



Insured Retirement Strategy

Have you considered an Insured Retirement Strategy?

An Insured Retirement Strategy from *ivari* lets you use your universal life insurance policy to provide supplemental retirement income and a tax-free death benefit for your beneficiaries.

Insured Retirement Strategy in action

Chances are you're looking forward to retirement. But if you've reached the contribution limit on your RRSPs and TFSAs and still need to save more, your choices can be limited. Without the shelter of your RRSP and TFSA, additional investments in non-registered investments, like mutual funds, stocks, and bonds, can be highly taxed. Now there is a way to round out your financial plans with a tax-effective strategy. An Insured Retirement Strategy works with a universal life insurance policy to provide a supplement to your retirement income.

Let's talk about...building a financial reserve for your retirement

Your universal life insurance policy can help you supplement the secure and comfortable retirement you want. Here's how it works:

1. Prior to retirement, the deposits you make into your universal life insurance policy will grow tax-deferred, earning interest based on investment options specifically chosen to fit your risk investment profile. To maximize the growth of the cash value in the policy, consider overfunding your universal life insurance policy (up to the maximum allowable limit) until retirement.
2. When you retire, you borrow money from a bank, or other lender, using the cash value of your universal life policy as collateral. This is called a collateral loan.



Let's talk about...deferred repayment of the loan

You and your lender may negotiate a repayment option that allows the loan interest to be capitalized and the outstanding loan balance, plus interest, to be repaid using the proceeds of the tax-free death benefit. Any excess proceeds, over and above what is required to repay the loan, are paid to your beneficiary, tax-free.



Let's talk about...the benefits of universal life insurance

An Insured Retirement Strategy works using a universal life insurance policy, but it should not be the reason you decide to purchase universal life insurance. A universal life insurance policy should be considered for the benefits it provides, including:

Increasing your wealth

The death benefit increases your net worth as soon as your policy is purchased.

Protecting your estate

Any death benefit (net of loan obligations) paid to your named beneficiary (other than estate) avoids probate, legal and executor fees.

Giving you investment options

You can base the growth of your savings on a wide range of underlying investment options – from guaranteed Treasury Bill Interest Options or Fixed-Rate Interest Options to the non-guaranteed returns of both passive and managed Index Interest Options.



Providing creditor protection

Your universal life policy may be protected from the claims of creditors, subject to current laws and provided certain family relationships exist between the life insured (in Quebec, the policyowner) and the beneficiary.

How ivari's Insured Retirement Strategy works:

ivari's Insured Retirement Strategy is designed to meet your need for life insurance protection now while providing you with a way to supplement your retirement income in the future.

1. You obtain a universal life insurance policy on your life.
2. You overfund your policy (up to the maximum allowable limits) so that you can maximize the amount of cash value in your policy to grow on a tax-deferred basis.
3. At retirement, you assign your policy to a lending institution, using the cash value of your policy as collateral for a loan(s).
4. You receive the borrowed funds tax-free which you can use for a variety of things such as:
 - Supplementing retirement income
 - Taking vacations
 - Giving gifts to family or charities
 - Taking advantage of other investment opportunities
5. The loan(s) are eventually paid off by the policy's tax-free death benefit which includes the payment of the insurance component and the fund value you have built. Any excess proceeds are paid to your beneficiaries tax-free.

ivari's Insured Retirement Strategy is a financial solution that your advisor can customize for your specific needs. Consult your advisor to fully assess the risks of this strategy, including the risks related to life expectancy, interest spreads, and market volatility.

