

Insurance-backed saving and investing means security

What if you could be more financially secure?

Purchasing a life and health insurance policy can provide you with peace of mind and safeguard your family's wellbeing. But there's more to the story – a good financial plan can include products that increase your wealth and secure your savings, for both short- and long-term purposes.

Features

Life and health insurance companies offer insurance-backed solutions that:

- make investing less risky,
- pair a savings and investment component with life insurance coverage,
- pay a retirement income guaranteed for the rest of your life and
- help save for retirement in tax-smart ways.

Insurance that pays

There are four types of insurance-backed savings and investment products.

Segregated funds

Segregated funds are investment funds that include a guarantee on your investment while it accumulates value by investing in capital securities such as stocks and bonds.

Depending on the fund you choose, the guarantee on your investment may be 75% to 100% upon death or at maturity. So, no matter how the markets perform your initial investment is secure.

Life insurance with a savings component

Universal life and whole life insurance policies are another way to build tax-free savings for you and your family.

A cash value is like an investment account that grows tax-free while it remains in the policy. You can access your cash value through withdrawal, policy loans, or upon surrender.

Annuities

You can buy an accumulation annuity by making investments over time, or a payout annuity with a lump-sum of money.

Payout annuities can provide a guaranteed monthly income when you retire. Some will continue to pay your spouse or partner for life if you pass first.

Term-certain annuities provide an income for a specific period.

Variable annuities pay out depending on how the markets perform.

RRIFs

A Registered Retirement Income Fund (RRIF) is another way to receive an income and reduce the taxes on your retirement savings.

Canadians are required to convert their Registered Retirement Savings Plan (RRSP) to a RRIF at age 71. Opening a RRIF before that time can also be beneficial from a tax perspective.

You must withdraw a minimum amount each year, but you may also withdraw amounts in excess of this minimum.

The value of professional advice

Insurance-backed investment and savings are a valuable addition to a financial plan, but the options can get complicated. Talk to your financial advisor about your specific needs.



Assuris protects policyholders

If you have life and health insurance from a member company, you already have Assuris protection.

Assuris is the independent not-for-profit organization that protects Canadian policyholders if their life and health insurance company fails. Backed by the strength of the life and health insurance industry, Assuris provides a safety net for every Canadian policyholder. Every insurance company authorized to sell life and health insurance policies in Canada is required, by the federal, provincial and territorial regulators, to be a member of Assuris. A complete list of members can be found on our website.

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