RBC Growth Insurance and RBC Growth Insurance Plus

Boost your retirement savings with participating whole life insurance

Insurance

Advantages of participating life insurance

One of the advantages of participating life insurance is that growth inside the policy accumulates on a tax-deferred basis up to the limits specified in the federal income tax regulation. This is particularly beneficial for people who have maximized their contribution to their Registered Retirement Savings Plan (RRSP) and Tax-Free Savings Account (TFSA).

By purchasing RBC Growth Insurance™ or RBC Growth Insurance Plus™ and making premium payments with after-tax dollars, you can make a positive difference to your retirement savings. That's in addition to the life insurance coverage the policy provides.

There are no income-based restrictions for making contributions to a life insurance policy. So, after a number of years, your policy's cash value can grow to a point where you are able to withdraw[1] money from the policy. Depending on the adjusted cost basis of the policy and the method of withdrawal, some or all of the withdrawal may be tax-free.[2]

Here's an example of how it works

Kenny purchases a 20 Pay RBC Growth Insurance policy at age 45 for $150,000 base insurance coverage and opts for the maximum deposit allowed by the income tax regulation. His annual payment is $10,403 for 20 years. An insurance illustration for Kenny's scenario, based on the current participating dividend rate, projects that by the time he reaches age 65, the total cash value inside the policy will be $304,311.[3] This means Kenny may have access to a before-tax withdrawal of up to $19,665 per year between the ages of 66 and 80 to supplement his retirement income.

There are various factors such as tax implications, the impact of a change in the future dividend scale, the premium cost and more that should also be considered.

Participating life insurance is an option if you:

- Need financial protection for your family or business
- Have maximized your RRSP and TFSA contributions
- Have savings or an annual cash surplus to make premium payments
- Are looking to supplement your retirement income with an additional solution that offers tax-deferred growth and potentially tax-free distributions to your estate/beneficiary

RBC participating life insurance is available in two options

	RBC Growth Insurance	RBC Growth Insurance Plus
Minimum coverage amount	▪ Coverage starts at $25,000	▪ Coverage starts at $250,000
Access to cash values	▪ Accessible at the end of policy year 5	▪ Accessible at the end of policy year 1
Cost of insurance	▪ Pay less and get more opportunities for long-term financial growth	▪ Pay for early cash values and long-term financial growth opportunities

Choosing the right option for you

When determining whether to buy RBC Growth Insurance or RBC Growth Insurance Plus, your advisor can help you take into account the following:

- Your insurance needs
- Your annual premium
- Your planned retirement age
- Your desired withdrawal amount and timing for when you would want to withdraw the funds from your policy

Contact your Insurance Advisor to discuss how participating life insurance can work for you.

RBC® Insurance

This brochure has been prepared for general information purposes only. Any information provided in this brochure is not intended to be relied upon as tax, legal or financial advice. You should consult your own lawyer, accountant, insurance advisor or other professional when planning to implement a strategy. Although RBC Life Insurance Company has taken all reasonable efforts to provide current and accurate information, we reserve the right to correct any errors or omissions. Please note that tax rules are subject to change. Coverage will be governed by the terms of the policy as issued, if any.

Underwritten by RBC Life Insurance Company.

[1] Withdrawing money from a life insurance policy generally reduces the amount of the total death benefit.
[2] A portion of partial surrender proceeds is generally taxable. For a policy loan, any loan amount in excess of the adjusted cost basis is taxable.
[3] The total cash value growth inside the policy is not guaranteed as it is determined based on the performance of the participating account, which is not guaranteed.

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