

# A cost-effective estate planning insurance solution

To accelerate the growth of the death benefit and cash value in a BMO Insurance Whole Life policy, couples can choose to make additional payments above their premiums for their basic coverage (and any riders), subject to a yearly maximum.

When combined with a Joint Last to Die (JLTD) Term rider, it forms a powerful combination that maximizes the tax-deferred growth of the whole life policies and gives couples the ability to stop paying premiums before the end of their premium paying period.

## Let's meet Claudia (55) and Jacob (55)

- Both are successful professionals with two teenage daughters
- Both are healthy with basic life insurance from their group benefit plans
- Just purchased a vacation property with a \$500,000 mortgage
- Would like to purchase a JLTD permanent insurance for estate planning
- Able to commit \$250,000 into the policy
  - Option 1: Have the policy paid-up in 10 years (\$25,000 x 10 years)
  - Option 2: Have the policy paid-up in 5 years (\$50,000 x 5 years)

## Our winning solution: BMO Insurance Whole Life Estate Protector (JLTD 10 Pay)

	Option 1	Option 2
Base: 10 Pay	\$25,000	\$26,645
Rider: JLTD Term 10 Rider	\$0	\$455 (10 years)
<u>Additional Payment</u>	<u>\$0</u>	<u>\$22,900 (5 years)</u>
Total Deposit	\$25,000 (10 years)	\$50,000 (5 years)
Base: JLTD Coverage	\$487,972	\$520,552
<u>Rider: JLTD Term 10 Rider</u>	<u>\$0</u>	<u>\$500,000</u>
Total Coverage	\$487,972	\$1,020,552
Total Death Benefit at age 85/85 <sup>2</sup>	\$1,047,239	\$1,103,130
IRR on TDB at age 85/85 <sup>2</sup>	5.72%	5.43%

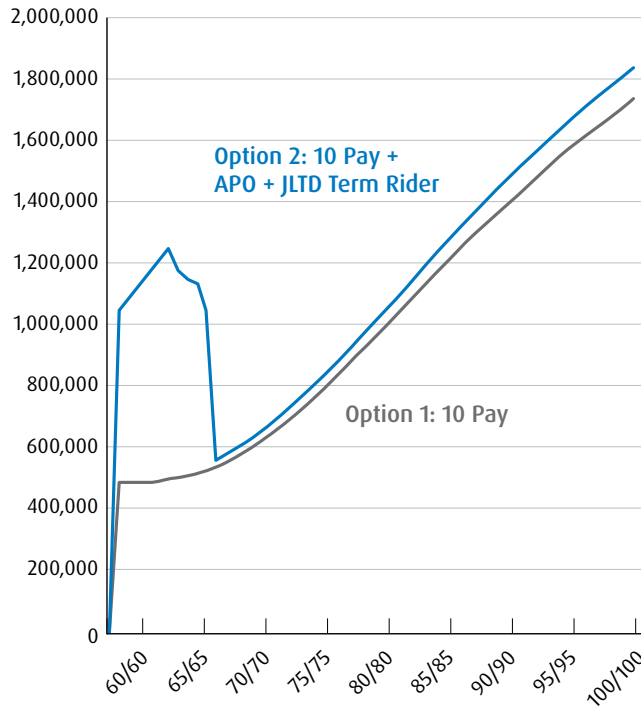
- With the JLTD Term rider, Claudia and Jacob can pay off their policy in 5 years<sup>1</sup>
- Their Additional Payment Option (APO) limit of \$22,900 will be available as long as their JLTD Term 10 rider is in-force. After the JLTD Term 10 rider has expired at the end of the 10<sup>th</sup> policy year, they can continue to make APO deposits of \$5,634 per year.



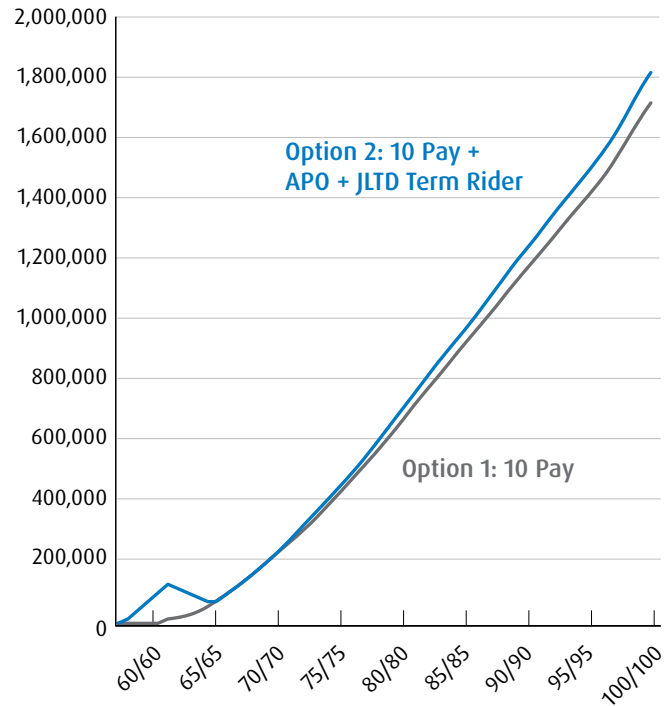
### BMO Insurance Whole Life JLTD + Additional Payment Option + JLTD Term rider

- = More tax-deferred growth opportunity
- = Option to stop paying premiums before the end of the premium paying period

**Total Death Benefit<sup>2</sup>**



**Total Cash Value<sup>2</sup>**



## Let's connect

For more information about BMO Insurance or our products, please consult with your insurance advisor or contact us at:



**Ontario Region**

1-800-608-7303

**Quebec – Atlantic Region**

1-866-217-0514

**Western Region**

1-877-877-1272



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<sup>1</sup>Electing to have premiums paid using the policy values does not guarantee that the policy is paid-up. This will depend on several factors including the Performance Bonus plus the actual value of the Additional Payment Balance and Paid-Up Addition Cash Value which need to be sufficient to cover the required premiums on the policy.

<sup>2</sup> Assuming a Performance Bonus at the current scale -1%. This projection is for illustrative purposes only and based on the assumptions described in this scenario. The amount of the Paid-Up Additions may vary from this projection. It will depend on the actual Performance Bonus Rate each year.

Source: Projected values assuming The Wave 56.0 illustration software.

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Insurer: BMO Life Assurance Company.