

Your Company Name Insured Annuity

(current date)

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"Generating additional retirement income on a tax favored basis!"

Do you seem to be forever increasing the quarterly income tax amount you owe to Revenue Canada?

Does your income level go up and down due to fluctuating interest rates on your guaranteed deposits?

Would you like to pass on your assets intact to your children or favorite grandchildren, but need the income now?

Many people are unaware that:

- * The income tax that they will have to pay over their lifetime on non-registered savings may be equal to or more than the actual amount invested!
- * They do not have to risk money in an Equity investment to have higher after tax income!
- * That they do not have to give up control of assets earmarked for children or grandchildren to avoid paying taxes in their estate!

An Insured Annuity combines two well known financial planning tools, but in a unique way. A "Prescribed Annuity" provides you with a guaranteed tax preferred income for the rest of your life, and the Life insurance policy issued for the same amount of your annuity deposit, guarantees the original asset will be passed to your designated beneficiary at death. This asset is transferred outside your estate, which means you avoid paying probate and legal fees as well!

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An insured annuity provides a guaranteed regular income for life plus a permanent life insurance benefit.

The annuity may be issued on a prescribed basis in which case the interest earned is averaged over the life of the contract which maximizes after tax income while living. Upon death, the life insurance benefit provides an immediate estate to beneficiaries.

The combination ensures an attractive after-tax income for life while protecting the capital to provide a guaranteed, tax-free benefit to the estate.

This is an illustration only and NOT a Contract. Rates of return and values contained within are projections only and are not guarantees or forecasts of future performance. It must be read in conjunction with a policy illustration from the Life Company.

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CONCEPT ASSUMPTIONS

Insureds

Insured: Retired Gentleman,
Male Age 70 Non-Smoker

Prepared By:

Name: Agent / Broker

Product

Name: Term to 100
Policy Type: Single Life
Payment Method: Life Pay

Alternative Investment

Growth Breakdown: 100% Interest
Effective Tax Rate On Interest: 45.00%
Projected Annual Growth Rate: 5.000%

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LONG TERM ALTERNATIVE INVESTMENT:

Amount Invested	:	\$100,000	
Assumed annual investment rate	:	5.00%	
Gross yearly earnings	:	\$5,000	
Taxable annual portion	:	\$5,000	
Tax Payable	:	(\$2,250)	
Net annual after tax payout	:		\$2,750

LIFE INSURED ANNUITY:

Amount Invested	:	\$100,000	
Annual income for life	:	\$8,490	
Taxable annual portion	:	\$2,270	
Tax Payable	:	(\$1,022)	
Annual after tax payout	:	\$7,469	
Amount insured	:	\$100,000	
Term to 100 annual Premium	:	\$4,220	
Net annual after tax payout	:		\$3,249
Equivalent annual pre-tax yield	:		5.91%

DIFFERENCE : **\$499 (18.13%)**