



GLOBAL PACIFIC  
FINANCIAL SERVICES LTD.

## eBulletin : June 18, 2013

Submitted by Josh on June 18, 2013 - 2:29pm

### In this week's issue:

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## Access the cash value of an insurance policy

Clients purchase a life insurance policy to help protect their family, and their estate, when they die.

But do they know over the long term, the cash value in a permanent life insurance policy may provide a source of income during their lifetime?

Canada Life™ offers ways to do just that.

### Cash surrender value (CSV) line of credit

A permanent life insurance policy can be a powerful tool in a client's portfolio. These products offer life insurance protection, and can allow clients to accumulate growth, or cash value,\* without paying income tax on growth while it remains in the policy. The death benefit goes to a client's beneficiary, tax-free, on death. A CSV is a personal line of credit, but clients can use either a personally, or corporately, owned permanent life insurance policies as collateral.

The **CSV line of credit** may be a great option for clients and by becoming familiar with our offering, it will help keep the client relationship strong.

Since the cash value of a permanent life insurance policy generally increases in value over time it can, like most other assets, be used as security against a line of credit. Two CSV line of credit options are available through Canada Life. They are:

#### National Bank CSV line of credit

- Minimum line of credit: \$50,000 (personal line of credit)
- Credit availability is contingent on credit approval and at the sole discretion of National Bank
- Loan-to-cash value ratio of:
  - 90 per cent in the event the cash surrender value is from a participating life insurance policy or guaranteed investment income amount of a universal life insurance policy
  - 60 per cent if the cash surrender value is in equity-linked accounts of a universal life insurance policy

#### Scotia Private Client Group® cash surrender value line of credit program:

- Minimum line of credit: \$100,000
- Loan-to-cash value ratio of:
  - 90 per cent in the event the CSV is from a participating life insurance policy and universal life insurance policy where principal value of CSV is in guaranteed investments
  - 50 per cent in the event the CSV is from a universal life insurance policy invested in mutual funds
  - Up to 100 per cent for fully paid-up policies
- Customized payment options available
- Prime flat for retirement income enhancer and back end leverage structures. Triple backs and retirement compensation arrangements to be negotiated based on the transaction.

A client brochure, **Accessing the cash values in your life insurance policy**, is available on Canada Life RepNet.™

For more information about the **CSV line of credit**, contact your regional marketing centre or the Canada Life Banking Products Support team at 1-866-566-0626.

\*Within certain legislative limits

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| Attachment   | Size      | Type            |
|--|-----------|-----------------|
| Canada Life CSV Line Of Credit Brochure (PDF)  | 210.11 KB | application/pdf |
| <b>Source URL:</b> <a href="https://www.globalpacific.com/bulletins/canada-life/2013-06-18/ebulletin-june-18-2013-0">https://www.globalpacific.com/bulletins/canada-life/2013-06-18/ebulletin-june-18-2013-0</a> |           |                 |