

The Premium Switch Option

BMO Insurance Whole Life is a non-participating permanent life insurance plan offering an increasing death benefit with guaranteed cash values with guaranteed level premiums payable for 10 or 20 years or to age 100, after which time the policy becomes fully paid up. There are two plan options to address two distinct markets - Wealth Accelerator to address the wealth accumulation market and Estate Protector for the estate protection market.

The increasing death benefit (above the basic coverage) is provided by an annual Performance Bonus that BMO Insurance automatically uses to purchase additional "paid-up" insurance coverage (or Paid-Up Additions).

If affordability becomes an issue

BMO Insurance Whole Life has built-in flexibility to help you after the policy is issued. With the Premium Switch Option, you can reduce the annual cost of the policy.

For example:

Meet Thomas

- 50 year old professional
- Bought a BMO Insurance Whole Life policy (Estate Protector plan option)
- Basic Coverage: \$250,000
- Monthly "10 Pay" premium: \$1,282.05

Three years after issue

Thomas can no longer afford to pay his monthly premium. Cancelling his policy is not an option as he still needs life insurance protection. He's looking for ways to reduce his premiums and keep his coverage.

Solution: The Premium Switch Option¹

- allows Thomas to switch to a less expensive premium option at issue age rates
- extends his premium payment period for the remaining number of premiums required under the new option
- allows him to maintain the guaranteed death benefit
- Thomas will continue to qualify for Paid-Up Additions

	OPTION 1: Switch to "20 Pay"	OPTION 2: Switch to "Pay to age 100"
Monthly Premium:	\$774.45 (for 17 more years)	\$522.68 (for 47 years)
Guaranteed Death Benefit:	\$250,000	\$250,000

Alternatively, Thomas could elect to keep the "10 Pay" option but decrease the amount of his guaranteed death benefit from \$250,000 to, say, \$125,000. In this case, his monthly premium would decrease to \$667.91 (and would be payable for seven more years).



BMO Insurance Whole Life:

Simple

- simple Performance Bonus
- easy-to-use life insurance application
- easy-to-understand policy contract
- simple annual policy statement

Flexible

- 3 premium options: 10 Pay, 20 Pay and Pay to Age 100
- 2 plan options: Estate Protector and Wealth Accelerator
- payment flexibility with the Additional Payment Option and Premium Offset
- Premium Switch Option: to address affordability issues

Guaranteed

- highly competitive guaranteed cash values
- guaranteed reduced paid-up values
- guarantee on Performance Bonus Rate (PBR)
 - PBR can change from year-to-year
 - will never be negative

Thomas decides to switch to the “Pay to Age 100” option

His monthly premium drops to \$522.68 per month and is payable until his age 100. The guaranteed death benefit on his policy remains unchanged at \$250,000.

Year Age	Monthly Premium ³	Death Benefit ²			Cash Value ²		
		Guaranteed Death Benefit	Paid-Up Additions	Total Death Benefit	Guaranteed Cash Value	Paid-Up Additions Cash Value	Total Cash Value
1 51	1,282.05	250,000	100	250,100	545	30	575
2 52	1,282.05	250,000	414	251,414	1,765	128	1,893
3 53	522.68	250,000	691	250,691	1,607	221	1,827
4 54	522.68	250,000	1,117	251,117	2,560	369	2,929
5 55	522.68	250,000	1,759	251,759	3,978	600	4,577
10 60	522.68	250,000	9,197	259,197	15,598	3,674	19,272
15 65	522.68	250,000	31,567	281,567	52,258	14,635	66,892
25 75	522.68	250,000	137,386	387,386	136,180	82,790	218,970
35 85	522.68	250,000	268,932	518,932	182,760	199,808	382,568
50 100	522.68	250,000	471,895	721,895	250,000	471,895	721,895

When the switch is elected, Thomas receives a cash withdrawal of \$993 from his policy for the difference in the guaranteed cash values between the two premium options; this amount is subject to tax.

Using the Premium Switch Option, Thomas was able to lower his monthly premiums while maintaining the amount of his basic coverage!

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

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We're here to help.

¹ Available after the policy has been in force for at least two years and subject to underwriting.

² Assuming Performance Bonus Rate (PBR) at 5.50%. Source: Wave 45.0

³ Monthly premium for BMO Insurance Whole Life Estate Protector Wave 45.0

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