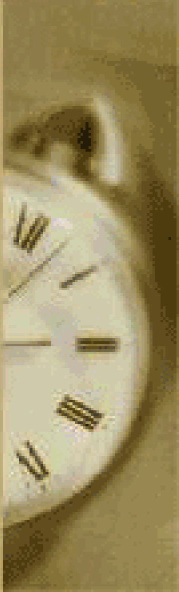
Capital Gains Protection

Transfer of Capital Assets

- Transfers to spouse do not trigger any tax.
- At the death of the surviving spouse, or in cases where there is no spouse, the capital assets in your estate are taxed as if they were sold
- The estate is taxed on 50% of the increase in the value of the property from the time it was purchased.



The Tax Bill

- Tax must be paid before property can be passed on.
- Poor financial planning could result in “fire sale” of the asset(s) to pay the tax bill.

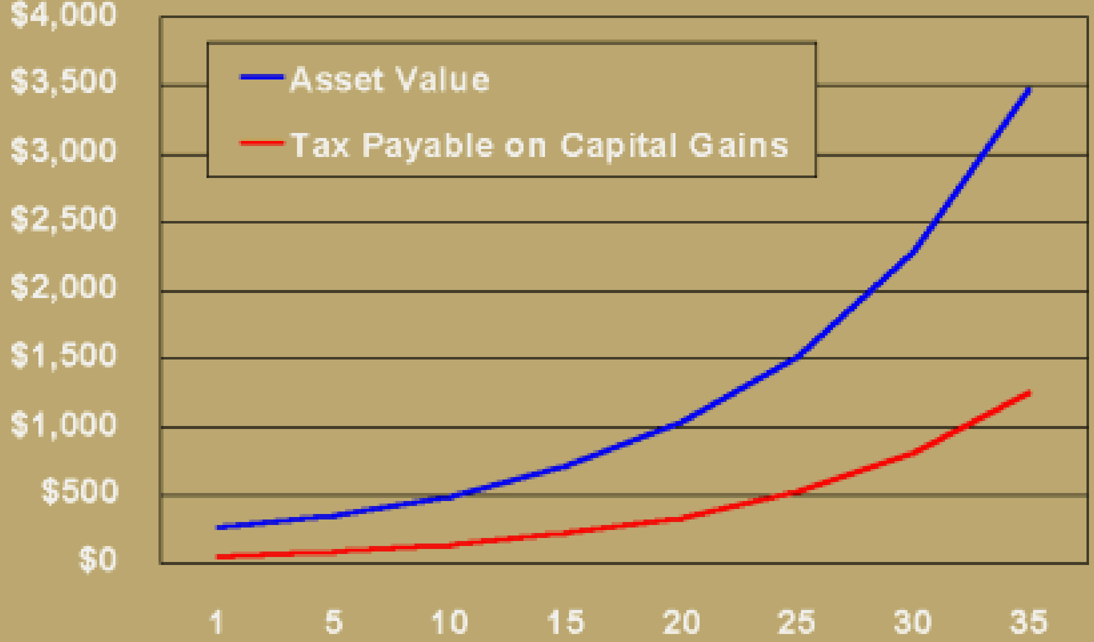
Preserving the Value Of Your Estate

- Consider Jack & Susan Smith
- Want to ensure their daughter is not left with large capital gains' tax bill on their deaths

The Smiths' Capital Assets

Asset Name	ACB	FMV	Projected Growth Rate
Stocks	$20,000	$100,000	10%
Bonds	$25,000	$50,000	5%
Cottage	$75,000	$100,000	4%

Your Tax Liability Reflects The Value of Your Assets

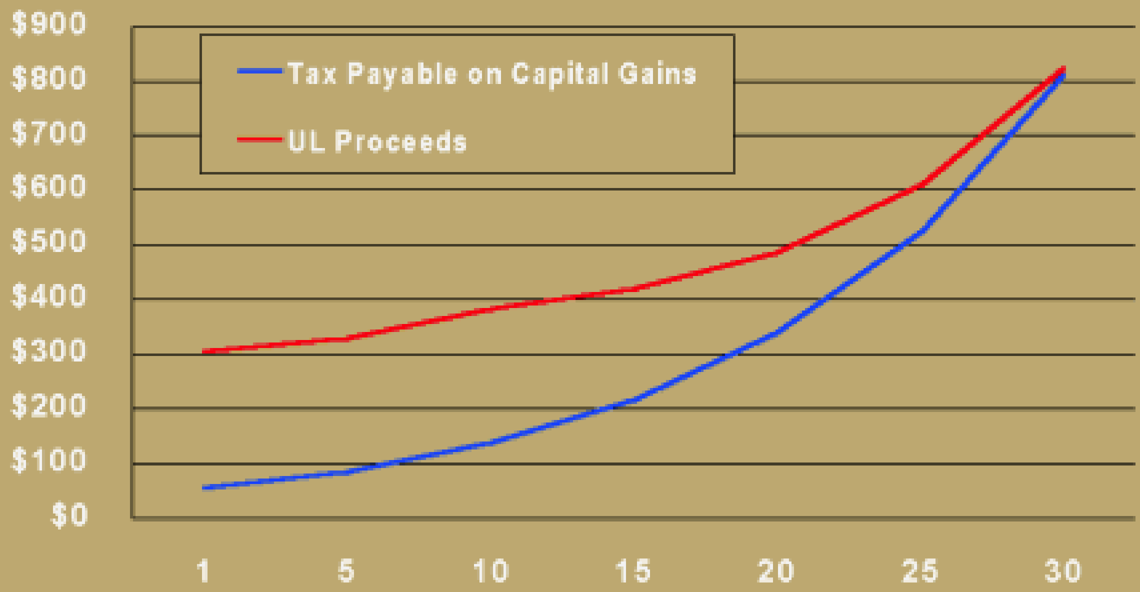


Anticipated tax payable on capital gain is $812,000 in thirty years.

Funding the Tax Bill

- Universal Life
- Tax sheltered cash value growth
- Tax-free death benefit
- Purchase enough coverage to fund the anticipated tax bill
- Result
  - Assets are transferred intact with proceeds from the insurance policy used to pay the tax man

Funding the Tax Bill
(In Thousands)



UL proceeds of $821,000 pays the anticipated $812,000 tax payable on capital gains in 30 policy years.

A Solution with Universal Appeal

- Preserve the value of your estate
- Insurance proceeds fund tax liabilities
- Assets pass intact to beneficiaries