

CHILDREN'S WHOLE LIFE INSURANCE STRATEGY

Case Study



John & Mary

John & Mary are proud grandparents. They have a healthy new grandson Liam.



Insurance Needs

John & Mary want to give their new grandson the gift of a participating whole life insurance policy. They choose Empire Life's Optimax Wealth plan with the 8 Pay premium payment option so the insurance will be fully paid for in just 8 years. They also choose the Paid-Up Additions dividend option that can provide Liam with permanent life insurance protection for the rest of his life and the ability to access cash values that accumulate in the policy.



Optimax Wealth™ 8 Pay Life Insurance with Paid Up Additions

Life insured: Male, age 0

Initial coverage amount: \$50,000

Annual premium: \$801.00 per year for 8 years, then the policy is fully paid up.

Guaranteed cash values start to accumulate at the end of the first policy year.



Accessing Cash Values

If Liam needs cash in the future, for post-secondary education, buying his first home, or whatever he chooses, he will have the option of accessing accumulated cash values through a policy loan or by surrendering the policy.



Optimax Wealth 8-pay using the Paid-Up Additions dividend option with an initial coverage amount of \$50,000

Optimax Wealth is a participating life insurance plan, which means dividends may be declared annually. By choosing the Paid-Up Additions dividend option, declared dividends are used to buy more participating life insurance, called "paid up additions", that also accumulates cash values and can earn dividends. As paid up additions increase, the Total Cash Surrender Value and Total Coverage Amount of the policy can increase. By choosing the 8 Pay premium option, the insurance will be fully paid for in just 8 years.



¹ Includes initial coverage amount, which is guaranteed, plus the amount of paid-up additions purchased with dividends, which is not guaranteed. Total Coverage Amount will decrease by the amount of any outstanding policy loans or if any paid-up additions are surrendered. If the policy is surrendered, no death benefit is payable.

² Includes cash value of the base coverage, which is guaranteed, and cash values of the paid-up additions purchased with dividends, which are not guaranteed. The total cash surrender value can be accessed through a policy loan or by surrendering the policy.

This case study is for illustration purposes only. It is designed to show how an Empire Life Optimax Wealth 8-Pay policy with Paid-up Additions dividend option may perform. Results will vary depending on the life insured's insurance age, initial coverage amount, pay period, dividend scale used each year and life insurance premiums. Advisors should determine whether this concept is suitable for any particular client based on the client's specific circumstances and needs.

Premium shown as of October 2019 and is based on the Empire Life coverage and life insured (standard rated) indicated. Total Coverage Amount and Total Cash Surrender Values shown include guaranteed values as of October 2019 for the Empire Life coverage and life insured (standard rated) indicated and projected non-guaranteed values for the same coverage and life insured, which assume paid-up additions will be purchased each year with dividends declared on the policy using the current Empire Life dividend scale, which is not guaranteed, and there are no changes to the policy. Actual amounts may be more or less than those indicated. See insurance contract for details.

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