

Insurance GICs

Protect your investments and ensure your estate is secure



Meet Joanne

Joanne and her husband, Ben, planned well for retirement. They spent the first 10 years travelling the world, followed by time at home with their family. Two years ago, Ben died. Because of their planning, all their assets went to Joanne without being exposed to the estate and probate process (and the associated costs). Now at age 70, Joanne has more than enough money to live comfortably.

Many people like surprises, but not when it comes to their money – especially when those surprises reduce a loved one’s inheritance. An insurance GIC – an accumulation annuity issued by an insurance company – can help ensure that your estate isn’t exposed to unwanted surprises.

The following story shows how you can benefit by owning an insurance GIC.

Joanne’s story

Joanne knows that probate and estate costs* can reduce the value of an estate. Joanne wants to maximize the amount of money she leaves to her children when she dies. Joanne has approximately \$150,000 in non-registered GICs with her local bank and her home is worth about \$400,000.

*In Quebec, estates are not charged probate fees.

The Options

Option 1

This is Joanne’s current situation with her non-registered GIC assets. When Joanne dies, all her assets will flow to her estate – which means 100% of her assets will be subject to delays and costs. In this case, those costs could be up to \$40,000.

Asset	Value	Distribution
House	\$400,000	Sold – assets to her estate
Non-registered GIC assets	\$150,000	Assets to her estate

Even if Joanne sold her home, the outcome is the same: 100% flows through the estate.

Asset	Value	Distribution
Non-registered GIC assets	\$550,000	Assets to her estate

Option 2

Another option is to invest her non-registered assets in an insurance GIC with her insurance company. That way, only 70% of Joanne's assets flow through her estate.

Asset	Value	Distribution
House	\$400,000	Sold – assets to her estate
Non-registered insurance GIC assets	\$150,000	Assets to her beneficiary(ies)

If Joanne sold her home and deposited the proceeds to her insurance GIC, none of her assets would flow through her estate. Her beneficiary(ies) avoid the delays and fees associated with probate and estate administration by being paid directly.

Asset	Value	Distribution
Non-registered insurance GIC assets	\$550,000	Assets to her beneficiary(ies)

The Solution

Invest in a Sun Life insurance GIC, which will protect her legacy from probate.

After reviewing the benefits of an insurance GIC, Joanne decides to move her non-registered GICs (when they mature) to an insurance GIC to protect her legacy from the probate process. Joanne wants to stay in her current house until she's 75. Then she'll sell her home and invest the proceeds in an insurance GIC, protecting even more of her assets.



For more information, speak to your advisor or:

Visit sunlifeglobalinvestments.com | Call **1-877-786-5433**

An Insurance GIC is an accumulation annuity. You can ask to start your annuity payments at any time. Otherwise your annuity payments will start after you turn 100.

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