

CORPORATE INSURED RETIREMENT PLAN

LOAN BY CORPORATION

Have your corporate-owned life insurance work for your retirement

Entreprise2

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SCENARIOS AND ASSUMPTIONS

Age of analysis

The analysis is based on projected life expectancy of age 86 for New Client1, which occurs at a duration of 46 years.

Insured

New Client1
Male, 40, Preferred / Non-smoker
Life expectancy: 86

Policyowner

Entreprise2

Collateral Loan Details

Loan by	Corporation
Loan Interest Rate	5,00 %
Loan Index Rate	2,00 %
Loan Start Age	65
Loan End Age	85
Max. Ratio Loan / CSV	85 %
Maximum First Annual Loan Amount	87 959 \$
Chosen First Year Annual Loan Amount	87 959 \$

Illustration

Product	Participating Life Insurance
Coverage Category	Permanent Life
Coverage Type	Individual
Coverage	Estate Enhancer – 20 Pay
Amount	1 000 000 \$
Total Premium and Deposit	53 840,00 \$
Annual premium	28 390,00 \$
1st year ADO	25 450,00 \$

Dividend Option: Paid-up Additions (PUA)

Dividend scenario: Current

Premium Cessation: Yes, begins at year 16

Add. Deposit Option (ADO): Yes, refer to illustration for details.

Withdrawal: No

Tax Information (Ontario)

Personal Marginal Tax Rate	53,53 %
Personal Dividend Tax Rate	47,74 %
Corporate Max. Tax Rate on Interest	50,17 %
Part IV Tax Rate	38,33 %
Capital Gain Inclusion Rate	50,00 %
RDTOH Rate	30,67 %
Dividend Refund Rate	38,33 %

Investments

	Asset allocation *	ROR	MER
Short-term investments	5,00 %	2,30 %	
Fixed income investments	35,00 %	3,20 %	0,00 %
Equity investments	60,00 %	6,20 %	0,00 %
Annual turnover	10,00 %		
Dividend portion	33,33 %		

* Portfolio is rebalanced every 3 years.

YOUR CURRENT SITUATION

- You are the owner or principal shareholder of a private corporation that qualifies as a Canadian-controlled private corporation under the *Income Tax Act*
- Your corporation is well-established and generating higher revenues than the expenses associated with its day-to-day operations.
- If your corporation has significant taxable investments that generate high passive income, this concept can present additional benefits.
- You are confident that your business will continue to prosper, and you are wondering how you can convert the fruits of your labour in a tax-efficient manner to supplement your retirement income.
- The risk analysis revealed that you have significant life insurance needs to protect your corporation in the event of your death.
- You are in good health, and you are considering a strategy for retirement in several years.

THE CORPORATE INSURED RETIREMENT PLAN (CIRP)

The CIRP is a flexible financial planning approach that uses permanent life insurance and a loan to provide your corporation with three key benefits:

- The non-taxable death benefit can provide liquidity that can cover your corporation's operating expenses, make sure creditors and suppliers are paid after your death and fund a buy-sell agreement.
- Your corporation's taxes can be reduced due to the reallocation of corporate investments into premiums for the permanent life insurance.
- The tax-efficient accumulation of cash values inside the life insurance policy can be accessed for business or investment purposes during your lifetime, including to supplement your retirement income.¹
- CIRP is not a Registered Retirement Saving Plan.

HOW DOES IT WORK?

- Your corporation purchases a life insurance policy in which tax-advantaged amounts are accumulated as cash values. The corporation is the beneficiary.
- When you retire or if your corporation needs funds for business or investment purposes, the corporation can pledge the cash values of the policy to obtain a loan, which is often structured as a line of credit, from a financial institution. Your corporation may have the option not to pay interest during your lifetime, if this is the case, the interest charge will be added to the loan balance.
- Your corporation takes advantage of the non-taxable cash flow from the loan to pay you a dividend to help you realize your retirement dreams. The dividend becomes part of your taxable income during your retirement.
- Upon your death, the non-taxable death benefit is paid to your corporation as the beneficiary. This allows your corporation to pay off the collateral loan.
- The excess of the death benefit over the policy's adjusted cost basis is credited to your corporation's capital dividend account. After the loan has been paid, your corporation can pay a dividend to your estate. The dividend is a non-taxable capital dividend up to the balance of the capital dividend account, with any excess being a taxable dividend.
- Your estate can distribute the funds from your corporation to your family and chosen heirs according to your wishes, based on instructions you provide during your lifetime.

1. Some methods of accessing the policy cash values could result in a policy disposition and generate a policy gain.

BENEFITS OF PERMANENT LIFE INSURANCE LOAN BY CORPORATION

- Permanent life insurance can provide your corporation with immediate liquidity to meet financial obligations that arise on your death. The amount payable on death can grow significantly on a tax-efficient basis, providing life-long protection for your corporation. On death, the death benefit is received by your corporation and is not subject to tax.
- The policy's cash values grow on a tax-deferred basis as long as they remain inside the exempt policy. This contrasts with your corporation's investment earnings which are taxable. This difference in taxation can contribute to a year-over-year reduction in the tax payable by your corporation on its investment portfolio, leaving more money available for business operations, corporate expansion, or other opportunities.
- The increasing cash values inside the policy can be used during your lifetime in a variety of ways depending on your corporation's needs. Your corporation can access the policy's cash value through a policy loan, a partial withdrawal of the policy's cash value, or a total surrender of the policy. When a policyowner accesses the cash value of their life insurance policy, it may result in taxable income in that same year. It is important to consult with your taxation advisor as part of the planning process if your corporation elects to implement any of these options.
- Permanent life insurance allows you to diversify your corporation's investment assets. The policy's tax-preferred cash value growth can enhance the performance of your corporation's overall investment portfolio, reducing exposure to market volatility while offering stable growth.
- Your corporation's passive income can be reduced each year by reallocating a portion of its surplus earnings into premiums for a permanent life insurance policy. This can reduce the amount of taxes paid by your corporation during your lifetime as the tax-preferred growth inside the policy does not contribute to the passive investment income calculation. Decreasing your corporation's annual tax burden ultimately means more money will be available for your business succession, reinvestment and retirement needs.
- On death, the cash surrender value of the life insurance policy is taken into account on the valuation of your shares for tax purposes, instead of the death benefit. Integrating a corporate-owned permanent life insurance policy into your plan can help to maximize the value of your estate for your loved ones when you die.
- The Corporate Insured Retirement Plan illustrates the benefits of using a collateral loan to obtain supplemental retirement income.

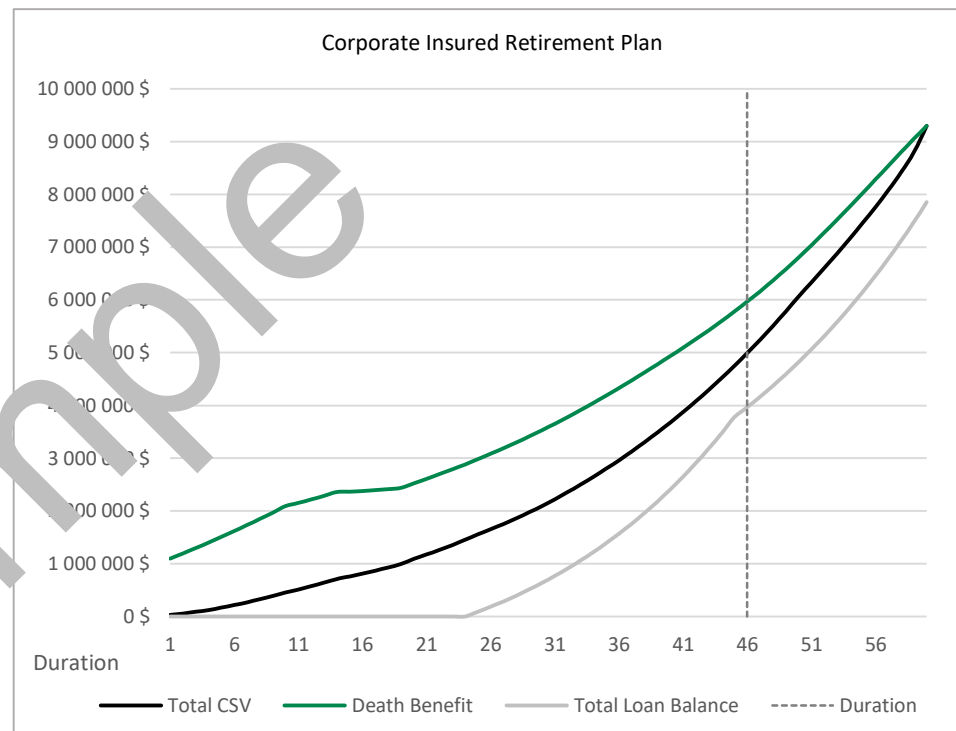
Use the Corporate Insured Retirement Plan to enjoy additional retirement income and leave a tax-advantaged inheritance!

YOUR SITUATION LOAN BY CORPORATION

The Corporate Insured Retirement Plan allows you to take advantage of the tax-preferred growth of the cash values inside your corporate-owned life insurance policy to supplement your income when you are ready to retire. In addition to the cash value growth, the life-long protection provided by the policy can grow significantly on a tax-efficient basis, enhancing your estate value over time.

When your corporation takes out the loan, which is often structured as a line of credit, the cash values of the corporate-owned life insurance policy are pledged as collateral. A well-designed loan arrangement can ensure that the loan balance does not exceed the amount payable on death, which means that the loan is fully repaid on your death. The Corporate Insured Retirement Plan calculates your initial retirement income projections by using a maximum loan to cash value ratio that will not exceed 85,00 % for the complete duration of the permanent life insurance policy. This conservative approach, as shown in the graph, demonstrates how the interplay between the loan balance and the long-term growth of the policy's cash values and death benefit allow you to ensure that your retirement income plan is sustainable.

On your death, your corporation receives the non-taxable death benefit of the life insurance policy. The excess of the death benefit over the policy's adjusted cost basis is credited to your corporation's capital dividend account. After the loan has been paid, your corporation can pay a dividend to your estate. The dividend is a non-taxable capital dividend up to the balance of the capital dividend account, with any excess being a taxable dividend. Your estate will distribute the dividend proceeds, along with other assets in your estate, to your family and chosen heirs according to your wishes, based on instructions you provide during your lifetime.



The Corporate Insured Retirement Plan projections in this concept report are based on assumptions, which are not guaranteed, using personal and financial information provided by you and your corporation. See the **SCENARIOS AND ASSUMPTIONS** section of this concept report for further details. We recommend that you discuss these assumptions and potential alternatives with your advisor as part of your corporate planning. The **KEY CONSIDERATIONS checklist** and **IMPORTANT INFORMATION** sections provide additional valuable material to assist you in understanding the implications of how changes over time can affect the current results shown in this concept report.

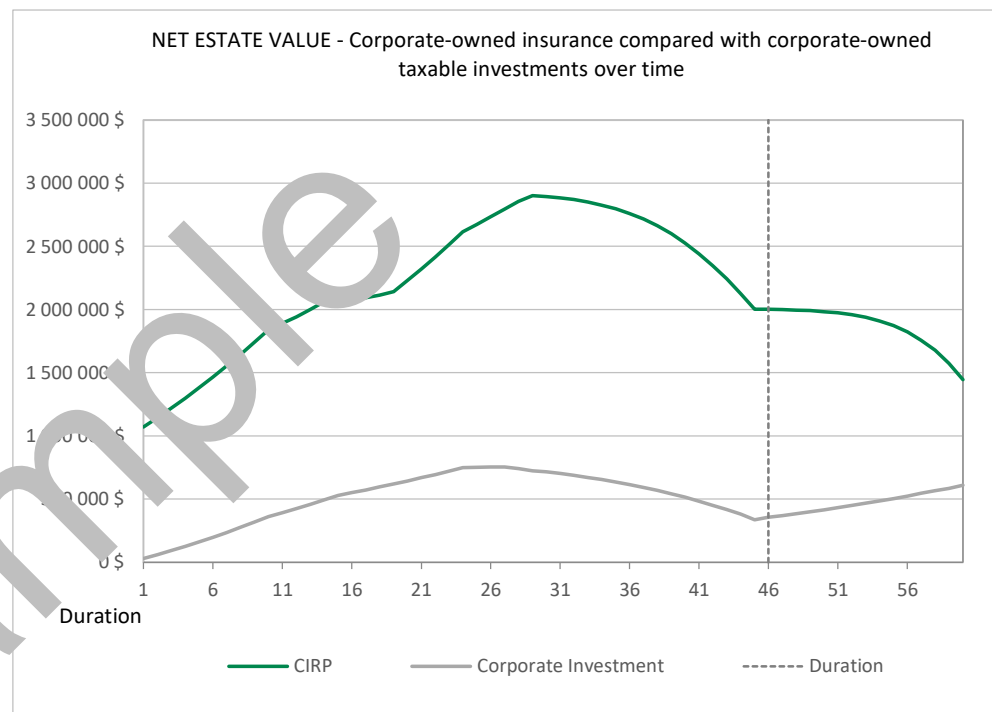
YOUR NET ESTATE VALUE LOAN BY CORPORATION

The addition of a permanent life insurance policy with increasing cash values to your corporation's assets can have a positive effect on the ultimate amount distributed from your estate to your family and chosen heirs. This report compares the projected results after implementing the Corporate Insured Retirement Plan and an equivalent corporate-owned taxable investment.

This graph shows your Net Estate Value after implementing the Corporate Insured Retirement Plan versus an equivalent corporate-owned taxable investment. The taxable investment is funded by an amount equal to the annual insurance premiums and managed as part of your corporation's investment portfolio. The dotted line is the duration date (projected life expectancy) as set out for analysis in the **SCENARIOS AND ASSUMPTIONS** section of the concept report.

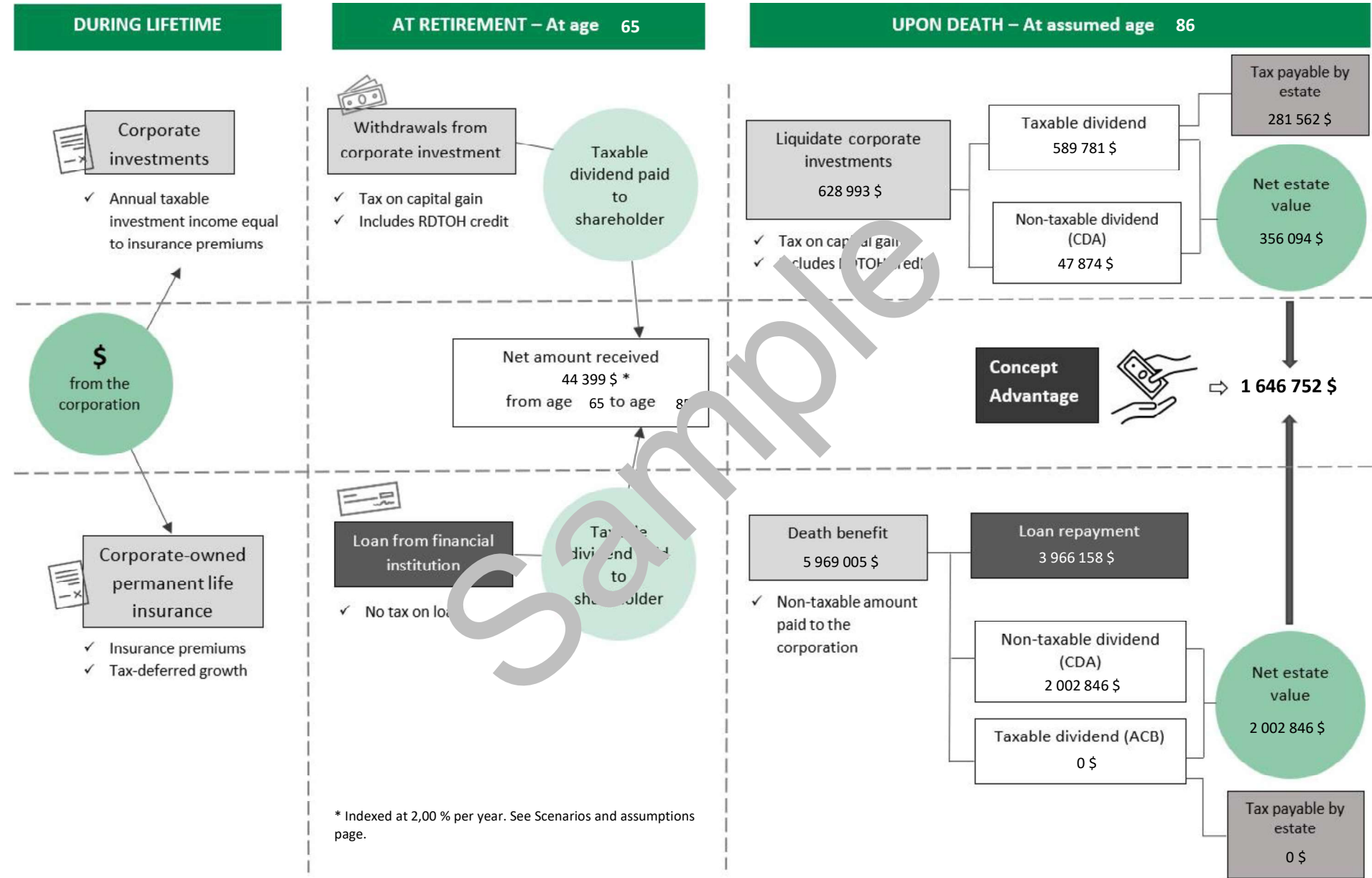
With the Corporate Insured Retirement Plan, you will be able to enjoy the benefit of additional retirement income from your corporation during your lifetime. The non-taxable death benefit received by your corporation will allow it to pay off the loan and any accrued interest. The dividend paid to your estate will be a non-taxable capital dividend, up to the balance of the capital dividend account, with any excess being a taxable dividend.

In contrast, the corporate-owned taxable investment will be subject to tax on the investment earnings that it may generate, including any capital gains that may be triggered when investments are sold or otherwise liquidated each year to fund your retirement. On death, this taxable investment will be liquidated and any capital gains that have not yet been realized will be subject to tax. The balance can then be paid to your estate via a dividend that may or may not be taxable, depending on the type of investment.

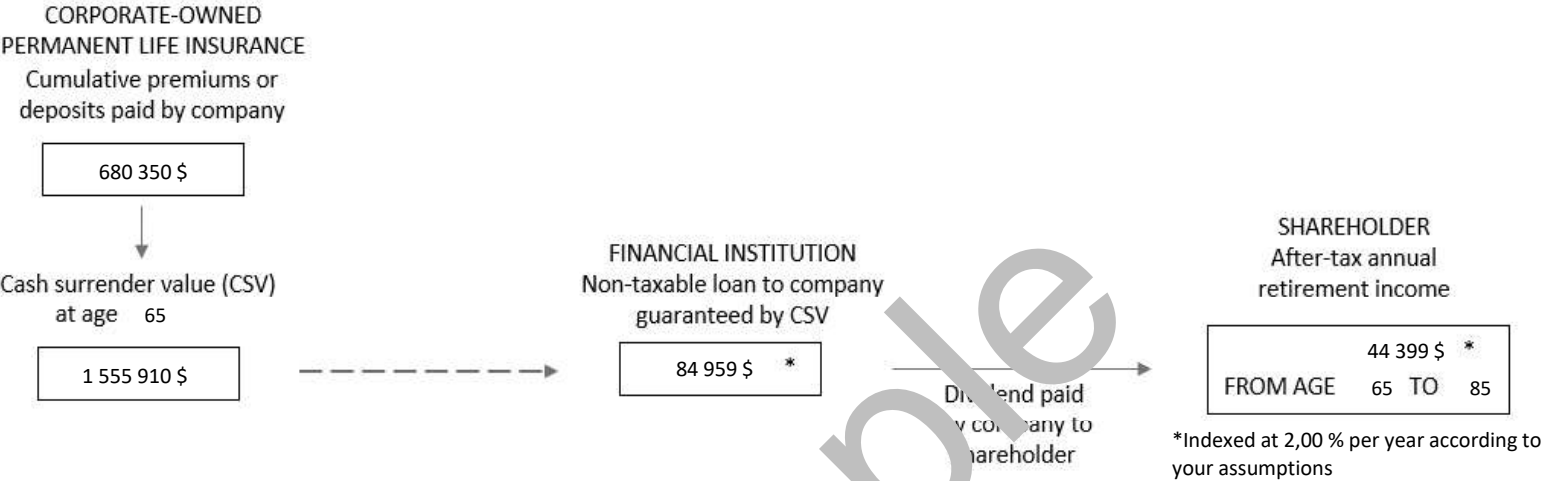


Your Net Estate Value at your projected life expectancy, or duration date, using the Corporate Insured Retirement Plan will be 2 002 846 \$, while your Net Estate Value using the equivalent corporate-owned taxable investment will be 356 094 \$.

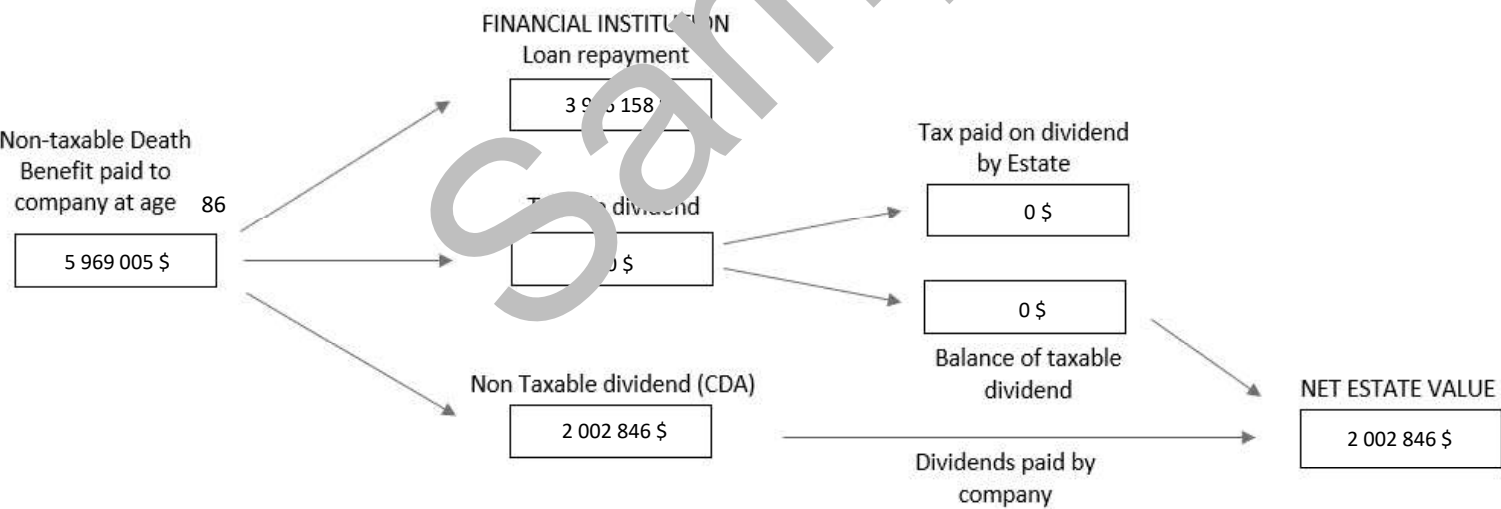
CORPORATE INSURED RETIREMENT PLAN LOAN BY CORPORATION



DURING LIFETIME - On retirement at age 65



ON DEATH - at assumed age 86



New CDA Credits	MINUS	CDA Credits Used	=	Unused CDA Credits Available
5 969 005 \$		2 002 846 \$		3 966 158 \$

COMPARISON LOAN BY CORPORATION

Corporate-owned taxable investment

Corporate-owned Permanent Life Insurance (CIRP Concept)

Total annual deposits (BoY)	After-tax dividend to shareholder	Portfolio balance EoY	Net dividend to shareholder (estate)	End of Year	M/40/P	Annual loan (BoY)	Cumulative loan balance (E0Y)	Death benefit payable to company	Net worth for Estate after Corporate Loan Repayment	Benefit of CIRP
53 840 \$	0 \$	55 885 \$	29 498 \$	1	41	0 \$	0 \$	1 095 803 \$	1 070 318 \$	1 040 820 \$
53 840 \$	0 \$	113 880 \$	60 393 \$	2	42	0 \$	0 \$	1 194 493 \$	1 143 611 \$	1 083 217 \$
53 840 \$	0 \$	174 057 \$	92 731 \$	3	43	0 \$	0 \$	1 295 997 \$	1 219 798 \$	1 127 067 \$
53 840 \$	0 \$	236 381 \$	126 450 \$	4	44	0 \$	0 \$	1 400 390 \$	1 298 962 \$	1 172 511 \$
53 840 \$	0 \$	301 038 \$	161 722 \$	5	45	0 \$	0 \$	1 507 648 \$	1 381 099 \$	1 219 377 \$
53 840 \$	0 \$	368 111 \$	198 594 \$	6	46	0 \$	0 \$	1 617 901 \$	1 466 351 \$	1 267 757 \$
53 840 \$	0 \$	437 414 \$	236 793 \$	7	47	0 \$	0 \$	1 731 271 \$	1 554 859 \$	1 318 066 \$
53 840 \$	0 \$	509 307 \$	276 777 \$	8	48	0 \$	0 \$	1 847 785 \$	1 646 672 \$	1 369 894 \$
53 840 \$	0 \$	583 888 \$	318 560 \$	9	49	0 \$	0 \$	1 967 479 \$	1 741 853 \$	1 423 293 \$
53 840 \$	0 \$	660 809 \$	361 585 \$	10	50	0 \$	0 \$	2 090 337 \$	1 840 407 \$	1 478 822 \$
28 390 \$	0 \$	714 201 \$	392 750 \$	11	51	0 \$	0 \$	2 151 712 \$	1 889 832 \$	1 497 082 \$
28 390 \$	0 \$	769 587 \$	425 286 \$	12	52	0 \$	0 \$	2 216 620 \$	1 943 019 \$	1 517 733 \$
28 390 \$	0 \$	826 446 \$	458 293 \$	13	53	0 \$	0 \$	2 285 099 \$	2 000 036 \$	1 541 743 \$
28 390 \$	0 \$	885 461 \$	493 039 \$	14	54	0 \$	0 \$	2 357 215 \$	2 060 990 \$	1 567 950 \$
28 390 \$	0 \$	946 708 \$	529 355 \$	15	55	0 \$	0 \$	2 365 328 \$	2 058 273 \$	1 528 918 \$
0 \$	0 \$	980 087 \$	550 488 \$	16	56	0 \$	0 \$	2 377 283 \$	2 073 250 \$	1 522 763 \$
0 \$	0 \$	1 014 765 \$	572 928 \$	17	57	0 \$	0 \$	2 393 112 \$	2 092 321 \$	1 519 393 \$
0 \$	0 \$	1 050 788 \$	596 395 \$	18	58	0 \$	0 \$	2 412 671 \$	2 115 358 \$	1 518 963 \$
0 \$	0 \$	1 087 417 \$	619 388 \$	19	59	0 \$	0 \$	2 436 095 \$	2 142 522 \$	1 523 134 \$
0 \$	0 \$	1 125 512 \$	642 448 \$	20	60	0 \$	0 \$	2 522 277 \$	2 232 734 \$	1 588 786 \$
0 \$	0 \$	1 165 115 \$	669 685 \$	21	61	0 \$	0 \$	2 607 814 \$	2 322 716 \$	1 653 032 \$
0 \$	0 \$	1 205 431 \$	692 577 \$	22	62	0 \$	0 \$	2 696 319 \$	2 416 198 \$	1 721 330 \$
0 \$	0 \$	1 247 387 \$	721 851 \$	23	63	0 \$	0 \$	2 788 132 \$	2 513 584 \$	1 791 733 \$
0 \$	0 \$	1 291 029 \$	750 165 \$	24	64	0 \$	0 \$	2 883 257 \$	2 614 950 \$	1 864 785 \$
0 \$	44 399 \$	1 287 885 \$	752 255 \$	25	65	84 959 \$	89 207 \$	2 981 845 \$	2 673 907 \$	1 921 679 \$
0 \$	45 287 \$	1 283 949 \$	754 743 \$	26	66	86 658 \$	184 658 \$	3 084 019 \$	2 734 027 \$	1 979 284 \$
0 \$	46 193 \$	1 279 154 \$	755 715 \$	27	67	88 391 \$	286 701 \$	3 189 930 \$	2 795 377 \$	2 039 663 \$
0 \$	47 117 \$	1 258 728 \$	743 347 \$	28	68	90 159 \$	395 703 \$	3 299 519 \$	2 857 817 \$	2 114 470 \$
0 \$	48 059 \$	1 228 725 \$	725 825 \$	29	69	91 962 \$	512 048 \$	3 413 159 \$	2 901 111 \$	2 175 287 \$
0 \$	49 021 \$	1 211 926 \$	715 946 \$	30	70	93 801 \$	636 142 \$	3 531 062 \$	2 894 920 \$	2 178 974 \$
0 \$	50 001 \$	1 194 886 \$	704 980 \$	31	71	95 677 \$	768 410 \$	3 653 398 \$	2 884 988 \$	2 180 008 \$
0 \$	51 001 \$	1 170 048 \$	688 512 \$	32	72	97 591 \$	909 301 \$	3 780 102 \$	2 870 801 \$	2 182 289 \$
0 \$	52 021 \$	1 146 572 \$	672 784 \$	33	73	99 543 \$	1 059 286 \$	3 911 288 \$	2 852 002 \$	2 179 218 \$
0 \$	53 061 \$	1 123 169 \$	656 287 \$	34	74	101 533 \$	1 218 860 \$	4 046 804 \$	2 827 944 \$	2 171 657 \$

COMPARISON LOAN BY CORPORATION

Corporate-owned taxable investment

Corporate-owned Permanent Life Insurance (CIRP Concept)

Total annual deposits (BoY)	After-tax dividend to shareholder	Portfolio balance EoY	Net dividend to shareholder (estate)	End of Year	M/40/P	Annual loan (BoY)	Cumulative loan balance (EoY)	Death benefit payable to company	Net worth for Estate after Corporate Loan Repayment	Benefit of CIRP
0 \$	54 123 \$	1 092 040 \$	635 487 \$	35	75	103 564 \$	1 388 545 \$	4 186 400 \$	2 797 855 \$	2 162 368 \$
0 \$	55 205 \$	1 061 701 \$	615 048 \$	36	76	105 635 \$	1 568 890 \$	4 330 101 \$	2 761 211 \$	2 146 163 \$
0 \$	56 309 \$	1 030 890 \$	593 538 \$	37	77	107 748 \$	1 760 470 \$	4 477 282 \$	2 716 812 \$	2 123 274 \$
0 \$	57 435 \$	992 489 \$	567 738 \$	38	78	109 903 \$	1 963 892 \$	4 627 579 \$	2 663 687 \$	2 095 949 \$
0 \$	58 584 \$	954 237 \$	541 873 \$	39	79	112 101 \$	2 179 793 \$	4 780 541 \$	2 600 748 \$	2 058 875 \$
0 \$	59 756 \$	914 891 \$	514 597 \$	40	80	114 343 \$	2 400 843 \$	4 936 076 \$	2 527 233 \$	2 012 637 \$
0 \$	60 951 \$	868 136 \$	483 057 \$	41	81	116 625 \$	2 651 717 \$	5 094 085 \$	2 442 339 \$	1 959 281 \$
0 \$	62 170 \$	820 797 \$	450 964 \$	42	82	118 963 \$	2 909 514 \$	5 256 116 \$	2 346 872 \$	1 895 908 \$
0 \$	63 413 \$	771 655 \$	419 590 \$	43	83	121 342 \$	3 182 115 \$	5 424 317 \$	2 242 201 \$	1 822 611 \$
0 \$	64 682 \$	705 742 \$	383 976 \$	44	84	123 769 \$	3 471 178 \$	5 599 004 \$	2 127 825 \$	1 743 849 \$
0 \$	65 975 \$	618 765 \$	337 249 \$	45	85	126 244 \$	3 777 294 \$	5 780 464 \$	2 003 171 \$	1 665 922 \$
0 \$	0 \$	650 609 \$	356 094 \$	46	86	0 \$	3 966 158 \$	5 969 005 \$	2 002 846 \$	1 646 752 \$
0 \$	0 \$	673 342 \$	370 735 \$	47	87	0 \$	4 164 466 \$	6 164 950 \$	2 000 484 \$	1 629 749 \$
0 \$	0 \$	696 980 \$	386 087 \$	48	88	0 \$	4 372 690 \$	6 369 188 \$	1 996 498 \$	1 610 412 \$
0 \$	0 \$	721 050 \$	401 102 \$	49	89	0 \$	4 591 324 \$	6 582 192 \$	1 990 868 \$	1 589 766 \$
0 \$	0 \$	746 104 \$	417 205 \$	50	90	0 \$	4 820 890 \$	6 804 432 \$	1 983 541 \$	1 566 336 \$
0 \$	0 \$	772 168 \$	434 108 \$	51	91	0 \$	5 061 935 \$	7 037 021 \$	1 975 086 \$	1 540 978 \$
0 \$	0 \$	798 725 \$	450 630 \$	52	92	0 \$	5 315 032 \$	7 276 461 \$	1 961 430 \$	1 510 800 \$
0 \$	0 \$	826 378 \$	468 378 \$	53	93	0 \$	5 580 783 \$	7 520 738 \$	1 939 955 \$	1 471 577 \$
0 \$	0 \$	855 155 \$	487 223 \$	54	94	0 \$	5 859 822 \$	7 770 500 \$	1 910 678 \$	1 423 655 \$
0 \$	0 \$	884 488 \$	505 240 \$	55	95	0 \$	6 152 813 \$	8 025 034 \$	1 872 221 \$	1 366 981 \$
0 \$	0 \$	915 038 \$	523 500 \$	56	96	0 \$	6 460 454 \$	8 282 715 \$	1 822 261 \$	1 297 431 \$
0 \$	0 \$	946 836 \$	545 420 \$	57	97	0 \$	6 783 477 \$	8 542 334 \$	1 758 857 \$	1 213 436 \$
0 \$	0 \$	979 257 \$	565 531 \$	58	98	0 \$	7 122 651 \$	8 800 869 \$	1 678 218 \$	1 112 687 \$
0 \$	0 \$	1 013 029 \$	587 250 \$	59	99	0 \$	7 478 783 \$	9 054 605 \$	1 575 822 \$	988 647 \$
0 \$	0 \$	1 048 185 \$	609 931 \$	60	100	0 \$	7 852 722 \$	9 297 848 \$	1 445 125 \$	835 194 \$

The concept presentation is only complete if it includes all pages and is accompanied by the product illustration. It has been prepared for information purposes only and does not constitute an offer of insurance or an insurance contract. The scope of the benefits illustrated may be affected by possible changes in tax laws. Please consult your legal and tax advisors.

CORPORATE INSURED RETIREMENT PLAN CONCEPT DETAILS

LOAN BY CORPORATION

**CORPORATE-OWNED
PERMANENT LIFE INSURANCE**

CORPORATE LOAN (From Financial institution)

UPON DEATH

Premium or Deposit (BoY)	Cash Surrender Value (CSV) (EoY)	Adjusted Cost Basis (ACB) (EoY)	End of Year	M/40/P	Annual loan to corporation (BoY)	After-tax dividend to shareholder (BoY)	Cumulative loan balance (EoY)	Loan to CSV ratio (EoY)	Death benefit payable to corporation (EoY)	New CDA credits	Balance available to pay Dividend after Corporate Loan Repayment	Tax paid on dividend (EoY)	Net Worth for Estate after Corporate Loan Repayment
53 840 \$	26 668 \$	53 383 \$	1	41	0 \$	0 \$	0 \$	0,00 %	1 095 803 \$	1 042 419 \$	1 095 803 \$	25 485 \$	1 070 318 \$
53 840 \$	55 771 \$	106 581 \$	2	42	0 \$	0 \$	0 \$	0,00 %	1 194 493 \$	1 087 911 \$	1 194 493 \$	50 882 \$	1 143 611 \$
53 840 \$	87 432 \$	159 614 \$	3	43	0 \$	0 \$	0 \$	0,00 %	1 295 997 \$	1 136 383 \$	1 295 997 \$	76 200 \$	1 219 798 \$
53 840 \$	121 819 \$	212 460 \$	4	44	0 \$	0 \$	0 \$	0,00 %	1 400 390 \$	1 187 930 \$	1 400 390 \$	101 428 \$	1 298 962 \$
53 840 \$	167 447 \$	265 080 \$	5	45	0 \$	0 \$	0 \$	0,00 %	1 507 648 \$	1 242 568 \$	1 507 648 \$	126 549 \$	1 381 099 \$
53 840 \$	215 473 \$	317 449 \$	6	46	0 \$	0 \$	0 \$	0,00 %	1 617 901 \$	1 300 452 \$	1 617 901 \$	151 550 \$	1 466 351 \$
53 840 \$	268 803 \$	369 527 \$	7	47	0 \$	0 \$	0 \$	0,00 %	1 731 271 \$	1 361 744 \$	1 731 271 \$	176 412 \$	1 554 859 \$
53 840 \$	327 612 \$	421 268 \$	8	48	0 \$	0 \$	0 \$	0,00 %	1 847 785 \$	1 426 517 \$	1 847 785 \$	201 113 \$	1 646 672 \$
53 840 \$	387 881 \$	472 614 \$	9	49	0 \$	0 \$	0 \$	0,00 %	1 967 479 \$	1 494 864 \$	1 967 479 \$	225 626 \$	1 741 853 \$
53 840 \$	452 573 \$	523 523 \$	10	50	0 \$	0 \$	0 \$	0,00 %	2 090 337 \$	1 566 814 \$	2 090 337 \$	249 930 \$	1 840 407 \$
28 390 \$	510 526 \$	548 556 \$	11	51	0 \$	0 \$	0 \$	0,00 %	2 151 712 \$	1 603 156 \$	2 151 712 \$	261 880 \$	1 889 832 \$
28 390 \$	572 887 \$	573 106 \$	12	52	0 \$	0 \$	0 \$	0,00 %	2 216 620 \$	1 643 514 \$	2 216 620 \$	273 601 \$	1 943 019 \$
28 390 \$	639 851 \$	597 115 \$	13	53	0 \$	0 \$	0 \$	0,00 %	2 285 099 \$	1 687 984 \$	2 285 099 \$	285 062 \$	2 000 036 \$
28 390 \$	711 690 \$	620 497 \$	14	54	0 \$	0 \$	0 \$	0,00 %	2 357 215 \$	1 736 718 \$	2 357 215 \$	296 225 \$	2 060 990 \$
28 390 \$	760 249 \$	643 181 \$	15	55	0 \$	0 \$	0 \$	0,00 %	2 365 328 \$	1 722 147 \$	2 365 328 \$	307 055 \$	2 058 273 \$
0 \$	812 544 \$	636 851 \$	16	56	0 \$	0 \$	0 \$	0,00 %	2 377 283 \$	1 740 432 \$	2 377 283 \$	304 033 \$	2 073 250 \$
0 \$	868 756 \$	630 061 \$	17	57	0 \$	0 \$	0 \$	0,00 %	2 393 112 \$	1 763 051 \$	2 393 112 \$	300 791 \$	2 092 321 \$
0 \$	929 031 \$	622 775 \$	18	58	0 \$	0 \$	0 \$	0,00 %	2 412 671 \$	1 789 896 \$	2 412 671 \$	297 313 \$	2 115 358 \$
0 \$	993 597 \$	614 941 \$	19	59	0 \$	0 \$	0 \$	0,00 %	2 436 095 \$	1 821 154 \$	2 436 095 \$	293 573 \$	2 142 522 \$
0 \$	1 091 006 \$	606 501 \$	20	60	0 \$	0 \$	0 \$	0,00 %	2 522 277 \$	1 915 776 \$	2 522 277 \$	289 544 \$	2 232 734 \$
0 \$	1 174 025 \$	597 189 \$	21	61	0 \$	0 \$	0 \$	0,00 %	2 607 814 \$	2 010 626 \$	2 607 814 \$	285 098 \$	2 322 716 \$
0 \$	1 261 786 \$	586 764 \$	22	62	0 \$	0 \$	0 \$	0,00 %	2 696 319 \$	2 109 555 \$	2 696 319 \$	280 121 \$	2 416 198 \$
0 \$	1 354 596 \$	575 090 \$	23	63	0 \$	0 \$	0 \$	0,00 %	2 788 132 \$	2 213 042 \$	2 788 132 \$	274 548 \$	2 513 584 \$
0 \$	1 452 590 \$	562 018 \$	24	64	0 \$	0 \$	0 \$	0,00 %	2 883 257 \$	2 321 239 \$	2 883 257 \$	268 307 \$	2 614 950 \$
0 \$	1 555 910 \$	547 378 \$	25	65	8 259 \$	44 399 \$	89 207 \$	5,73 %	2 981 845 \$	2 434 467 \$	2 892 639 \$	218 731 \$	2 673 907 \$
0 \$	1 652 834 \$	530 980 \$	26	66	86 658 \$	45 287 \$	184 658 \$	11,17 %	3 084 019 \$	2 553 039 \$	2 899 361 \$	165 334 \$	2 734 027 \$
0 \$	1 754 892 \$	512 615 \$	27	67	88 391 \$	46 193 \$	286 701 \$	16,34 %	3 189 930 \$	2 677 314 \$	2 903 229 \$	107 851 \$	2 795 377 \$
0 \$	1 862 154 \$	492 057 \$	28	68	90 159 \$	47 117 \$	395 703 \$	21,25 %	3 299 519 \$	2 807 462 \$	2 903 816 \$	46 000 \$	2 857 817 \$
0 \$	1 974 958 \$	469 078 \$	29	69	91 962 \$	48 059 \$	512 048 \$	25,93 %	3 413 159 \$	2 944 081 \$	2 901 111 \$	0 \$	2 901 111 \$
0 \$	2 093 562 \$	443 412 \$	30	70	93 801 \$	49 021 \$	636 142 \$	30,39 %	3 531 062 \$	3 087 650 \$	2 894 920 \$	0 \$	2 894 920 \$
0 \$	2 221 730 \$	414 780 \$	31	71	95 677 \$	50 001 \$	768 410 \$	34,59 %	3 653 398 \$	3 238 618 \$	2 884 988 \$	0 \$	2 884 988 \$
0 \$	2 356 238 \$	382 910 \$	32	72	97 591 \$	51 001 \$	909 301 \$	38,59 %	3 780 102 \$	3 397 192 \$	2 870 801 \$	0 \$	2 870 801 \$
0 \$	2 497 323 \$	347 488 \$	33	73	99 543 \$	52 021 \$	1 059 286 \$	42,42 %	3 911 288 \$	3 563 800 \$	2 852 002 \$	0 \$	2 852 002 \$
0 \$	2 645 142 \$	308 214 \$	34	74	101 533 \$	53 061 \$	1 218 860 \$	46,08 %	4 046 804 \$	3 738 590 \$	2 827 944 \$	0 \$	2 827 944 \$

CORPORATE INSURED RETIREMENT PLAN CONCEPT DETAILS LOAN BY CORPORATION



CORPORATE-OWNED
PERMANENT LIFE INSURANCE

CORPORATE LOAN (From Financial institution)

UPON DEATH

Premium or Deposit (BoY)	Cash Surrender Value (CSV) (EoY)	Adjusted Cost Basis (ACB) (EoY)	End of Year	M/40/P	Annual loan to corporation (BoY)	After-tax dividend to shareholder (BoY)	Cumulative loan balance (EoY)	Loan to CSV ratio (EoY)	Death benefit payable to corporation (EoY)	New CDA credits	Balance available to pay Dividend after Corporate Loan Repayment	Tax paid on dividend (EoY)	Net Worth for Estate after Corporate Loan Repayment
0 \$	2 799 701 \$	264 780 \$	35	75	103 564 \$	54 123 \$	1 388 545 \$	49,60 %	4 186 400 \$	3 921 621 \$	2 797 855 \$	0 \$	2 797 855 \$
0 \$	2 961 288 \$	216 877 \$	36	76	105 635 \$	55 205 \$	1 568 890 \$	52,98 %	4 330 101 \$	4 113 224 \$	2 761 211 \$	0 \$	2 761 211 \$
0 \$	3 129 743 \$	164 186 \$	37	77	107 748 \$	56 309 \$	1 760 470 \$	56,25 %	4 477 282 \$	4 313 096 \$	2 716 812 \$	0 \$	2 716 812 \$
0 \$	3 305 147 \$	106 425 \$	38	78	109 903 \$	57 435 \$	1 963 892 \$	59,42 %	4 627 579 \$	4 521 154 \$	2 663 687 \$	0 \$	2 663 687 \$
0 \$	3 487 541 \$	43 304 \$	39	79	112 101 \$	58 584 \$	2 179 793 \$	62,50 %	4 780 541 \$	4 737 236 \$	2 600 748 \$	0 \$	2 600 748 \$
0 \$	3 677 299 \$	0 \$	40	80	114 343 \$	59 756 \$	2 408 843 \$	65,51 %	4 930 076 \$	4 936 076 \$	2 527 233 \$	0 \$	2 527 233 \$
0 \$	3 874 897 \$	0 \$	41	81	116 630 \$	60 951 \$	2 651 746 \$	68,43 %	5 094 335 \$	5 094 085 \$	2 442 339 \$	0 \$	2 442 339 \$
0 \$	4 080 677 \$	0 \$	42	82	118 963 \$	62 170 \$	2 909 244 \$	71,29 %	5 256 116 \$	5 256 116 \$	2 346 872 \$	0 \$	2 346 872 \$
0 \$	4 295 157 \$	0 \$	43	83	121 342 \$	63 413 \$	3 182 115 \$	74,09 %	5 424 317 \$	5 424 317 \$	2 242 201 \$	0 \$	2 242 201 \$
0 \$	4 518 491 \$	0 \$	44	84	123 769 \$	64 682 \$	3 471 178 \$	76,82 %	5 599 004 \$	5 599 004 \$	2 127 825 \$	0 \$	2 127 825 \$
0 \$	4 750 976 \$	0 \$	45	85	126 244 \$	65 975 \$	3 777 294 \$	79,51 %	5 780 464 \$	5 780 464 \$	2 003 171 \$	0 \$	2 003 171 \$
0 \$	4 992 857 \$	0 \$	46	86	0 \$	0 \$	3 966 158 \$	79,98 %	5 969 005 \$	5 969 005 \$	2 002 846 \$	0 \$	2 002 846 \$
0 \$	5 244 502 \$	0 \$	47	87	0 \$	0 \$	4 164 466 \$	79,98 %	6 164 950 \$	6 164 950 \$	2 000 484 \$	0 \$	2 000 484 \$
0 \$	5 506 769 \$	0 \$	48	88	0 \$	0 \$	4 370 000 \$	79,98 %	6 369 188 \$	6 369 188 \$	1 996 498 \$	0 \$	1 996 498 \$
0 \$	5 780 249 \$	0 \$	49	89	0 \$	0 \$	4 591 324 \$	79,93 %	6 582 192 \$	6 582 192 \$	1 990 868 \$	0 \$	1 990 868 \$
0 \$	6 066 086 \$	0 \$	50	90	0 \$	0 \$	4 820 890 \$	79,97 %	6 804 432 \$	6 804 432 \$	1 983 541 \$	0 \$	1 983 541 \$
0 \$	6 331 253 \$	0 \$	51	91	0 \$	0 \$	5 060 935 \$	79,95 %	7 037 021 \$	7 037 021 \$	1 975 086 \$	0 \$	1 975 086 \$
0 \$	6 602 335 \$	0 \$	52	92	0 \$	0 \$	5 315 000 \$	80,50 %	7 276 461 \$	7 276 461 \$	1 961 430 \$	0 \$	1 961 430 \$
0 \$	6 879 838 \$	0 \$	53	93	0 \$	0 \$	5 580 783 \$	81,12 %	7 520 738 \$	7 520 738 \$	1 939 955 \$	0 \$	1 939 955 \$
0 \$	7 164 713 \$	0 \$	54	94	0 \$	0 \$	5 859 822 \$	81,79 %	7 770 500 \$	7 770 500 \$	1 910 678 \$	0 \$	1 910 678 \$
0 \$	7 457 674 \$	0 \$	55	95	0 \$	0 \$	6 152 813 \$	82,50 %	8 025 034 \$	8 025 034 \$	1 872 221 \$	0 \$	1 872 221 \$
0 \$	7 760 496 \$	0 \$	56	96	0 \$	0 \$	6 460 454 \$	83,25 %	8 282 715 \$	8 282 715 \$	1 822 261 \$	0 \$	1 822 261 \$
0 \$	8 078 026 \$	0 \$	57	97	0 \$	0 \$	6 783 477 \$	83,97 %	8 542 334 \$	8 542 334 \$	1 758 857 \$	0 \$	1 758 857 \$
0 \$	8 418 374 \$	0 \$	58	98	0 \$	0 \$	7 122 651 \$	84,61 %	8 800 869 \$	8 800 869 \$	1 678 218 \$	0 \$	1 678 218 \$
0 \$	8 798 568 \$	0 \$	59	99	0 \$	0 \$	7 478 783 \$	85,00 %	9 054 605 \$	9 054 605 \$	1 575 822 \$	0 \$	1 575 822 \$
0 \$	9 297 848 \$	0 \$	60	100	0 \$	0 \$	7 852 722 \$	84,46 %	9 297 848 \$	9 297 848 \$	1 445 125 \$	0 \$	1 445 125 \$

CORPORATE-OWNED TAXABLE INVESTMENT DETAILS LOAN BY CORPORATION

DURING LIFETIME

End of Year	M/40/P	Total Annual Deposits (BoY)	Investment growth, gross (EoY)	Gross withdrawals (BoY)	Non-taxable Capital Dividend (CDA) Paid	Taxable Dividend Paid	Refund from RDTOH	Tax on investment income	Gross Dividend to Shareholder	Shareholder's Net Dividend	Portfolio Balance EoY
1	41	53 840 \$	2 668 \$	0 \$	0 \$	0 \$	0 \$	623 \$	0 \$	0 \$	55 885 \$
2	42	53 840 \$	5 452 \$	0 \$	0 \$	0 \$	0 \$	1 297 \$	0 \$	0 \$	113 880 \$
3	43	53 840 \$	8 357 \$	0 \$	0 \$	0 \$	0 \$	2 046 \$	0 \$	0 \$	174 057 \$
4	44	53 840 \$	11 292 \$	0 \$	0 \$	0 \$	0 \$	2 807 \$	0 \$	0 \$	236 381 \$
5	45	53 840 \$	14 443 \$	0 \$	0 \$	0 \$	0 \$	3 626 \$	0 \$	0 \$	301 038 \$
6	46	53 840 \$	17 727 \$	0 \$	0 \$	0 \$	0 \$	4 643 \$	0 \$	0 \$	368 111 \$
7	47	53 840 \$	20 908 \$	0 \$	0 \$	0 \$	0 \$	5 441 \$	0 \$	0 \$	437 414 \$
8	48	53 840 \$	24 454 \$	0 \$	0 \$	0 \$	0 \$	6 401 \$	0 \$	0 \$	509 307 \$
9	49	53 840 \$	28 150 \$	0 \$	0 \$	0 \$	0 \$	7 759 \$	0 \$	0 \$	583 888 \$
10	50	53 840 \$	31 599 \$	0 \$	0 \$	0 \$	0 \$	8 510 \$	0 \$	0 \$	660 809 \$
11	51	28 390 \$	34 316 \$	0 \$	0 \$	0 \$	0 \$	9 315 \$	0 \$	0 \$	714 201 \$
12	52	28 390 \$	37 145 \$	0 \$	0 \$	0 \$	0 \$	10 775 \$	0 \$	0 \$	769 587 \$
13	53	28 390 \$	39 539 \$	0 \$	0 \$	0 \$	0 \$	11 055 \$	0 \$	0 \$	826 446 \$
14	54	28 390 \$	42 561 \$	0 \$	0 \$	0 \$	0 \$	11 936 \$	0 \$	0 \$	885 461 \$
15	55	28 390 \$	45 707 \$	0 \$	0 \$	0 \$	0 \$	13 746 \$	0 \$	0 \$	946 708 \$
16	56	0 \$	46 909 \$	0 \$	0 \$	0 \$	0 \$	13 509 \$	0 \$	0 \$	980 087 \$
17	57	0 \$	48 800 \$	0 \$	0 \$	0 \$	0 \$	14 122 \$	0 \$	0 \$	1 014 765 \$
18	58	0 \$	50 767 \$	0 \$	0 \$	0 \$	0 \$	15 932 \$	0 \$	0 \$	1 050 788 \$
19	59	0 \$	52 066 \$	0 \$	0 \$	0 \$	0 \$	15 410 \$	0 \$	0 \$	1 087 417 \$
20	60	0 \$	54 139 \$	0 \$	0 \$	0 \$	0 \$	16 044 \$	0 \$	0 \$	1 125 512 \$
21	61	0 \$	56 298 \$	0 \$	0 \$	0 \$	0 \$	18 117 \$	0 \$	0 \$	1 165 115 \$
22	62	0 \$	57 730 \$	0 \$	0 \$	0 \$	0 \$	17 383 \$	0 \$	0 \$	1 205 431 \$
23	63	0 \$	60 011 \$	0 \$	0 \$	0 \$	0 \$	18 055 \$	0 \$	0 \$	1 247 387 \$
24	64	0 \$	62 388 \$	0 \$	0 \$	0 \$	0 \$	20 396 \$	0 \$	0 \$	1 291 029 \$
25	65	0 \$	61 689 \$	46 016 \$	0 \$	0 \$	0 \$	20 397 \$	44 399 \$	44 399 \$	1 287 885 \$
26	66	0 \$	61 787 \$	46 957 \$	45 287 \$	0 \$	0 \$	20 434 \$	45 287 \$	45 287 \$	1 283 949 \$
27	67	0 \$	61 849 \$	47 913 \$	46 193 \$	0 \$	0 \$	22 197 \$	46 193 \$	46 193 \$	1 279 154 \$
28	68	0 \$	60 299 \$	62 199 \$	33 073 \$	26 874 \$	10 301 \$	20 739 \$	59 947 \$	47 117 \$	1 258 728 \$
29	69	0 \$	59 137 \$	81 406 \$	14 780 \$	63 681 \$	24 409 \$	20 980 \$	78 461 \$	48 059 \$	1 228 725 \$
30	70	0 \$	58 607 \$	82 086 \$	16 037 \$	63 115 \$	24 192 \$	22 329 \$	79 151 \$	49 021 \$	1 211 926 \$
31	71	0 \$	57 236 \$	80 978 \$	19 226 \$	58 888 \$	22 572 \$	20 316 \$	78 114 \$	50 001 \$	1 194 886 \$
32	72	0 \$	56 307 \$	86 669 \$	15 285 \$	68 342 \$	26 195 \$	20 089 \$	83 627 \$	51 001 \$	1 170 048 \$
33	73	0 \$	55 446 \$	88 461 \$	15 495 \$	69 893 \$	26 790 \$	21 275 \$	85 388 \$	52 021 \$	1 146 572 \$
34	74	0 \$	53 796 \$	87 655 \$	18 494 \$	66 146 \$	25 354 \$	19 313 \$	84 639 \$	53 061 \$	1 123 169 \$

CORPORATE-OWNED TAXABLE INVESTMENT DETAILS LOAN BY CORPORATION

DURING LIFETIME

End of Year	M/40/P	Total Annual Deposits (BoY)	Investment growth, gross (EoY)	Gross withdrawals (BoY)	Non-taxable Capital Dividend (CDA) Paid	Taxable Dividend Paid	Refund from RDTOH	Tax on investment income	Gross Dividend to Shareholder	Shareholder's Net Dividend	Portfolio Balance EoY
35	75	0 \$	52 551 \$	93 225 \$	14 803 \$	75 239 \$	28 839 \$	18 992 \$	90 042 \$	54 123 \$	1 092 040 \$
36	76	0 \$	51 345 \$	95 199 \$	14 949 \$	77 030 \$	29 525 \$	19 954 \$	91 979 \$	55 205 \$	1 061 701 \$
37	77	0 \$	49 371 \$	94 811 \$	17 637 \$	74 000 \$	28 364 \$	18 038 \$	91 637 \$	56 309 \$	1 030 890 \$
38	78	0 \$	47 760 \$	100 251 \$	14 210 \$	82 712 \$	31 703 \$	17 603 \$	96 922 \$	57 435 \$	992 489 \$
39	79	0 \$	46 153 \$	102 428 \$	14 272 \$	84 791 \$	32 500 \$	18 296 \$	99 063 \$	58 584 \$	954 237 \$
40	80	0 \$	43 812 \$	102 527 \$	16 578 \$	82 620 \$	31 668 \$	16 430 \$	99 199 \$	59 756 \$	914 891 \$
41	81	0 \$	41 775 \$	107 806 \$	13 452 \$	90 890 \$	34 838 \$	15 857 \$	104 342 \$	60 951 \$	868 136 \$
42	82	0 \$	39 706 \$	110 212 \$	13 405 \$	93 313 \$	35 367 \$	16 228 \$	106 717 \$	62 170 \$	820 797 \$
43	83	0 \$	36 948 \$	110 875 \$	15 247 \$	92 167 \$	26 117 \$	14 418 \$	107 414 \$	63 413 \$	771 655 \$
44	84	0 \$	33 965 \$	115 992 \$	12 465 \$	99 918 \$	25 572 \$	13 613 \$	112 382 \$	64 682 \$	705 742 \$
45	85	0 \$	29 965 \$	118 723 \$	12 341 \$	102 630 \$	9 511 \$	13 400 \$	114 971 \$	65 975 \$	618 765 \$
46	86	0 \$	31 155 \$	0 \$	0 \$	0 \$	0 \$	9 286 \$	0 \$	0 \$	650 609 \$
47	87	0 \$	32 391 \$	0 \$	0 \$	0 \$	0 \$	9 658 \$	0 \$	0 \$	673 342 \$
48	88	0 \$	33 679 \$	0 \$	0 \$	0 \$	0 \$	10 909 \$	0 \$	0 \$	696 980 \$
49	89	0 \$	34 535 \$	0 \$	0 \$	0 \$	0 \$	10 445 \$	0 \$	0 \$	721 050 \$
50	90	0 \$	35 896 \$	0 \$	0 \$	0 \$	0 \$	10 842 \$	0 \$	0 \$	746 104 \$
51	91	0 \$	37 315 \$	0 \$	0 \$	0 \$	0 \$	12 249 \$	0 \$	0 \$	772 168 \$
52	92	0 \$	38 260 \$	0 \$	0 \$	0 \$	0 \$	11 681 \$	0 \$	0 \$	798 725 \$
53	93	0 \$	39 762 \$	0 \$	0 \$	0 \$	0 \$	12 109 \$	0 \$	0 \$	826 378 \$
54	94	0 \$	41 327 \$	0 \$	0 \$	0 \$	0 \$	13 682 \$	0 \$	0 \$	855 155 \$
55	95	0 \$	42 372 \$	0 \$	0 \$	0 \$	0 \$	13 015 \$	0 \$	0 \$	884 488 \$
56	96	0 \$	44 030 \$	0 \$	0 \$	0 \$	0 \$	13 480 \$	0 \$	0 \$	915 038 \$
57	97	0 \$	45 759 \$	0 \$	0 \$	0 \$	0 \$	15 233 \$	0 \$	0 \$	946 836 \$
58	98	0 \$	46 915 \$	0 \$	0 \$	0 \$	0 \$	14 466 \$	0 \$	0 \$	979 257 \$
59	99	0 \$	48 747 \$	0 \$	0 \$	0 \$	0 \$	14 975 \$	0 \$	0 \$	1 013 029 \$
60	100	0 \$	50 658 \$	0 \$	0 \$	0 \$	0 \$	16 923 \$	0 \$	0 \$	1 048 185 \$

CORPORATE-OWNED TAXABLE INVESTMENT LOAN BY CORPORATION

VALUE AT LIQUIDATION (UPON DEATH)

End of Year	M/40/P	Portfolio Balance EoY	Net liquidation value including RDTOH	Non-taxable capital dividend (CDA)	Taxable dividend (EoY)	Additional refund from RDTOH paid as Taxable Dividend (EoY)	Total Taxable dividend upon portfolio liquidation	Tax paid on taxable dividend (EoY)	Net shareholder/Estate value (EoY)
1	41	55 885 \$	55 583 \$	668 \$	54 916 \$	251 \$	55 167 \$	26 337 \$	29 498 \$
2	42	113 880 \$	112 990 \$	1 971 \$	111 019 \$	772 \$	111 791 \$	53 369 \$	60 393 \$
3	43	174 057 \$	172 303 \$	3 885 \$	168 418 \$	1 590 \$	170 008 \$	81 162 \$	92 731 \$
4	44	236 381 \$	233 571 \$	6 224 \$	227 347 \$	2 707 \$	230 054 \$	109 828 \$	126 450 \$
5	45	301 038 \$	296 865 \$	9 242 \$	287 623 \$	4 149 \$	291 772 \$	139 292 \$	161 722 \$
6	46	368 111 \$	362 325 \$	12 812 \$	349 513 \$	5 982 \$	355 495 \$	169 713 \$	198 594 \$
7	47	437 414 \$	430 021 \$	16 373 \$	413 648 \$	8 128 \$	421 776 \$	201 356 \$	236 793 \$
8	48	509 307 \$	499 870 \$	20 901 \$	478 969 \$	9 553 \$	489 621 \$	233 745 \$	276 777 \$
9	49	583 888 \$	572 168 \$	25 956 \$	546 211 \$	13 000 \$	559 899 \$	267 296 \$	318 560 \$
10	50	660 809 \$	647 062 \$	30 445 \$	616 617 \$	17 022 \$	633 639 \$	302 499 \$	361 585 \$
11	51	714 201 \$	697 920 \$	36 057 \$	661 863 \$	20 072 \$	682 535 \$	325 842 \$	392 750 \$
12	52	769 587 \$	750 672 \$	41 890 \$	708 782 \$	24 809 \$	733 632 \$	350 236 \$	425 286 \$
13	53	826 446 \$	805 579 \$	46 215 \$	759 364 \$	26 052 \$	788 516 \$	376 437 \$	458 293 \$
14	54	885 461 \$	861 833 \$	52 328 \$	809 501 \$	33 801 \$	843 306 \$	402 594 \$	493 039 \$
15	55	946 708 \$	920 200 \$	58 707 \$	860 493 \$	35 006 \$	900 589 \$	429 941 \$	529 355 \$
16	56	980 087 \$	951 792 \$	62 665 \$	889 127 \$	44 326 \$	933 452 \$	445 630 \$	550 488 \$
17	57	1 014 765 \$	983 742 \$	68 708 \$	920 034 \$	49 796 \$	964 830 \$	460 610 \$	572 928 \$
18	58	1 050 788 \$	1 017 041 \$	74 741 \$	942 300 \$	55 891 \$	998 191 \$	476 536 \$	596 395 \$
19	59	1 087 417 \$	1 052 270 \$	77 839 \$	974 431 \$	61 828 \$	1 036 259 \$	494 710 \$	619 388 \$
20	60	1 125 512 \$	1 087 715 \$	81 000 \$	1 000 006 \$	68 017 \$	1 072 022 \$	511 784 \$	643 948 \$
21	61	1 165 115 \$	1 124 639 \$	89 643 \$	1 034 995 \$	74 919 \$	1 109 914 \$	529 873 \$	669 685 \$
22	62	1 205 431 \$	1 163 787 \$	92 277 \$	1 071 560 \$	81 597 \$	1 153 157 \$	550 517 \$	694 867 \$
23	63	1 247 387 \$	1 203 075 \$	98 008 \$	1 104 937 \$	88 543 \$	1 193 481 \$	569 768 \$	721 851 \$
24	64	1 291 029 \$	1 243 991 \$	104 174 \$	1 139 817 \$	96 293 \$	1 236 111 \$	590 119 \$	750 165 \$
25	65	1 287 885 \$	1 241 540 \$	102 000 \$	1 138 902 \$	104 095 \$	1 242 996 \$	593 406 \$	752 228 \$
26	66	1 283 949 \$	1 236 705 \$	104 632 \$	1 132 073 \$	111 920 \$	1 243 993 \$	593 882 \$	754 743 \$
27	67	1 279 154 \$	1 231 082 \$	106 465 \$	1 124 617 \$	117 729 \$	1 242 346 \$	593 096 \$	755 715 \$
28	68	1 258 728 \$	1 212 260 \$	102 911 \$	1 109 349 \$	116 130 \$	1 225 480 \$	585 044 \$	743 347 \$
29	69	1 228 725 \$	1 182 819 \$	101 668 \$	1 081 151 \$	113 179 \$	1 194 330 \$	570 173 \$	725 825 \$
30	70	1 211 926 \$	1 166 522 \$	100 555 \$	1 065 967 \$	111 589 \$	1 177 556 \$	562 165 \$	715 946 \$
31	71	1 194 886 \$	1 151 646 \$	95 763 \$	1 055 882 \$	109 859 \$	1 165 741 \$	556 525 \$	704 980 \$
32	72	1 170 048 \$	1 127 456 \$	94 329 \$	1 033 127 \$	103 848 \$	1 136 976 \$	542 792 \$	688 512 \$
33	73	1 146 572 \$	1 104 637 \$	92 872 \$	1 011 766 \$	97 902 \$	1 109 668 \$	529 755 \$	672 784 \$
34	74	1 123 169 \$	1 083 472 \$	87 916 \$	995 556 \$	92 028 \$	1 087 584 \$	519 212 \$	656 287 \$

CORPORATE-OWNED TAXABLE INVESTMENT LOAN BY CORPORATION

VALUE AT LIQUIDATION (UPON DEATH)

End of Year	M/40/P	Portfolio Balance EoY	Net liquidation value including RDTOH	Non-taxable capital dividend (CDA)	Taxable dividend (EoY)	Additional refund from RDTOH paid as Taxable Dividend (EoY)	Total Taxable dividend upon portfolio liquidation	Tax paid on taxable dividend (EoY)	Net shareholder/Estate value (EoY)
35	75	1 092 040 \$	1 053 192 \$	86 037 \$	967 155 \$	84 223 \$	1 051 378 \$	501 928 \$	635 487 \$
36	76	1 061 701 \$	1 023 737 \$	84 079 \$	939 659 \$	76 356 \$	1 016 015 \$	485 046 \$	615 048 \$
37	77	1 030 890 \$	995 291 \$	78 840 \$	916 451 \$	68 428 \$	984 879 \$	470 181 \$	593 538 \$
38	78	992 489 \$	958 004 \$	76 372 \$	881 633 \$	58 602 \$	940 235 \$	448 868 \$	567 738 \$
39	79	954 237 \$	920 927 \$	73 773 \$	847 153 \$	48 561 \$	895 714 \$	427 614 \$	541 873 \$
40	80	914 891 \$	884 107 \$	68 178 \$	815 929 \$	38 297 \$	854 226 \$	407 808 \$	514 597 \$
41	81	868 136 \$	838 788 \$	64 997 \$	773 790 \$	26 171 \$	799 962 \$	381 902 \$	483 057 \$
42	82	820 797 \$	792 964 \$	61 643 \$	731 321 \$	16 649 \$	744 970 \$	355 649 \$	450 964 \$
43	83	771 655 \$	746 527 \$	55 650 \$	690 877 \$	5 500 \$	696 402 \$	332 463 \$	419 590 \$
44	84	705 742 \$	682 504 \$	51 465 \$	631 040 \$	1 225 \$	636 264 \$	303 753 \$	383 976 \$
45	85	618 765 \$	597 777 \$	46 482 \$	551 296 \$	5 000 \$	556 385 \$	265 618 \$	337 249 \$
46	86	650 609 \$	628 993 \$	47 874 \$	581 118 \$	8 600 \$	589 781 \$	281 562 \$	356 094 \$
47	87	673 342 \$	650 198 \$	51 255 \$	598 943 \$	16 085 \$	611 328 \$	291 848 \$	370 735 \$
48	88	696 980 \$	672 287 \$	54 687 \$	617 600 \$	16 536 \$	634 136 \$	302 736 \$	386 087 \$
49	89	721 050 \$	695 719 \$	56 100 \$	670 820 \$	20 046 \$	660 166 \$	315 163 \$	401 102 \$
50	90	746 104 \$	719 219 \$	59 541 \$	699 678 \$	24 714 \$	684 392 \$	326 729 \$	417 205 \$
51	91	772 168 \$	743 692 \$	63 067 \$	709 759 \$	29 366 \$	709 991 \$	338 950 \$	434 108 \$
52	92	798 725 \$	769 682 \$	64 323 \$	705 359 \$	33 843 \$	739 202 \$	352 895 \$	450 630 \$
53	93	826 378 \$	795 712 \$	67 917 \$	727 795 \$	38 492 \$	766 287 \$	365 826 \$	468 378 \$
54	94	855 155 \$	822 815 \$	70 000 \$	757 815 \$	43 680 \$	794 873 \$	379 472 \$	487 023 \$
55	95	884 488 \$	851 619 \$	72 793 \$	778 826 \$	48 664 \$	827 490 \$	395 044 \$	505 240 \$
56	96	915 038 \$	880 444 \$	76 610 \$	803 828 \$	53 835 \$	857 663 \$	409 448 \$	524 830 \$
57	97	946 836 \$	910 453 \$	80 000 \$	829 876 \$	59 606 \$	889 482 \$	424 639 \$	545 420 \$
58	98	979 257 \$	942 360 \$	81 715 \$	860 646 \$	65 142 \$	925 787 \$	441 971 \$	565 531 \$
59	99	1 013 029 \$	974 273 \$	85 000 \$	888 438 \$	70 883 \$	959 321 \$	457 980 \$	587 176 \$
60	100	1 048 185 \$	1 007 494 \$	90 117 \$	917 377 \$	77 291 \$	994 668 \$	474 854 \$	609 931 \$

LOAN RATE SENSITIVITY ANALYSIS

LOAN INTEREST RATE SENSITIVITY

When a permanent life insurance policy is assigned as collateral for a loan, the loan interest rate will be determined by the lending institution in accordance with its lending practices, which can vary over time. Changes in the economy or the borrower's circumstances may affect the amount and timing of the loan advances. The loan interest rate and the performance of the policy may be different than those shown in the concept report. Loan advances may increase if the loan interest rate is lower or the product performance is better than projected in the concept report. Conversely, if the loan interest rate is higher or the product performance is lower than projected, loan advances may be decreased by the lending institution. The **LOAN RATE SENSITIVITY ANALYSIS** shows the annual loan amount based on a 1% and 2% increase in the loan interest rate assuming the same cash surrender value under each scenario and that the outstanding bank loan balance never exceeds the selected percentage of the cash surrender value prior to the end of the life of the policy.

If the insured individual lives beyond the end of the projected life of the policy (age 100), loan interest will continue to accrue. The lending institution may require interest payments, additional collateral, or the loan may be called. This may result in a taxable policy disposition if the corporate-owned permanent life insurance policy is surrendered.

Sample

LOAN RATE SENSITIVITY ANALYSIS LOAN BY CORPORATION

End of Year	M/40/P	Cash Surrender Value (CSV) (EoY)	Annual loan at 5%	Total loan balance at 5%	Loan Balance/CSV Ratio at 5 %	Annual loan at 6%	Total loan balance at 6%	Loan Balance/CSV Ratio at 6 %	Annual loan at 7%	Total loan balance at 7%	Loan Balance/CSV Ratio at 7 %
1	41	26 668 \$	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %
2	42	55 771 \$	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %
3	43	87 432 \$	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %
4	44	121 819 \$	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %
5	45	167 447 \$	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %
6	46	215 473 \$	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %
7	47	268 803 \$	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %
8	48	327 612 \$	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %
9	49	387 881 \$	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %
10	50	452 573 \$	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %
11	51	510 526 \$	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %
12	52	572 887 \$	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %
13	53	639 851 \$	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %
14	54	711 690 \$	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %
15	55	760 249 \$	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %
16	56	812 544 \$	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %
17	57	868 756 \$	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %
18	58	929 031 \$	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %
19	59	993 597 \$	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %
20	60	1 091 006 \$	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %
21	61	1 174 025 \$	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %
22	62	1 261 786 \$	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %
23	63	1 354 596 \$	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %
24	64	1 452 590 \$	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %	0 \$	0 \$	0,00 %
25	65	1 555 910 \$	84 959 \$	89 207 \$	5,73 %	66 056 \$	70 019 \$	4,50 %	50 994 \$	54 564 \$	3,51 %
26	66	1 652 834 \$	86 658 \$	184 658 \$	11,17 %	67 377 \$	145 640 \$	8,81 %	52 014 \$	114 038 \$	6,90 %
27	67	1 754 892 \$	88 391 \$	286 701 \$	16,24 %	68 724 \$	227 226 \$	12,95 %	53 054 \$	178 788 \$	10,19 %
28	68	1 862 154 \$	90 159 \$	395 703 \$	21,25 %	70 099 \$	315 164 \$	16,92 %	54 115 \$	249 207 \$	13,38 %
29	69	1 974 958 \$	91 962 \$	512 048 \$	25,93 %	71 501 \$	409 865 \$	20,75 %	55 198 \$	325 713 \$	16,49 %
30	70	2 093 562 \$	93 801 \$	636 142 \$	30,39 %	72 931 \$	511 763 \$	24,44 %	56 301 \$	408 755 \$	19,52 %
31	71	2 221 730 \$	95 677 \$	768 410 \$	34,59 %	74 389 \$	621 322 \$	27,97 %	57 427 \$	498 815 \$	22,45 %
32	72	2 356 238 \$	97 591 \$	909 301 \$	38,59 %	75 877 \$	739 031 \$	31,36 %	58 576 \$	596 409 \$	25,31 %
33	73	2 497 323 \$	99 543 \$	1 059 286 \$	42,42 %	77 395 \$	865 411 \$	34,65 %	59 748 \$	702 087 \$	28,11 %
34	74	2 645 142 \$	101 533 \$	1 218 860 \$	46,08 %	78 943 \$	1 001 015 \$	37,84 %	60 943 \$	816 442 \$	30,87 %

LOAN RATE SENSITIVITY ANALYSIS LOAN BY CORPORATION

End of Year	M/40/P	Cash Surrender Value (CSV) (EoY)	Annual loan at 5%	Total loan balance at 5%	Loan Balance/CSV Ratio at 5 %	Annual loan at 6%	Total loan balance at 6%	Loan Balance/CSV Ratio at 6 %	Annual loan at 7%	Total loan balance at 7%	Loan Balance/CSV Ratio at 7 %
35	75	2 799 701 \$	103 564 \$	1 388 545 \$	49,60 %	80 522 \$	1 146 429 \$	40,95 %	62 161 \$	940 105 \$	33,58 %
36	76	2 961 288 \$	105 635 \$	1 568 890 \$	52,98 %	82 132 \$	1 302 275 \$	43,98 %	63 405 \$	1 073 756 \$	36,26 %
37	77	3 129 743 \$	107 748 \$	1 760 470 \$	56,25 %	83 775 \$	1 469 212 \$	46,94 %	64 673 \$	1 218 118 \$	38,92 %
38	78	3 305 147 \$	109 903 \$	1 963 892 \$	59,42 %	85 450 \$	1 647 942 \$	49,86 %	65 966 \$	1 373 970 \$	41,57 %
39	79	3 487 541 \$	112 101 \$	2 179 793 \$	62,50 %	87 159 \$	1 839 207 \$	52,74 %	67 285 \$	1 542 144 \$	44,22 %
40	80	3 677 299 \$	114 343 \$	2 408 843 \$	65,51 %	88 902 \$	2 043 796 \$	55,58 %	68 631 \$	1 723 529 \$	46,87 %
41	81	3 874 897 \$	116 630 \$	2 651 746 \$	68,43 %	90 680 \$	2 262 545 \$	58,39 %	70 004 \$	1 919 080 \$	49,53 %
42	82	4 080 677 \$	118 963 \$	2 909 244 \$	71,29 %	92 494 \$	2 496 345 \$	61,17 %	71 404 \$	2 129 818 \$	52,19 %
43	83	4 295 157 \$	121 342 \$	3 182 115 \$	74,09 %	94 344 \$	2 746 120 \$	63,94 %	72 832 \$	2 356 836 \$	54,87 %
44	84	4 518 491 \$	123 769 \$	3 471 178 \$	76,82 %	96 231 \$	3 008 898 \$	66,68 %	74 289 \$	2 601 303 \$	57,57 %
45	85	4 750 976 \$	126 244 \$	3 777 294 \$	79,51 %	98 155 \$	3 297 705 \$	69,41 %	75 774 \$	2 864 473 \$	60,29 %
46	86	4 992 857 \$	0 \$	3 966 158 \$	79,44 %	0 \$	3 507 580 \$	70,01 %	0 \$	3 064 986 \$	61,39 %
47	87	5 244 502 \$	0 \$	4 164 466 \$	79,41 %	0 \$	3 701 315 \$	70,65 %	0 \$	3 279 535 \$	62,53 %
48	88	5 506 769 \$	0 \$	4 372 690 \$	79,41 %	0 \$	3 921 334 \$	71,32 %	0 \$	3 509 102 \$	63,72 %
49	89	5 780 249 \$	0 \$	4 591 324 \$	79,43 %	0 \$	4 163 292 \$	72,03 %	0 \$	3 754 739 \$	64,96 %
50	90	6 066 086 \$	0 \$	4 820 890 \$	79,47 %	0 \$	4 413 089 \$	72,75 %	0 \$	4 017 571 \$	66,23 %
51	91	6 331 253 \$	0 \$	5 061 935 \$	79,95 %	0 \$	4 677 874 \$	73,89 %	0 \$	4 298 801 \$	67,90 %
52	92	6 602 335 \$	0 \$	5 315 032 \$	80,50 %	0 \$	4 958 547 \$	75,10 %	0 \$	4 599 717 \$	69,67 %
53	93	6 879 838 \$	0 \$	5 580 783 \$	81,12 %	0 \$	5 256 060 \$	76,40 %	0 \$	4 921 697 \$	71,54 %
54	94	7 164 713 \$	0 \$	5 859 822 \$	81,79 %	0 \$	5 571 423 \$	77,76 %	0 \$	5 266 216 \$	73,50 %
55	95	7 457 674 \$	0 \$	6 152 813 \$	82,50 %	0 \$	5 905 709 \$	79,19 %	0 \$	5 634 851 \$	75,56 %
56	96	7 760 496 \$	0 \$	6 460 454 \$	83,25 %	0 \$	6 260 051 \$	80,67 %	0 \$	6 029 291 \$	77,69 %
57	97	8 078 026 \$	0 \$	6 783 477 \$	83,97 %	0 \$	6 635 654 \$	82,14 %	0 \$	6 451 341 \$	79,86 %
58	98	8 418 374 \$	0 \$	7 122 651 \$	84,60 %	0 \$	7 033 794 \$	83,55 %	0 \$	6 902 935 \$	82,00 %
59	99	8 798 568 \$	0 \$	7 478 783 \$	85,00 %	0 \$	7 455 821 \$	84,74 %	0 \$	7 386 141 \$	83,95 %
60	100	9 297 848 \$	0 \$	7 852 722 \$	84,46 %	0 \$	7 903 170 \$	85,00 %	0 \$	7 903 170 \$	85,00 %

IMPORTANT INFORMATION

This **Corporate Insured Retirement Plan** concept presentation is only complete if it contains all the pages. It must be accompanied by the complete illustration of the appropriate life insurance product prepared within 30 days of the date of this concept presentation as they are an integral part of the document.

This concept presentation was prepared for information purposes using personal and financial information provided by you and your corporation. It is important that this information is as accurate as possible as even small discrepancies in this information can have an impact on any recommendations made. Desjardins Insurance is not responsible for the results obtained from the use of the information you have provided and cannot guarantee or warrant the timeliness, accuracy or correctness of such information. The concept presentation is to be used only to demonstrate the potential tax benefits arising from the implementation of the financial product solution as set out in the concept presentation based on information provided by you and your corporation and specified assumptions taken from the attached life insurance product illustration. It is not an insurance offer or contract, nor is it a legal or tax opinion.

The benefits shown in the concept presentation are based on a set of assumptions that are certain to change over time, and which may or may not be achieved depending on actual performance. No warranty can be made as to the applicability of assumptions used. Assumptions which may be affected by actual experience may include, without limitation, one or more of the following, if applicable: the amount and timing of deposits to life insurance policies; tax rates; interest rates; performance credit scales; inflation; the tax treatment that applies to the life insurance policies and income, dividend and capital gains taxes. If actual experience is less favourable than that shown in the concept presentation and the attached life insurance product illustration, cash values available at time of retirement could be lower than projected. Please refer to the attached life insurance product illustration for limitations on policy values and guarantees.

All comments related to taxation are general in nature and are based on legislation and administrative policies published by the tax authorities as of the date of this concept presentation but do not cover every possible situation. Future changes to tax legislation and administrative policies may affect this information. Desjardins Insurance expressly reserves the right to amend its comments, without notice, with respect to the tax implications outlined above in the event of any such change in legislation and administrative policies. While reasonable efforts have been made to ensure its accuracy and the information contained herein is presented here in good faith, errors and omissions are possible. Persons and/or corporations who are not residents of Canada or are resident in Canada but are citizens of another country, may be subject to different tax rules in Canada and may also be subject to taxes levied in jurisdictions other than Canada. For specific situation, you should consult the appropriate taxation, accounting or legal expert.

Desjardins Insurance does not intend to provide taxation, accounting or legal advice to clients or potential clients. The information contained in this concept presentation is not intended to offer such advice, nor is it to replace the advice of independent taxation, accounting and legal professionals. For individual circumstances, consult with your taxation, accounting and legal professional advisors. Considering the particular facts or evolution of your own situation, Desjardins Insurance is not responsible for any harm, loss or damages that may arise in connection with the use you make of this concept presentation, including any detrimental reliance that you may place upon it.

The use of this concept presentation does not guarantee acceptance of the coverage amount or amounts applied for. The proposed insured must satisfy medical and financial underwriting requirements and must qualify for the coverage once the application has been submitted.

KEY CONSIDERATIONS LOAN BY CORPORATION

The concept presentation is only complete if it includes all pages and is accompanied by the product illustration. It has been prepared for information purposes only and does not constitute an offer of insurance or an insurance contract. The scope of the benefits illustrated may be affected by possible changes in tax laws. Please consult your legal and tax advisors.

Loan Considerations

- ☐ The corporation may obtain a loan from a third party lending institution by pledging the corporate-owned life insurance policy as security. This loan may be arranged as a line of credit.
- ☐ Using the cash value of the policy as collateral for a third party loan is not guaranteed. The borrower will have to meet the lending criteria of the financial institution that will issue the loan. There may be conditions, fees and costs associated with arranging the loan. The lending institution will set the loan limit as well as the loan structure, which may be for a lump sum or a series of payments over time, similar to a line of credit.
- ☐ The lending institution will determine a percentage of the policy's cash value as the maximum amount that can be borrowed without additional collateral. Variations in the actual performance of the life insurance contract from those shown in the concept presentation will affect the loan maximum and collateral requirements.
- ☐ The loan interest rate is not guaranteed and may vary. If loan interest rates are higher than those shown in this concept presentation, the loan to cash value ratio may exceed the lending institution's pre-determined maximum. Additional collateral by the borrower may be required.
- ☐ If the insured person lives beyond the maximum age shown in this concept presentation, the loan to cash value ratio may exceed the lending institution's pre-determined maximum. Additional collateral by the borrower may be required.
- ☐ If the loan to cash value ratio exceeds the lending institution's pre-determined maximum, the lending institution may require periodic loan payments to reduce the loan balance or the assignment of other assets as collateral. If the borrower is unable to meet these requirements, the lending institution can require policy withdrawals or the surrender of the insurance contract to pay off the loan. This could result in a taxable disposition for the policyholder, and the corporation would be required to pay the taxes due.

Tax Considerations

- ☐ Under the *Income Tax Act* (Canada), a loan secured by a life insurance policy is not considered a disposition of an interest in the policy for tax purposes, and therefore does not trigger tax reporting of accumulated gains within the policy. This means that the policyholder will not have to pay taxes on the values in the policy because of the loan. However, the tax treatment of loans secured by a life insurance policy may change between now and the time the loan is taken out or, once taken out, is reimbursed. Typically, changes by the tax authorities do not exempt arrangements in existence at the time of the change.
- ☐ If the corporation has acquired the life insurance policy with the sole purpose of meeting its obligations to an employee at, after or in anticipation of a material change in the employee's services, such as retirement or loss of employment, the tax authorities may consider the policy to be a retirement compensation arrangement with potentially significant tax consequences.
- ☐ A corporate-owned life insurance policy with cash value may affect the valuation of the corporation's shares for tax purposes. The policy will be a passive asset, which may affect eligibility for the lifetime capital gains exemption. In the valuation of the corporation's shares at death for tax purposes, the value of the policy is based on the cash surrender value of the policy just prior to death, or on the valuation principles established by the tax authorities.
- ☐ Interest on the loan may be deductible if the interest is paid or payable on borrowed money used to produce income from a business or property or to acquire property that will be used in producing such income. Independent tax advice is required to determine the deductibility of the interest on the loan. The report and the calculation of the strategy advantage does not take into consideration such tax deduction.

KEY CONSIDERATIONS LOAN BY CORPORATION



The deductibility of premiums of a life insurance policy (not exceeding the net cost of pure insurance) assigned as collateral for a loan is only available to the corporation if the loan interest is deductible and if assignment of the life insurance policy is a condition of the loan from an eligible lending institution as set out in the *Income Tax Act* (Canada). Independent tax advice is required to determine the deductibility of the premiums. The report and the calculation of the strategy advantage does not take into consideration such tax deduction.

Insurance Policy Governance



Once a life insurance contract has been assigned as collateral, the corporation will have to obtain the lending institution's prior consent or pay off the loan before exercising certain ownership rights, including policy loans or withdrawals, surrendering the policy or making changes to the contract.

General Information



The cash values for the life insurance policy shown in this concept presentation are based on specific assumptions. Actual experience may differ. Unless otherwise indicated, the life insurance policy values are not guaranteed and will vary over time, which may affect the values illustrated in this concept presentation.



Projections for the alternative investment are based on return assumptions that are not guaranteed and may change. Any changes in the yield assumptions may affect the values shown in this concept presentation.



This concept presentation is only complete if it contains all the pages. It must be accompanied by the complete illustration of the appropriate life insurance product prepared within 30 days of the date of this concept presentation as they are an integral part of the document.



The use of this concept presentation does not guarantee acceptance of the coverage amount applied for. The proposed insured must satisfy medical and financial underwriting requirements and must qualify for the coverage once the application has been submitted.



All comments related to taxation are general in nature and are based on legislation and administrative policies published by the tax authorities as of the date of this concept presentation but do not cover every possible situation. Future changes in tax legislation and administrative policies may affect this information. Accordingly, the tax treatment of the Corporate Insured Retirement Plan concept and potential outcomes are subject to such changes and are not guaranteed.



Desjardins Insurance does not intend to provide legal or accounting advice to clients or potential clients. The information contained in this concept presentation and accompanying product illustration is not intended to offer such advice, nor is it to replace the advice of independent legal, taxation, and accounting professionals. Clients should consult with their legal, taxation, and accounting advisors to obtain advice that pertains to their particular circumstances.

As an officer of the corporation, I acknowledge on behalf of the corporation that the Corporate Insured Retirement Plan is a concept. It is not a product or a contract. This checklist is not a substitute for legal, tax or accounting advice. I need to consult with my legal, taxation, financial and accounting advisors about the risks and benefits of this concept. Desjardins Insurance is not providing tax, insurance or loan advice.

Date ____ / ____ / ____

Policy-owner signature

Date ____ / ____ / ____

Advisor signature

Insurance

Adjusted Cost Basis (ACB): the cost of a life insurance policy used for tax purposes. This is a complex formula that varies with different contracts depending upon when they were issued. Only the insurance carrier can provide up-to-date ACB for an in-force policy.

Annualized premium: The insurance policy offers a variety of premium payment options. The premium can be paid on a monthly, quarterly, semi-annual or annual basis. The annualized premium is the total amount of premium paid per year.

Fair Market Value (FMV): refers to the price we can obtain, given general market conditions, during the sale of a property between prudent, informed, unrestricted parties acting at arm's length. The FMV of a life insurance policy is to be determined by a professional valuation.

Life insurance: The insurance company guarantees payment of a non-taxable death benefit to the beneficiary upon death of the insured. Many types of coverage are available to meet the needs of both individuals and corporations.

Net Cost of Pure Insurance (NCPI): a measure of the cost of insurance for specific tax purposes. The NCPI generally increases each year and reflects the gradual increase in the probability of death of the insured.

Policy Disposition: the change of ownership, surrender (partial or total), policy loan or payout of a dividend of a life insurance policy is considered a disposition for tax purposes. There are no available rollovers for transfers between corporations and individuals, and very specific limitations for rollovers between corporations.

Taxation

Canadian-controlled private corporation (CCPC): A private corporation that is resident in Canada for tax purposes and not a public corporation. It must have been either incorporated in Canada or resident in Canada from June 18, 1971 to the end of the tax year. A CCPC is not controlled directly or indirectly by one or more non-resident persons or by public corporations.

Capital Dividend Account (CDA): tracks certain non-taxable surpluses that can be passed on to Canadian resident shareholders as non-taxable capital dividends.

Income Tax Act: The federal statute that governs taxation of the income of individuals, corporations, partnerships, trusts and estates in Canada. The provinces and territories also levy income tax. The Income Tax Act is amended on a regular basis.

Passive investment income: This generally consists of corporate earnings not directly related to the business source. Passive investment income can come from certain types of interest, capital gains, net rental income, royalties or dividends received by a corporation (and its associated corporations).

Refundable dividend tax on hand (RDTOH): RDTOH is a notional tax account in which the refundable tax paid by a private corporation on its investments and dividend income accumulates. Since 2019, CCPCs maintain two RDTOH accounts: eligible RDTOH and non-eligible RDTOH. The accounts are refundable when the corporation pays a taxable eligible or non-eligible dividend to its shareholders.

Small business deduction (SBD): The small business deduction is a corporate tax reduction for Canadian-controlled private corporations (CCPCs). The reduced tax rate is available on active business income up to the corporation's business limit. The first 500 000 \$ of active business income is taxed at a lower rate at the federal level. The limit may be different in some provinces. It is reduced by 5 \$ for each 1 \$ of passive income exceeding 50 000 \$.

Lending

Collateral: Collateral is an asset that a lender accepts as security for extending a loan. If the borrower defaults, then the lender may seize and sell the collateral to recoup their losses.

Interest: The interest rate is the amount that a lenders charges for the use of funds, as a percentage of the principal.

Deductibility: A tax deduction is a business expense that can lower the amount of tax payable on earned income. Business expenses that are reasonable and paid out to earn income are deductible for income tax purposes, unless specifically disallowed.

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