

An overview of your insurance options



Life and critical illness insurance – and how they can be an important part of your financial future.



When it comes to planning your financial future, here are some helpful steps to take:

- decide on what's important to you
- come up with a plan
- put your plan into action
- review your plan regularly
- adjust your plan when and where necessary
- If you need some help, speak to a licensed insurance advisor.

When it comes to insurance...

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 your savings. That's why having the right type and amount of insurance coverage can help protect your finances against many of life's uncertainties.

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

Here's a snapshot of your options and what's available from BMO® Insurance...



Term Life Insurance

With term life, insurance coverage extends for a set term (i.e. a given number of years) after which time it can renew for another term. When coverage renews, insurance premiums typically increase. Coverage eventually ends at a certain age.

So, term life insurance is a simple form of life insurance that can help you financially protect your family if you were suddenly not there and able to:

- pay your monthly mortgage payments or the outstanding balance
- fund your children's tuition and other education costs
- cover everyday expenses including those ongoing monthly bills
- pay for any other short-term financial obligations

At BMO Insurance, we offer term life insurance plans with:

- a choice of 10, 15, 20, 25 and 30 year term policies which give you the option to renew your coverage
 - coverage on these plans expires at age 85
- the ability to exchange a 10 year term policy for a new 15, 20, 25 or 30 year term policy, if your needs change¹
- the ability to exchange a 15 year term policy for a new 20, 25 or 30 year term policy, if your needs change¹
- the option to convert your coverage to permanent life insurance, if you end up needing your life insurance for longer term needs¹



Ask your insurance advisor for a premium comparison of the different term life insurance options using BMO Insurance's Premium Matchmaker.



Universal Life Insurance

Universal life insurance is an “unbundled” insurance plan which means that it includes permanent life insurance and an investment component. Plus, with these types of policies, you’re able to see what portion of your premiums are used to cover the cost for your insurance coverage and how much remains to be invested in a tax-deferred investment account that’s included in the policy.

What’s more, premiums are flexible: you can pay as little or as much as you want as long as there’s enough in the investment component of the policy to pay for the monthly insurance charges and your premiums don’t exceed the maximum limits specified in the Income Tax Act (Canada) (the “Tax Act”).

If you’re looking for just insurance protection, you need to be sure that you pay enough to cover the ongoing costs in your policy (based on conditions outlined in the policy). By increasing your premiums above the ongoing cost, you can take advantage of the tax-deferred investment account within the policy.

As a result, universal life insurance is flexible enough to be tailored for a variety of insurance planning needs such as:

- paying premiums over a short period of time (e.g. 5 or 10 years) so that there’s enough in the investment account to cover your ongoing monthly deductions
- earmarking a source of funds to cover your final expenses
- replacing your lost future income, in case of your death
- offsetting the taxes which will become payable on your RRSP when you die²
- 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 cottage²
- 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

Universal Life Insurance (con'td...)

We have several universal life insurance plans to choose from:

- Life Dimensions or Life Dimensions (Low Fees) – an ideal plan if you're looking for permanent insurance protection with the flexibility to invest more into a wide selection of tax-deferred investment options.
- Wealth Dimensions – a universal life insurance plan for individuals or business owners looking to take full advantage of the tax-deferred opportunity of universal life and if you are willing to make an initial investment of at least \$25,000 when you buy a policy.

Each of BMO Insurance's universal life plans offer flexible permanent insurance coverage as well as a wide variety of supplementary life and critical illness insurance coverages (called "riders") which you choose to add to your basic coverage for more comprehensive coverage. See page 7 for more details.



Premium payments on universal life insurance

Pay enough to cover insurance charges, subject to certain minimums

Pay maximum premium



Get life insurance protection only

Get insurance protection and take full advantage of the tax-deferred investment account



Whole Life Insurance

Whole life insurance plans offer permanent life insurance protection that comes with fixed level premiums which are payable for a given number of years as well as insurance protection that's there for life.

Whole life insurance can be ideal, if you're considering planning your estate and need a source of funds that will help your heirs to:

- cover your final expenses
- replace your lost future income, in case of your death
- offset the taxes which will become payable on your RRSP²
- minimize the impact of taxes on other taxable assets in your estate – such as the capital gains tax on the increase in value of your cottage²
- leave a financial gift in your name to your favourite charity

At BMO Insurance, you can pick from the following whole life insurance plans:

- BMO Insurance Whole Life – a permanent life insurance plan with premiums that are level and guaranteed. Plus, each year, you're eligible to receive a Performance Bonus that's used to automatically add "paid-up" insurance coverage to your policy – that's more life insurance at no additional cost to you beyond the premiums for the basic coverage!
- There are two plan options to address two distinct markets – Wealth Accelerator if you want the flexibility to access more of the policy's cash value in the early years and Estate Protector if you're focused more on long-term values.
- Term 100 – provides permanent life insurance protection with guaranteed premiums payable until age 100. This plan does not have any cash value.

How much tax is due on the current value of your estate?



Ask your insurance advisor for a copy of BMO Insurance's *Estimate of Taxes and Charges Worksheet*. It is a simple way to find out and can be an important part of your financial plan!

Note: Unlike 'participating' whole life insurance, BMO Insurance offers 'non-participating' whole life insurance plans which means that policy owners do not participate in the company's profits or surplus and do not receive any dividends as a result.



Critical Illness Insurance

With medical advances, many people survive illnesses that used to often result in death. But the treatment and recovery period for these illnesses can often be long and, without proper planning, this could result in a strain on your finances.

That's why there's critical illness insurance. It provides you with a lump sum cash payment upon a medical diagnosis of covered conditions such as a heart attack, cancer or stroke.³

It's valuable protection that can help you offset the extra expenses that often accompany a serious health condition such as:

- medical expenses not covered by your provincial health care plan
- home care expenses (such as a nurse or housekeeper)
- The cost of going to a private clinic or getting out-of-country care
- special medical equipment (such as a wheelchair)
- a home renovation or vehicle conversion to make it easy for you to get around
- travel for medical appointments or treatments
- childcare expenses

With critical illness insurance, you can focus on getting better instead of having to also worry about sudden unexpected expenses.

Use BMO Insurance's Critical Insurance Calculator to find out how much coverage you need.

With critical illness insurance plans from BMO Insurance, you get:

- a choice of several Living Benefit plans with the following terms: 10 years, 20 years, "to age 75" or "to age 100"
- the option of renewing your coverage with the 10 and 20 year term options with renewal premiums that are guaranteed when you first buy your policy. For the "to age 75" or "to age 100" options, premiums are fixed and level for as long as you have the policy
- coverage that expires at age 75 for the 10, 20 and "to age 75" plans or at age 100 for the "to age 100"

With BMO Insurance, you can get critical illness coverage as a standalone plan or as a rider on our Term, Traditional Life and Universal Life plans. See page 7 for more details.

Find out how you can get your money back with Return of Premium Riders on our standalone plans.⁴

Riders and Benefits

At BMO Insurance, we offer you the flexibility to customize your insurance protection by adding additional coverages (called “riders”) to your policy so that you can get a more comprehensive insurance plan in place.

Take a look at the different riders and benefits available on BMO Insurance’s plans:

Riders and Benefits	Life Insurance Plans				Critical Illness Insurance Plans
	Term 10, 15, 20, 25 and 30	BMO Insurance Whole Life	Term 100	Life Dimensions (Low Fees), Life Dimensions and Wealth Dimensions	Living Benefit 10, 20, 75 and 100
Term Life insurance riders		✓	✓	✓	
Children’s Term Insurance rider	✓	✓	✓	✓	✓
Critical Illness Insurance riders	✓	✓	✓	✓	
Accidental Death Benefit	✓	✓	✓	✓	✓
Waiver of Premium	✓	✓	✓	✓	✓
Business Guaranteed Insurability Option	✓		✓	✓	
BMO Insurance Health Advocate™ Plan <i>- included at no additional charge</i>	✓ ⁵	✓	✓	✓	✓
Disability Benefit <i>- included at no additional charge</i>		✓		✓	

Ask your insurance advisor about the riders you’re interested in knowing more about and whether they fit with your overall objectives.



Do you have both short term and long term protection needs?

Bundle up and save by adding term insurance riders to your universal life or traditional life plan.

Note: The availability of each of the different Term Life (10, 15, 20, 25 and 30) and Critical Illness (10, 20, to age 75 and to age 100) Insurance riders differs from plan to plan.



About the BMO Insurance • **HealthAdvocate™** Plan

This program is available at no additional charge on eligible base plans⁶ and includes access to medical information and services as well as personal assistance programs.

Medical Information and Services

This component of the **BMO Insurance Health Advocate** Plan offers your clients unlimited access to medical information and services from Teladoc Medical Experts^{®†} – a leader when it comes to delivering world class medical advice and care.

Personal Assistance Programs

This component of the **BMO Insurance Health Advocate** Plan offers your clients personal assistance services provided by TELUS Health, one of Canada's leading providers of these programs.

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

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



¹ Certain conditions apply. Ask your insurance advisor for more details.

² Under the Income Tax Act (Canada), income tax on certain assets may be deferred under joint ownership or a spousal rollover. Ask your insurance advisor for more details.

³ For a full list of covered conditions, ask your insurance advisor or refer to a sample policy for details.

⁴ Certain conditions apply. Ask your insurance advisor for more details.

⁵ The BMO Insurance Health Advocate plan is only available on Term 10, 15, 20, 25 and 30 plans if you also add a critical illness rider to the policy.

⁶ Refer to the Riders and Benefits page for a list of eligible base plans.

[†] Teladoc Medical Experts is a registered trademark of Teladoc Health, Inc.

BMO Insurance offers the services on a referral basis only and will not charge you for the services provided. Telus Health (Canada) Ltd. and Teladoc Health, Inc. will not charge you for the services they provide. You may however, incur additional costs for services or for providers that may be referred to you by LifeWorks or Teladoc Medical Experts. These additional charges are incurred at your sole discretion and BMO Insurance will not be liable for their payment.

BMO Insurance reserves the right to change the service provider, the nature of services or cancel access to these services at any time without notice, unless otherwise stated. See policy contract for full details.

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

Information contained in this document is for illustrative purposes and is subject to change without notice. The information in this publication is intended as a summary of our products and/or services. Please consult the appropriate policy contract for details on the terms, conditions, benefits, guarantees, exclusions and limitations. The actual policy issued governs. Each policyholder's financial circumstances are unique and they must obtain and rely upon independent tax, accounting, legal and other advice concerning the structure of their insurance, as they deem appropriate for their particular circumstances. BMO Life Assurance Company does not provide any such advice to the policyholder or to the insurance advisor.

Insurer: BMO Life Assurance Company

719E (2023/10/23)