Sharing the wealth...provide financial security for your children

Create a valuable gift for your children

You can provide financial help and security to your children* while you are still alive. By using the Family Wealth Transfer Strategy you can transfer non-registered assets to your children and increase the value of your estate at death in a tax-efficient manner. This is done by minimizing income taxes and bypassing probate and estate fees, all while providing your children with valuable lifetime insurance protection.

Do you wish you could:

- Provide financially for the future of your children?
- Give while you are still alive rather than just at death through your will?
- Create an inheritance for your child that is affordable?
- Create wealth for your children in a tax-efficient manner?
- Gift while you are still alive, yet still maintain control of your assets and benefit from the tax-deferred savings?

*The term "child" has an extended definition that generally includes, among other persons, the individual's children and grandchildren (by birth or adoption), the children or grandchildren (by birth or adoption) of the individual's spouse or common-law partner, and the spouse or common-law partner of a child of the individual. To determine whether any particular individual is a "child" of another individual for purposes of applying subsection 148(8) of the Income Tax Act, the relationship between the two individuals should be reviewed on a case-by-case basis.

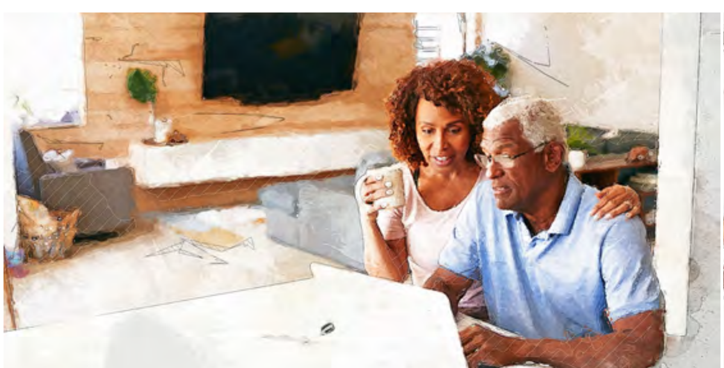
A gift for every stage of life

The Family Wealth Transfer Strategy from ivari offers an affordable way to provide an inheritance for your child while maximizing the value of your financial gift. This strategy is ideal for parents who would like to start saving for their child's future, and grandparents who would like to leave an inheritance for their children or grandchildren. With this strategy, you can build a legacy for your family, while maximizing the value of your financial gift.

Unlike traditional insurance solutions that provide benefits upon death of a parent, or grandparent, the Family Wealth Transfer Strategy is built around a universal life insurance policy on the life of your child.** By investing in a universal life policy for your child you provide them with a lifetime of protection. Once they are old enough, you can transfer the ownership of the policy to them which gives them access to funds at their marginal tax-rate without the application of attribution rules,*** provided the child is at least 18 years of age. They can use the funds for any purpose including post-secondary education, their dream wedding, as collateral for a loan, or to help them purchase a home of their own.

** The amount of insurance protection on the child as well as any premium deposit must be financially justifiable and is subject to underwriting requirements and considerations.

***Attribution rules under the Income Tax Act provide that interest and dividends (income) earned on investment property transferred to a minor family member will be attributed back to you (but not capital gains which is not "income").



So many benefits for your child… and you

The Family Wealth Transfer Strategy provides an effective savings tool, as well as important insurance protection.

- As long as you remain the owner on the policy, you maintain full control of the funds.
- Setting up a Family Wealth Transfer Strategy has lower set-up and administration costs than other forms of wealth transfer.
- Funds may be used for any purpose.
- You lock in the insurability of your child for life.
- Under some conditions, the policy can be protected from creditors.
- While your fund value grows, it is tax-deferred. Withdrawals are taxed in the hands of your children after the policy ownership is transferred to them.
- The policy and its fund value bypass the will and the estate and are therefore exempt from costly probate and other estate-related costs.
- You will have access to a variety of investment funds and interest options.

How can the Family Wealth Transfer Strategy work for you?

Our universal life insurance policies have unique features and tax advantages that make them ideal for transferring wealth between generations.

By purchasing a tax-exempt universal life insurance policy on the life of your child, you will be able to deposit your otherwise taxable, non-registered assets into the policy. Deposits within the policy will then accumulate on a tax-deferred basis and will not be taxed until it is withdrawn, usually at the child's marginal tax rate after transfer.

Added protection of Living Benefits	Built into our universal life insurance policy, Living Benefits from ivari provide surrender charge-free access to the fund value that may be tax-free* upon a qualified disability.** For a Joint Last-to-Die policy, both you and your child are covered as insureds. *Under the Income Tax Act (Canada) and at the date of publication, the receipt of Living Benefits is not currently taxable. Applicable legislation and regulatory expectations may change, and it is your client's responsibility to determine how applicable laws apply to them. ivari does not guarantee the tax treatment of its product features. ivari is not responsible for the tax consequences that may affect your client. Please ensure your client consults a qualified legal or tax advisor when they wish to access the Living Benefit to obtain an opinion in relation to their circumstances. **Please refer to the contract for information on what qualifies as a disability and other eligibility requirements. Disabilities caused by pre-existing conditions do not qualify. Other restrictions or conditions may apply. A payment of the Living Benefit may result in an adjustment to the face amount and will reduce the death benefit and total fund value of the policy.
Who owns the policy?	You remain the policyowner until you decide to transfer ownership of the policy. As the owner, you will have control of the policy until the ownership is transferred to the child. Under certain circumstances, this transfer can be done on a tax-deferred, or "rollover" † basis. † Provided that the rollover requirements in section 148(8) of the Income Tax Act are satisfied and that the child is of legal age under the applicable provincial insurance act to own an insurance policy.
How does the rollover work?	*To be eligible for the rollover:* • The child must be the only life insured under the policy at the time of transfer, doesn't have to be the person to whom ownership is being transferred. For example, the life insured may be the grandchild and the policy may transfer from the grandparent to his or her child (i.e., the parent of the insured). • The policy must transfer for no consideration (free) to the child. • The transfer of ownership must be a direct transfer. It is important that in the event of the owner's death, the child receives the ownership directly through a contingent ownership designation in the policy and not through the will.

Transfer of ownership	*While you are alive:* On a single life policy, transfer of ownership may take place any time provided the new owner can legally own the contract (For most provinces, the minimum age is 16, and age 18 in the province of Quebec). The child, as the new owner, will then have control over the policy and may withdraw funds as they see fit. Should you wish to transfer ownership but still remain in control of the funds within the policy, you may choose to designate yourself as an irrevocable beneficiary, so that the child may not access funds without your consent. *After your death:* The ownership of the policy will be transferred automatically to the child upon your death if you designate the child as a contingent owner while you are still living and the child survives you. This way, all assets within the policy are transferred outside of the will and will be exempt from probate and other estate-related costs. You can also choose to transfer ownership of the policy to another child other than the insured child. For example, if you purchased a policy on the life of your grandchild, you may want to transfer ownership to your child (i.e. the parent of your grandchild).

Joint life coverage

If you purchase a Joint Last-to-Die policy on the lives of yourself and your child, you can choose to have the fund value paid out on the first death. If you, as the parent, die first, the fund value could then be paid out to the surviving child as a death benefit without a taxable disposition, avoiding probate and other estate taxes. Please note that under this set-up, ownership can only be transferred upon the death of the parent.

When is the right time to start?

It's never too early to think about investing in your family's future. With the Family Wealth Transfer Strategy from ivari, you have an affordable and tax-efficient way to provide for your child at every stage of life.

We recommend that you consult your advisor to determine if this strategy is right for you.

ivari offers universal life insurance plans that provide valuable and flexible coverage with a wide range of investment options, a choice of death benefit options, riders, optional benefits and many other features you can use to customize your plan to your specific needs.

The intent of this brochure is to provide an overview of the concept. This material has been prepared for use in conjunction with other product information. For a precise understanding of your rights and obligations, please refer to the policy contract.

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