

# Whole Life Insurance



Permanent life insurance protection  
with built-in guarantees

# Whole Life Insurance – it’s coverage for life

Not having enough insurance – or not having insurance at all – can set someone up for a double shock: a dreaded life event such as a premature death plus a subsequent drain on savings. That’s why having the right type *and* amount of insurance coverage can help protect your finances against many of life’s uncertainties.

When it comes to life insurance, there are many options to choose from – whole life or permanent insurance – *which one is right for me?*

Working with your insurance advisor, it’s wise to review your financial goals and then decide what makes the most sense for you.

If you need permanent insurance (in other words, coverage that’s there for as long as you live), whole life insurance may be a good option.

## What is whole life insurance and how does it work?

Whole life insurance is a form of permanent life insurance. Premiums are fixed and payable for a set number of years (e.g. 10 or 20 years or to age 100) after which time no further premiums are required. If you die, the death benefit is paid to the person or people you choose (your beneficiary).

Coverage may also be issued on a “joint” basis which means that the policy covers two (or more) people.

Many whole life insurance plans also allow you to add supplementary or additional insurance coverages to your policy called “riders”, which provide different types of insurance protection to complement your basic life coverage.

Depending on the type of plan you choose, your policy may also accumulate a cash value which increases over time and which grows on a tax-deferred basis.

## Is whole life insurance right for you?

Whole life insurance can be a good fit if you need insurance protection for a variety of financial planning needs such as:

- earmarking a source of funds to cover your final expenses
- replacing your lost future income, in case of your death
- helping to offset the taxes which will become payable on your RRSP when you die<sup>1</sup>
- minimizing the impact of taxes on other taxable assets in your estate – such as the capital gains tax on the increase in value of your cottage<sup>1</sup>

- supplementing your after-tax retirement income using the cash built-up in your policy
- maximizing the transfer of your wealth to your heirs in a tax efficient way
- leaving a financial gift in your name to your favourite charity

If you’re a business owner, you may want to consider using whole life insurance to:

- offset your business expenses upon the death of a key employee or shareholder
- invest surplus cash from your business in a tax efficient way
- pass on the value of corporate assets to your heirs in simple and tax efficient manner

It all depends on your financial objectives. Talk to your insurance advisor and find out if whole life insurance makes sense for you.

## BMO Insurance can help you meet your insurance needs with our whole life insurance plans:

- coverage amounts from \$50,000 to \$20,000,000
- premiums which can be paid for either 10 years, 20 years or to age 100
- if you decide that you need more coverage, you can also choose to add additional insurance coverages to your policy (called riders) such as term life or critical illness riders for a more complete insurance plan.



Ask your insurance advisor about how you can qualify for a “bonus” on certain BMO Insurance’s whole life insurance plans. This annual bonus automatically adds “paid-up” insurance coverage to your policy – that’s more life insurance at no additional cost to you above the premiums for your basic coverage!



## When Coverage Begins

Your insurance coverage takes effect when the policy has been delivered to you<sup>2</sup>, the first premium is paid in full and if there has been no change in insurability between the time the application for insurance was completed and the time the policy is delivered to you.

## How we determine premiums

In addition to the amount of insurance you buy, your premiums are calculated according to your age, sex and smoking status as well as an assessment of your health and lifestyle.

## Your rights and obligations

**Ten Day Right to Examine Policy** – You have the right to return the policy to us within 10 days of its receipt, along with a written request for cancellation, for a refund of the premiums you have paid.

**Change in information prior to policy delivery** – A life insurance policy is issued after careful assessment of the information given on your application and the results of any medical tests and reports. At the time your advisor delivers the policy to you, if there has been any change in your health or information since you completed the application, you must advise of this new medical information and return the policy to the company for our further assessment of this new medical information.



As a member of BMO Financial Group, BMO Insurance brings to you the financial strength and stability that comes from one of the most respected brands in Canada. Our insurance business has a solid history and reputation for being a trusted insurance provider for thousands of Canadians, including their families and businesses. Backed by the financial strength of BMO Financial Group and the legacy of our predecessor companies, BMO Insurance is confident that we are able to meet the financial obligations we make to all our policyholders.

## Restriction on Benefits

**Suicide** – If a life insured commits suicide within the first two years that the insurance coverage is in effect, we will not pay the insurance benefit. We will only refund premiums paid for the insurance coverage, less any other amount you may owe us.

**Incontestability** – After your policy has been in effect for two years, we will not dispute any of the statements you made in your life insurance application, unless we believe that you made those statements fraudulently.

**Non-disclosure** – It is your responsibility to fully disclose every fact that is relevant and important to the life insurance coverage. This includes the information you provide in your application for insurance, any medical examinations, written statements, application for reinstatement or in any proof of claims. We may void your life insurance policy, if we discover that you do not disclose any relevant or important information.

## Our Commitment to You

BMO Life Assurance Company, a part of BMO Financial Group, appreciates the opportunity to help you meet your financial needs. We are committed to respecting and protecting your privacy and confidentiality of the personal information you have entrusted to us. It is important for you to understand what information we will collect, how we will use it, and who may see it.



To view our full privacy policy, please visit the privacy section at [bmoinsurance.com](https://www.bmoinsurance.com)

## Let's connect

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



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[bmoinsurance.com](http://bmoinsurance.com)



We're here to help.™

<sup>1</sup> Under the Income Tax Act (Canada) income tax on certain assets may be deferred under joint ownership or a spousal rollover. Ask your advisor for more details.

<sup>2</sup> In Quebec, this is when we have approved the application for insurance without modification.

This brochure provides information about the plans we have available as of the date that this brochure was published.

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