LOOKING FOR A HEALTHIER WAY TO PLAN FOR THE FUTURE?

THE HEALTH CARE FUNDING STRATEGY

Providing funds for health care costs through tax-exempt life insurance.

Meet Ron and Elaine

Ron, 51 and Elaine, 47 are preparing for retirement and concerned about how they'll cope with health care costs later in life.

It's everyone's desire to reward years of hard work with a comfortable retirement. Careful financial planning can help ensure you'll have the funds to enjoy a long, active retirement. But what if your health falters? A significant critical illness or a deteriorating condition may dramatically change what your retirement looks like. Couple this with rising health care costs and waning health care support programs and your view of the future starts to change.

Ron and Elaine have spoken to their advisor and have included a universal life policy in their estate planning. Now they're interested in their options to protect their retirement plans against the impact of a serious health event.

The challenge

Changes in the health care landscape are putting the burden of health care costs on the individual.

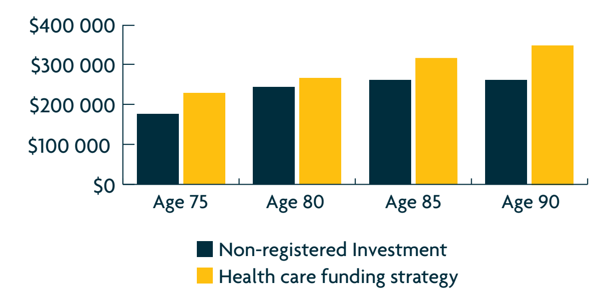
- Health care costs in Canada are increasing at a rate much higher than inflation.
- Fewer employers are continuing health benefits for retirees.
- Prudent retirement planning should include provision for future health care costs; that funding must be flexible enough to withstand a wide spectrum of severity, ranging from drug costs not covered under other plans, to full time residential care.
- Government programs are being restricted and even eliminated.
- Ideally funds set aside for health care costs remain accessible if unused.
- Changes in health might change retirement activities but not the underlying values regarding independence and quality of life.

Sun Life Financial

The solution

*Contribute additional dollars to your **SunUniversalLife** policy. Have them grow tax-preferred in the policy fund creating health care funds for use in the future.*

- Permanent life insurance vehicles such as **SunUniversalLife** permit funds to grow on a tax-preferred basis within the policy, subject to certain maximums.
- Ron and Elaine may withdraw these funds to cover expenses. The withdrawal will be tax-free if they are disabled by illness, accident or deteriorated mental capacity.[1]
- Depending on the death benefit option selected, if the funds set aside for health care funding are not used for disability or long-term care, they will be paid tax-free to their beneficiary as an estate benefit.



- Investment account options for their health care funds vary from guaranteed interest terms of up to 20 years, to accounts based on the performance of market indices or many popular mutual funds.
- This solution effectively creates funds for use in the medium to long-term. To address the risk of health events in the next 10 to 20 years they should consider complementing their health care funding with critical illness insurance.

The result

A $600 per month commitment towards health care funding using universal life could leave you with an extra $42,000 after 30 years vs. a comparable non-registered investment.[2]

1 The policy describes the criteria under which you may qualify for tax-free withdrawal. Current tax rules support this feature. These rules may change at any time. Those in effect on the date you request a withdrawal will apply.

2 Illustrated values based on the assumed rate of 5% for a joint last-to-die **SunUniversalLife** (with bonus option) and 5.45% for the taxable investment (40% bond at 4.25% and 60% equities at 6.25%).

Call your advisor today to see how the health care funding strategy can work for you.

Life's brighter under the sun

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