

# Maximizing Estate Value and Wealth Transfer

## Death Guarantee Resets

75  
100

100  
100

Resets of the Death Guarantee Amount<sup>1</sup> lock-in market gains for your heirs, maximizing estate values and wealth transfers. They are automatic and occur annually or every 3<sup>rd</sup> policy anniversary up to and including the last policy anniversary before the Annuitant's 80<sup>th</sup> birthday.

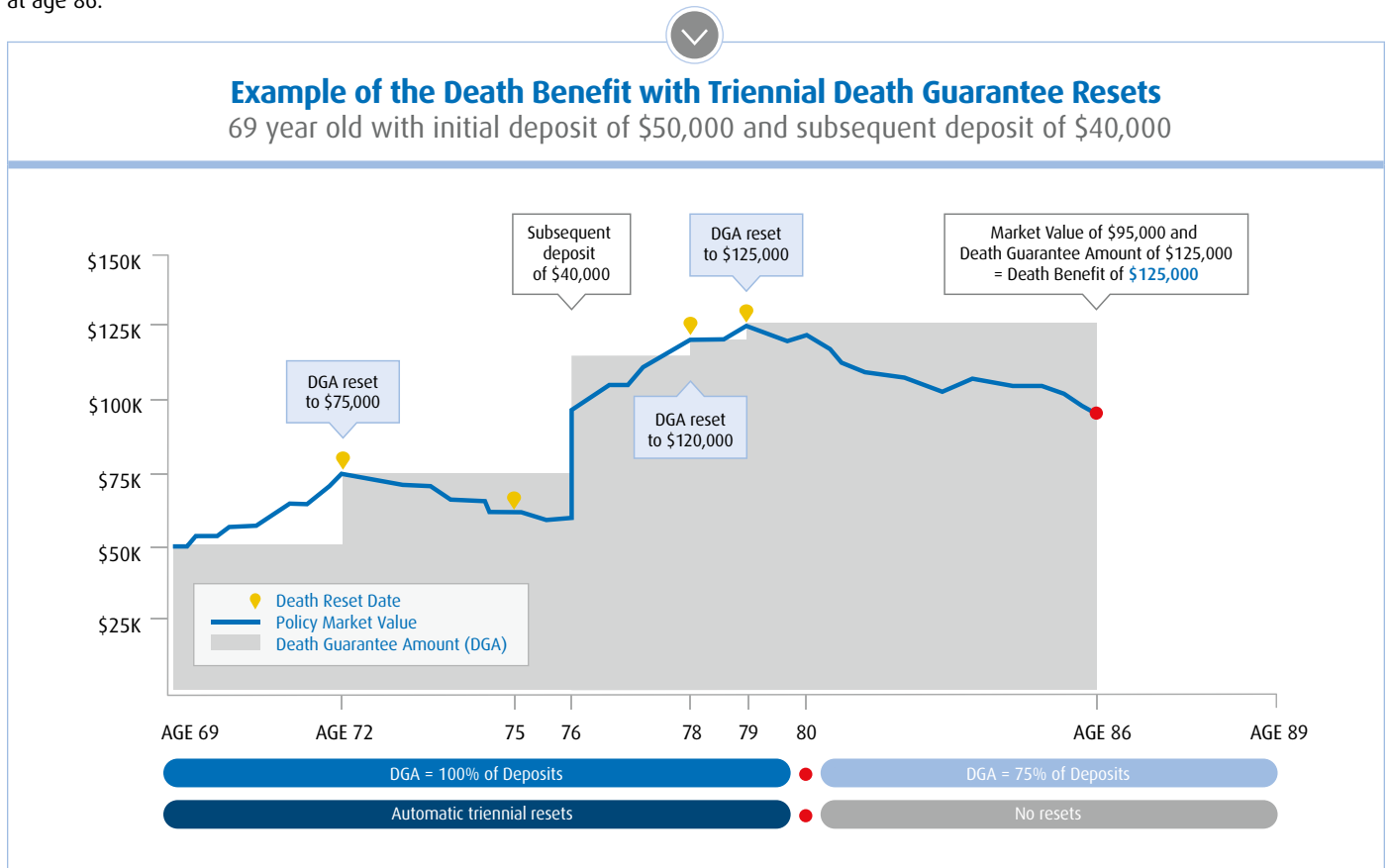
For GIF 75/100 and GIF 100/100 policies, if the market value of your investments is greater than the current Death Guarantee Amount, the Death Guarantee Amount is increased to the market value. This is referred to as a Death Guarantee Reset. This benefit locks in market gains for the benefit of your beneficiaries in the event of your death before the Maturity Date.

**Triennial resets:** Automatic resets on every 3<sup>rd</sup> policy anniversary are a standard feature on GIF 75/100. They are an optional benefit on GIF 100/100 and must be selected at time of purchase. For GIF 100/100, an additional fee applies.

**Annual resets:** If you choose the 75/100 series, you also have the option of selecting the new Death Guarantee Reset Enhancement. This is an optional feature that sets up automatic annual Death Guarantee Resets. It must be selected at time of application and an additional fee applies. Please refer to [Protect your Legacy: Lock in growth for your loved ones](#) for additional details on the Death Guarantee Reset Enhancement features.

### Case Study

Evelyn, age 69, purchases a GIF 75/100 Contract (or alternatively a GIF 100/100 Contract with the Death Guarantee Reset Option) with an Initial Deposit of \$50,000 on October 15, 2020. Evelyn makes a Subsequent Deposit of \$40,000 on October 15, 2027 (when Evelyn is age 76). Evelyn dies at age 86.



<sup>1</sup> Standard feature on GIF 75/100; optional feature on GIF 100/100 (Death Guarantee Reset Option must be elected at policy issue; additional fee applies).

- Initially, Evelyn's beneficiary is assured of receiving at least \$50,000 if Evelyn were to die before her selected Maturity Date (Death Guarantee Amount is 100% of the Initial Deposit since it was made before age 80<sup>2</sup>).
- On Evelyn's 3<sup>rd</sup> policy anniversary at age 72, the Market Value of her Contract at \$75,000 is greater than the current Death Guarantee Amount of \$50,000; her Death Guarantee Amount is reset to \$75,000.
- On Evelyn's 6<sup>th</sup> policy anniversary at age 75, the Market Value of her Contract at \$65,000 is less than the current Death Guarantee Amount of \$75,000; the Death Guarantee Amount of \$75,000 is maintained.
- The Subsequent Deposit made at Evelyn's age 76 increased the Death Guarantee Amount by \$40,000 to \$115,000 (since the Subsequent Deposit was made before age 80 it is guaranteed at 100%<sup>2</sup>).
- At Evelyn's 9<sup>th</sup> policy anniversary at age 78, the Market Value of her Contract at \$120,000 is greater than the current Death Guarantee Amount of \$115,000; her Death Guarantee Amount is reset to \$120,000.
- Evelyn's 10<sup>th</sup> policy anniversary at age 79 is the last policy anniversary before Evelyn's 80<sup>th</sup> birthday and a final Death Guarantee Reset is performed. The Market Value of her Contract at \$125,000 is greater than the current Death Guarantee Amount of \$120,000, so her Death Guarantee Amount is reset to \$125,000.

At the time of Evelyn's death (age 86), her policy Market Value is \$95,000. Since the policy Death Guarantee Amount at \$125,000 is greater than the Market Value of \$95,000, BMO Insurance would make a top-up payment of \$30,000 so that the Death Benefit payable to Evelyn's beneficiary would be \$125,000.

**A summary of the Triennial Death Guarantee Resets is shown in the following table:**

Triennial Death Reset Date (Annuitant's Age)	Death Guarantee Amount before Death Reset Date	Market Value of Deposits on Death Reset Date	Death Guarantee Amount after Death Reset Date
72	\$50,000	\$75,000	\$75,000
75	\$75,000	\$65,000	\$75,000 <sup>3</sup>
78	\$115,000	\$120,000	\$120,000
79	\$120,000	\$125,000	\$125,000 <sup>4</sup>

<sup>2</sup> For 75/100 Plus option, 100% of deposits made before age 85; 75% of deposits made on or after age 85 (reduced proportionately for withdrawals)  
<sup>3</sup> No Death Guarantee Reset is exercised as the Market Value is lower than or equal to the Death Guarantee Amount. The Death Guarantee Amount before the reset is maintained.  
<sup>4</sup> This is the last policy anniversary before the Annuitant's 80<sup>th</sup> birthday. A final Death Guarantee Reset is performed even though the policy anniversary does not fall on the normal 3 year cycle.

**New 75/100 Product Option: Death Guarantee Reset Enhancement (DGRE)**

Lock in the growth of your investments annually with this optional feature. By selecting the the annual DGRE option your resets will occur more frequently to take advantage of market value gains for your beneficiaries. Please refer to [Protect your Legacy: Lock in growth for your loved ones](#) for additional details.

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

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