

Succession & Estate Planning with Life Insurance

Protect your family and business interests

When it comes to planning, Life Insurance is the cornerstone that protects your dependents and/or business interests.

It is a non-taxable tool that provides a specific solution for:

- Life protection from premature death
- Final expenses
- *And much more...*

Life insurance is a unique tool that can help family members and business owners deal with very difficult and sometimes quite unexpected realities.

For families, life insurance solutions provide liquidity to do the following:

- Replace income for dependents
- Provide an emergency fund or education fund for children
- Pay off the mortgage, any debts, final taxes and expenses
- Preserve more of your wealth for your family
- Accumulate tax-sheltered savings while protecting funds from potential creditors (both personal and business purposes) **Specific permanent plans

- Leave a legacy to charitable foundations or organizations.

For a family, the death benefit proceeds of a life insurance policy are tax-free. If a corporation is the beneficiary, all or most of the proceeds can usually be distributed tax-free to the remaining shareholders of the company.

Normally, insurance premiums are not tax-deductible. For business owners, life insurance can be an important and versatile tool for Business Protection, Key Person Protection, and Succession Planning, and with the proper tax planning, it could also help to reduce final taxes. Some common business uses for life insurance include:

- Protecting the ability to repay significant debts such as business loans or mortgages
- Retirement income / Pension supplement / Compensation package
- Providing a source of funding for the transfer of shares or partnership interests in the event of death, disability or retirement of a key shareholder or partner
- Key Person Protection (liquidity)

- Ensuring a fair distribution of assets, in particular to those children who are not active in the family business

Traditionally, there are really two types of life insurance across Canada

- Term and Permanent

There are many different ways to structure and utilize these solutions for every area of life.

These unique tools offer the ability to accumulate additional wealth over and above the basic coverage, in an approved tax-sheltered manner. The accumulated cash could be used to provide increased coverage to meet increasing needs, supplement retirement income or as an assignable asset that can facilitate financing needs.

At Financial Essentials we help you *understand* how this important tool could best be utilized to provide a solution of certainty, peace of mind, security and wealth preservation for your family and business needs.

[Visit us at
www.financialessentials.ca](http://www.financialessentials.ca)

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