

Joint Life Insurance

DESCRIPTION

The Joint Life Insurance Policy is an insurance policy that is underwritten on the lives of Mr. and Mrs. Smith. Typically, the actual payout of the life insurance will not occur until the last death of either Mr. or Mrs. Smith. The tax sheltered growth of the cash value in the life insurance contract means that the investment component compares favourably over the use of an alternative fixed income investment. The cash value component can be utilized to fund the Smith Family's retirement income at a time when they may need it.

ROLE IN SMITH FAMILY PLAN

Provides the certainty needed within the Smith Family Estate Plan for the payment of projected taxes, inheritances for children and charitable gifting.

Helps to build up personal assets that are needed to fulfill the Smith Family Retirement Plan. This complements the current registered and non-registered savings strategies in place.

The Smith Family Plan has confirmed that life insurance is not 'needed'. However, due to the product design and flexibility along with its many benefits from an investment perspective, the family 'wants' it.

PROTOCOL OUTLINE

This Protocol requires that the couple is insurable (or at least one person is). Therefore, it is first key to make an application for the insurance to confirm that this protocol is even an option.

Year 1

1) Implement Insurance

Key Provisions:

- First-to-die or second-to-die
- Beneficiaries
- Confirm Premium – monthly or annual

2) Make any adjustments to the Will that may be necessary

Year 2

1) Maintain Insurance

- Provide annual statement of cash value
- Confirm ownership and beneficiary designations each year as changes are made to the corporate or personal structure

