



# Insurance as Part of a Total Wealth Solutions Strategy

Protect and enhance your wealth.

Insurance is an integral part of a well-constructed wealth plan. No matter what stage of life you're in, it's worth exploring the various insurance options available and evaluating how they can help you achieve your goals as part of a total wealth solutions approach.

## INSURANCE PLAYS TWO MAIN ROLES IN AN OVERALL WEALTH STRATEGY:

1. **It manages risk.** Insurance is most often viewed as a cost-effective safety net, safeguarding your financial future and that of your dependents against unexpected events such as illness, disability or death.
2. **It enhances wealth.** Insurance can also play a strategic role in long-term financial planning, supporting your wealth journey with tax-advantaged investment, estate planning and charitable giving opportunities, among others.

## MANAGE YOUR RISK

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### Ensure financial security.

Insurance can be used to fund your dependents' living expenses, eliminate any debt from your estate and provide for future costs such as your children's education in the event of your premature death.

### Fund disability and recovery from a life-threatening illness.

Expenses and costs associated with recovery from illness or accident can quickly erode your financial position and diminish your estate. A financial plan that incorporates critical illness or disability benefits will help keep your savings intact if you become ill or injured.

### Protect your business.

An insurance policy owned by the business can ensure continuity in the event of the owner's death. The death benefit may be used to settle debts and pay expenses or estate taxes.

## LIFE INSURANCE BASICS

**Term insurance** provides insurance coverage over a fixed period of time. The premiums are set for the length of the term. The premiums are usually more affordable than permanent life insurance, and at the end of the term, policy can be renewed at a higher premium, converted to a permanent policy, or cancelled in accordance with the terms of the policy contract. Term insurance has no cash value.

## ENHANCE YOUR WEALTH

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### Tax planning.

Since death benefits are paid tax-free to the beneficiary, life insurance can facilitate wealth transfer, covering any taxes owed by your estate. It's also a tax-efficient way to donate to a registered charity.

### Portfolio diversification.

Permanent life insurance can generate tax-sheltered growth beyond your registered accounts or pensions. This "cash value" is an asset that helps you diversify your overall investment strategy.

### Leave a secure legacy.

While other assets can vary in value over time, a life insurance death benefit is generally predictable. Incorporating this certainty into your estate plan frees your income and savings to support your lifestyle at every stage.

## PERMANENT INSURANCE COMES IN TWO MAIN FORMS:

**Whole life** provides a tax-free death benefit for your lifetime. Your premiums don't change as you get older, even if your health changes. Your policy will often have a guaranteed minimum cash value, providing access to additional funds if you need it.



**Universal life** combines permanent life insurance with an investment account allowing for flexible premiums and death benefits. The investment component grows tax-deferred and can be accessed by the policyholder; however, withdrawal may have tax implications. The policy's tax-free death benefit and investment value may change based on the types of investments you choose and their performance.



## What type of insurance is right for you?

Much like a good financial plan, your insurance needs should consider your personal and financial goals and will likely evolve as your life changes. A younger person with no dependents, for example, may need a very different type of coverage than a business owner planning a large estate transfer. It's best to consult an insurance advisor periodically throughout your wealth journey to ensure you have the right type and amount of coverage incorporated into your plan.

Our **Total Wealth Solutions** approach helps you define and reach your financial goals at every stage of life.

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