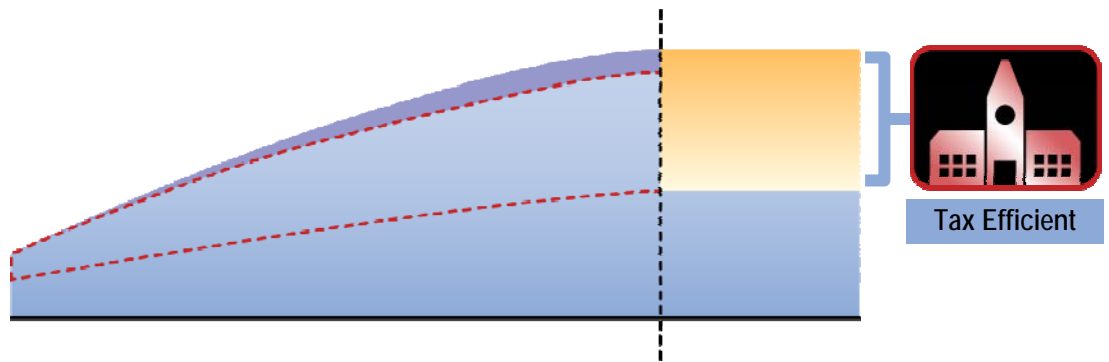
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August 6, 2011

## Description

You have accumulated wealth and you now face substantial taxes on the investment income being earned. This may cause undue erosion of your wealth.

By using a tax-advantaged universal life insurance contract, investment assets may grow within the life insurance policy on a tax-advantaged basis. The death benefit, including the investment fund, can be paid out to the estate on a tax free basis.

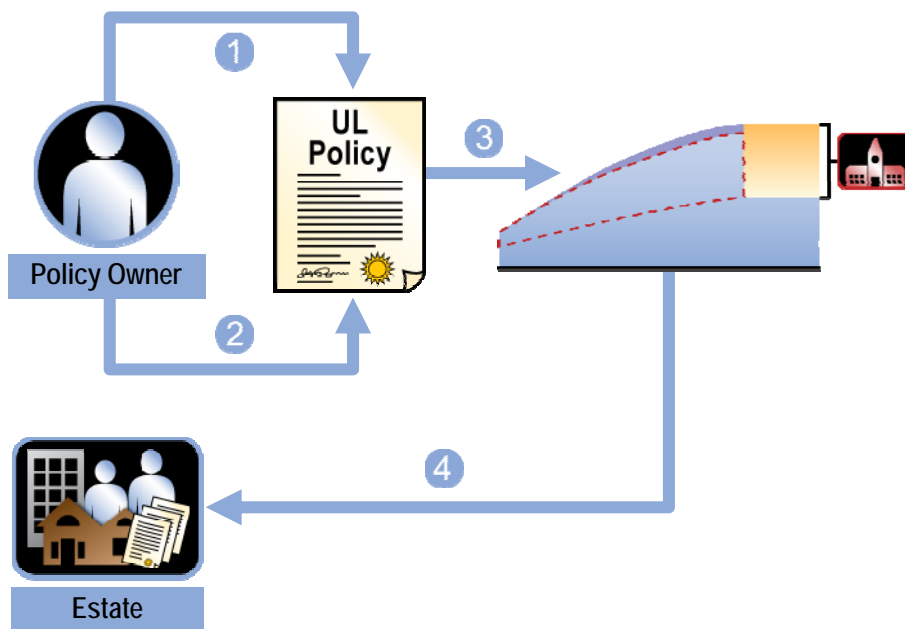


- Accumulated Wealth
- Universal Life Insurance Coverage
- Deferred Tax Liability
- - - Life Expectancy
- Annual Tax Liability

## How Does it Work?

This strategy is designed to enhance what you keep in your estate.

1. You purchase a tax-advantaged universal life insurance contract on your life.
2. You contribute investment assets into the investment fund in the policy, in excess of the minimum premiums required for the life insurance costs.
3. Any investment returns accumulating within the investment fund are not taxed unless they are withdrawn from the policy.
4. On the death of the insured, the life insurance death benefit and the investment funds are paid to the estate tax free.



## Investment Comparison

- Client is a Female, 60 years old, Non Smoker.
- Client has invested \$12,949 for 20 years, for a total of \$258,980.

The table below compares investing in a GIC and the Estate Bond Concept.

	GIC at 4.00 %		Estate Bond at 3.00 %	
Year	Estate Value <sup>1</sup>	Cash Value <sup>2</sup>	Estate Value	
5	\$69,641	\$21,868	\$521,868	
10	\$148,204	\$48,005	\$548,005	
15	\$236,830	\$80,637	\$580,637	
20	\$336,810	\$121,008	\$621,008	
25 <sup>3</sup>	\$379,955	\$99,388	\$599,388	

A blue bracket connects the 20-year GIC value (\$336,810) to the 25-year Estate Bond value (\$599,388). Below the bracket is a blue box containing the text '+58 %' with an upward-pointing arrow.

<sup>1</sup> GIC values shown after tax using an assumed rate of return of 4.00 % per year with a tax rate of 39.00 %.

<sup>2</sup> Life Insurance used is a Canada Life, Millennium Universal Life with Client Bonus policy showing a \$500,000 life benefit with an assumed interest rate of 3.00 %.

<sup>3</sup> Projected Life Expectancy.

## Advantages

- Tax-advantaged growth of passive investment assets.
- Policy can be collateralized to access fund value for the policy owner's needs and avoid tax on withdrawals from the policy.
- In the event that a life insured becomes disabled the accumulation value of the policy may be withdrawn tax free.

## Some Important Notes

This presentation discusses many elements concerning special features of a life insurance policy. Any premiums or cash values illustrated in this presentation have been calculated without verification from the illustrated insurance company. These numbers must be verified before proceeding with any purchase. This presentation is for general information purposes only. Please refer to the policy information package for further information.

This presentation includes examples that are based on the facts and assumptions noted. The illustrated values are neither estimates nor a guarantee of future performance. Actual performance will vary over time and may differ from the example illustrated. The tax calculations provided are examples only.