SHARE THE OWNERSHIP SHARE THE BENEFITS

WHY PAY FOR MORE THAN YOU NEED?

Business protection with tax-sheltered savings using the shared ownership strategy.

Meet James and Kirk

Together, they've built a successful software development business. The business requires life insurance protection for James and Kirk and each of them also needs additional retirement savings.

If you're a business owner, you appreciate the complexities of managing both your personal and business assets. At the same time, you also need to ensure your savings grow while minimizing taxes. James and Kirk's story may sound familiar.

James and Kirk's company, Adventure Software, owns term life insurance policies to protect the business against the premature death of either business partner. Getting older, they realize the costs to simply renew the term policies could become very high. With succession and estate planning on their minds, they need a more permanent insurance solution. They need additional personal savings for retirement savings that'll grow in a tax-preferred environment.

The challenge

Simplify financial protection and grow savings.

- RRSPs have limits, and taxes on non-registered savings slow the growth of these savings.
- On James' or Kirk's death, taxes and estate settlement costs could further reduce the benefit of their savings portfolio for their families.
- James and Kirk could be faced with cost increases if they continue to renew their term policies.
- The company could fund a buy-sell arrangement and change from temporary to permanent insurance.

Life's brighter under the sun

Sun Life Financial

The solution

Use the shared ownership strategy to meet multiple needs for multiple owners.

Portions of a SunUniversalLife insurance policy can be easily shared by different owners.

Adventure Software owns and pays for the insurance portion of the policy, providing the protection it needs. On the death of a business partner, the company will have tax-free insurance proceeds to ensure the business continues. James and Kirk can own and pay into the investment portion of the **SunUniversalLife** policy, allowing their personal savings to accumulate on a tax-preferred basis.

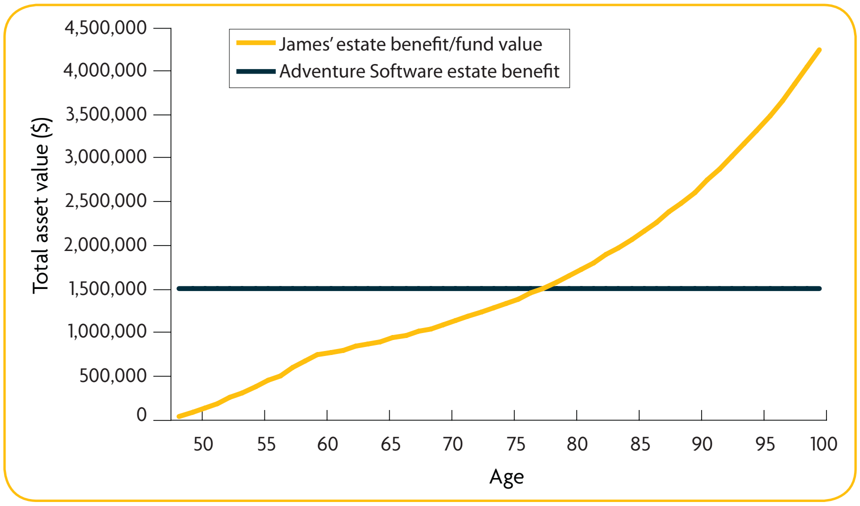
Advantages

- Adventure Software pays for the death benefit portion of the life insurance policy with dollars taxed at a lower rate.
- James' and Kirk's portion of the life insurance policy, the cash surrender value, grows tax-preferred.
- Subject to the shared ownership agreement, James and Kirk can access the cash value portions of their policies through policy loans, withdrawals and third-party loans. If they intend to access policy cash values for retirement income, care must be taken to ensure the policy is not deemed to be a retirement compensation arrangement (RCA).
- If James or Kirk dies, the death benefit part of the policy will go to Adventure Software; an amount equal to the policy cash value at death will go to James' or Kirk's personal beneficiary (beneficiaries). Both amounts will be paid tax-free.

The result

Get what you want by sharing in a tax-exempt life insurance policy.

The company gets the protection it needs. James and Kirk get the opportunity to put away additional sheltered tax-preferred dollars to help fund their retirements. The business may later transfer the insurance coverage to James and Kirk when it no longer needs it. And everyone pays only for the benefits they own.



Illustated values based on a $1,500,000 **SunUniversalLife** policy with bonus and an assumed interest rate of 5% for the fund value. Actual results will vary.

Ask your insurance advisor about the power of sharing life insurance coverage.

Advisor information:

810-3432-12-13