

Projection Service for Potential Benefits of Life Insurance Purchased by a Holding Company.



Prepared for

Dr. Isabelle Gooddoc

By

Advisor's Name

Scenario 1

PARTICIPATING LIFE INS. 20 PAY

REDUCED RATE -1%

Report Creation Date

2023-04-16

EXAMPLE

The Benefits of Life Insurance Underwritten by a Holding Company

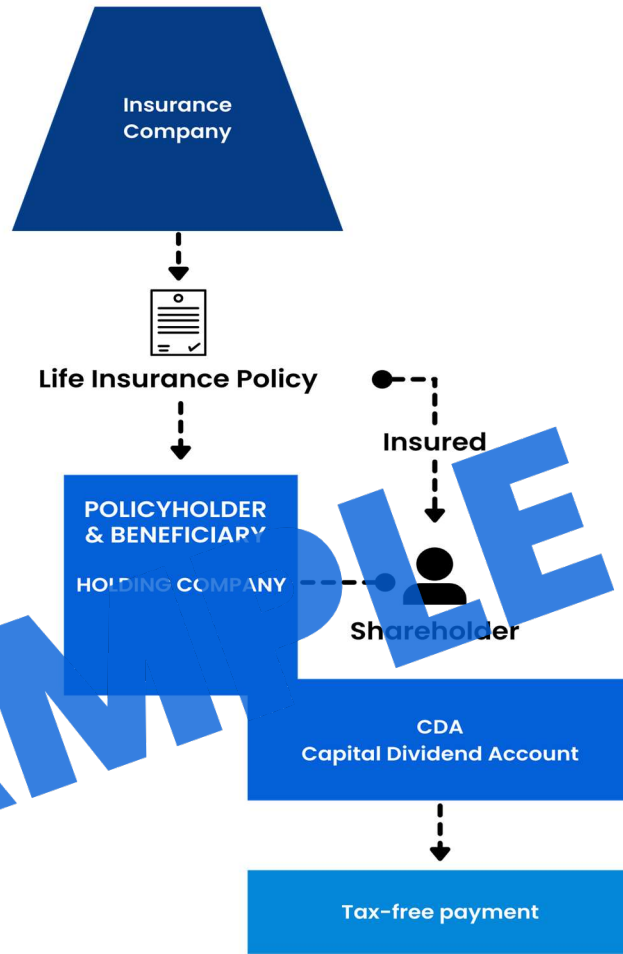
It is possible for a company to be both subscriber and beneficiary of a life insurance policy. This generally allows the company to pay the premiums for this policy and to receive the proceeds following the death of the insured.

Although premiums are generally not deductible, it is possible for the company to pay them using company funds, which is an advantage over using personal after-tax funds.

When the policy proceeds are finally received, they are not taxable to the business. In addition, an equivalent amount, net of adjusted cost base, is added to the company's capital dividend account.

This amount can be distributed to shareholders as a tax-free capital dividend. The insurance company determines the adjusted cost base of the policy, which is calculated by subtracting the pure cost of life insurance from the premiums paid.

(See life insurance illustration.)



This report highlights the advantages of this strategy for your heirs, taking into account the particularities of your holding company. We took into consideration the annual amounts of premiums paid, your personal needs in terms of future withdrawals, the distribution of your company's investment income, as well as items such as the Capital Dividend Account (CDA) and refundable dividend tax on hand (RDTOH). This analysis allows you to determine whether or not it is better for your estate if your company has life insurance on your life.

Projection Report for Potential Benefits of Life Insurance Purchased by a Holding Company.

Dr. Isabelle Gooddoc	
Shareholder Name	
Advisor's Name	
Advisor's Name	
Shareholder's Age	40

Current Year	2023
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Current Balance in the Investment Account	\$ 1,463,250.00
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Annual Return of the Investment Account	4.00%
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Current Book Value	\$ 865,325.00
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Current CDA	\$ 541,235.00
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Current RDTOH	\$ 66,585.00
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RDTOH on Investment Income	30.67%
RDTOH on Dividend Income	38.33%
Repayment as Dividends	38.33%

Distribution of Investment Income	%
Foreign Interest/Div	0.0%
Canadian Dividends	36.0%
Capital Gain Distributed Annually	15.0%
Capital Gain	49.0%
Total	100%

Taxation of the Investment Account	Tax Rate
Foreign Interest/Div	50.17%
Canadian Dividends	38.33%
Capital Gain	25.085%

Planned Contributions	Amount	Starting Age	Ending Age
	280,000.00 \$	40	40
	300,000.00 \$	41	43
	350,000.00 \$	44	44
	380,000.00 \$	45	45
	160,000.00 \$	46	46

The book value of the holding company's investment account is adjusted based on contributions, withdrawals, and also distributions made from the investment account.

Planned Withdrawals	Amount	Starting Age	Ending Age
	\$ 400,000.00	43	43
	\$ 50,000.00	47	91

We apply the capital dividend payment to the maximum of the CDA notional account balance. For the corporation, the DEA is applied to the maximum of the limits, calculated based on the applicable rate and the balance limits of the notional RDTOH account. The company's taxes are paid by withdrawing from the investment account the following year at the beginning of the period.

Life Insurance Premiums	Amount	Starting Age	Ending Age
	\$ 56,740.00	40	59

Insurance premiums are paid through withdrawals made from the investment account, taking into account the taxes to be paid by the management company on the capital gains realized to cover the annual premium. The CDA is adjusted based on the

PARTICIPATING LIFE INS. 20 PAY			
REDUCED RATE -1%			
Life Insurance Death Benefit Payment	Amount	Age	AGI
Scenario 1	\$ 3,534,900.49	70	\$ 873,663.62
Scenario 2	\$ 5,581,708.83	91	

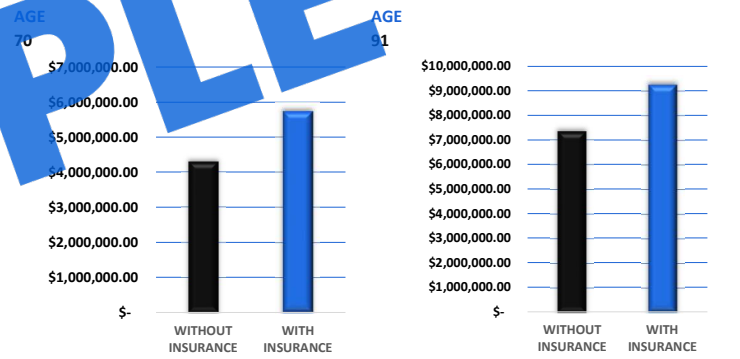
Dividends Paid Upon Death	Tax Rate
Non-Eligible Dividends	48.70% *

*Rate based on non-eligible dividends when the company is dissolved or the shares are redeemed.

WITH LIFE INSURANCE				
AGE	CDA AT DEATH	GROSS AMOUNT PAID	ESTATE TAX	PAYMENT TO HEIRS
70	\$ 3,896,091.76	\$ 6,557,528.16	\$ 832,575.20	\$ 5,724,952.95
91	\$ 7,707,465.86	\$ 9,976,933.43	\$ 728,574.10	\$ 9,248,359.33

WITHOUT LIFE INSURANCE				
AGE	CDA AT DEATH	GROSS AMOUNT PAID	ESTATE TAX	PAYMENT TO HEIRS
70	\$ 1,608,439.56	\$ 5,500,648.27	\$ 1,218,239.91	\$ 4,282,408.36
91	\$ 3,436,436.54	\$ 9,126,619.99	\$ 1,789,711.71	\$ 7,336,908.28

AGE	LIFE INSURANCE GAIN	%
70	\$ 1,442,544.59	33.7%
91	\$ 1,911,451.05	26.1%



CDA: Capital Dividend Account.

The tax-free amounts that are typically included in a company's CDA are as follows:

- Capital gains and losses;
- Dividends received from another corporation;
- Proceeds received from a life insurance policy taken out by the corporation;
- Gains and losses realized on the sale of certain capital properties.

General Rate Income Pool (GRIP)

The GRIP account balance is not calculated. The entire amount paid to the estate is calculated as a non-eligible dividend.

The GRIP is calculated at the end of the taxation year. However, a corporation may pay eligible dividends during the year, provided they do not exceed its GRIP at the end of the taxation year.

RDTOH: Refundable Dividend Tax On Hand.

RDTOH is a notional account that represents the excess tax paid by a private corporation or taxable on certain types of investment income, including interest, dividends and capital gains. The RDTOH account is a tax mechanism that allows shareholders of a corporation to receive taxable dividends while benefiting from a tax credit to avoid double taxation. Dividends paid by a corporation are subject to personal income tax, but the corporation paying them may also have paid taxes on the profits it has made. The RDTOH account therefore recovers a portion of these taxes paid by the corporation.

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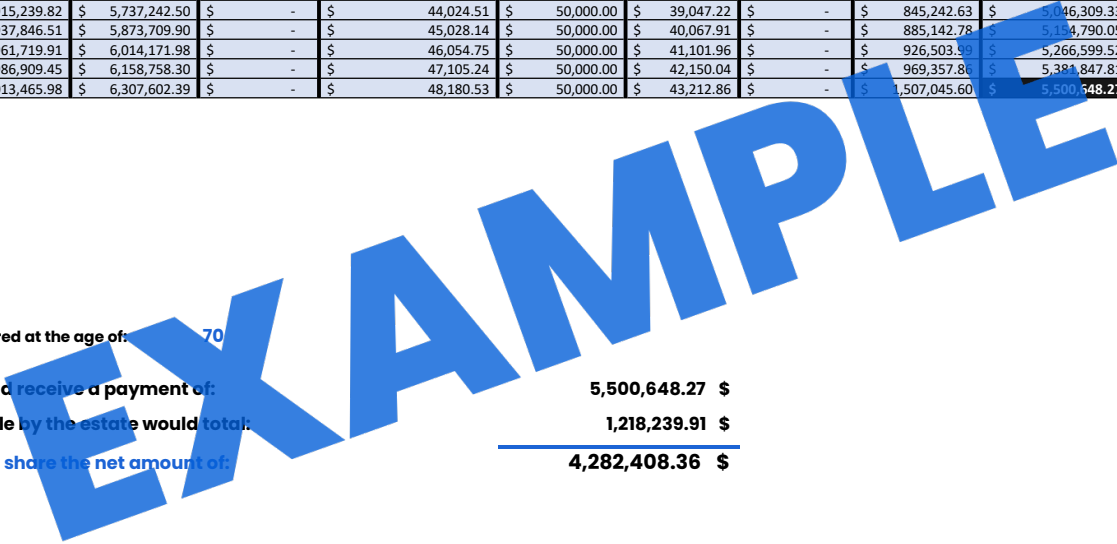
We would like to thank him for his valuable collaboration,
Mr. Jean-Louis Puitano, CPA, Pl. Fin.



Scenario Without Life Insurance

AGE 70

Age	Year	Beg. On Per. BkVal	Value	Contribution	Taxable Withdrawals	Pmt To SHldr	Addition to CDA	CDC (Living)	RDTOH	Pmt to the Estate	Payment to Heirs
40	2023	\$ 1,145,325.00	\$ 1,812,980.00	\$ 280,000.00		\$ -	\$ 5,229.75	\$ 546,464.75	\$ 77,810.87	\$ 1,654,419.55	\$ 1,294,408.36
41	2024	\$ 1,468,641.63	\$ 2,184,763.70	\$ 300,000.00	\$ 12,245.67	\$ -	\$ 8,144.51	\$ 554,609.26	\$ 91,903.83	\$ 2,015,874.65	\$ 1,498,179.25
42	2025	\$ 1,796,739.75	\$ 2,568,807.12	\$ 300,000.00	\$ 14,756.86	\$ -	\$ 9,421.21	\$ 564,030.47	\$ 108,426.57	\$ 2,387,773.88	\$ 1,710,792.61
43	2026	\$ 2,129,777.03	\$ 2,565,514.51	\$ 300,000.00	\$ 17,350.86	\$ 400,000.00	\$ 61,368.34	\$ 225,398.81	\$ 142,986.91	\$ 2,370,461.63	\$ 1,539,362.82
44	2027	\$ 2,092,521.15	\$ 2,984,892.47	\$ 350,000.00	\$ 45,425.59	\$ -	\$ 14,763.64	\$ 240,162.45	\$ 163,356.43	\$ 2,775,728.35	\$ 1,803,336.59
45	2028	\$ 2,510,909.68	\$ 3,478,520.44	\$ 380,000.00	\$ 20,161.28	\$ -	\$ 12,547.24	\$ 252,709.69	\$ 185,665.98	\$ 3,252,911.40	\$ 2,077,735.64
46	2029	\$ 2,715,646.73	\$ 3,759,625.97	\$ 160,000.00	\$ 23,495.47	\$ -	\$ 13,767.78	\$ 266,477.47	\$ 209,841.76	\$ 3,516,243.09	\$ 2,246,657.66
47	2030	\$ 2,763,999.06	\$ 3,833,601.06	\$ -	\$ 25,394.18	\$ 50,000.00	\$ 20,997.20	\$ 237,474.67	\$ 236,892.77	\$ 3,571,858.23	\$ 2,287,963.52
48	2031	\$ 2,760,687.02	\$ 3,906,275.12	\$ -	\$ 29,490.37	\$ 50,000.00	\$ 22,313.98	\$ 209,788.65	\$ 264,733.33	\$ 3,625,828.78	\$ 2,333,208.84
49	2032	\$ 2,758,128.18	\$ 3,981,156.93	\$ -	\$ 30,162.70	\$ 50,000.00	\$ 23,188.97	\$ 182,977.62	\$ 293,239.67	\$ 3,681,653.05	\$ 2,380,488.29
50	2033	\$ 2,756,355.04	\$ 4,058,323.53	\$ -	\$ 30,845.84	\$ 50,000.00	\$ 24,068.50	\$ 157,046.12	\$ 322,425.30	\$ 3,739,397.32	\$ 2,429,854.63
51	2034	\$ 2,755,401.06	\$ 4,137,854.53	\$ -	\$ 31,540.32	\$ 50,000.00	\$ 24,952.77	\$ 131,998.89	\$ 352,304.23	\$ 3,799,130.00	\$ 2,481,362.40
52	2035	\$ 2,755,300.75	\$ 4,219,832.16	\$ -	\$ 32,246.68	\$ 50,000.00	\$ 25,842.02	\$ 107,840.91	\$ 382,890.96	\$ 3,860,921.75	\$ 2,535,068.00
53	2036	\$ 2,756,089.67	\$ 4,304,341.35	\$ -	\$ 32,965.48	\$ 50,000.00	\$ 26,736.49	\$ 84,577.40	\$ 414,200.53	\$ 3,924,845.54	\$ 2,591,029.76
54	2037	\$ 2,757,804.46	\$ 4,391,469.82	\$ -	\$ 33,697.29	\$ 50,000.00	\$ 27,636.46	\$ 62,213.86	\$ 446,248.54	\$ 3,990,976.70	\$ 2,649,308.03
55	2038	\$ 2,760,482.87	\$ 4,481,308.18	\$ -	\$ 34,442.73	\$ 50,000.00	\$ 28,542.24	\$ 40,756.10	\$ 479,051.15	\$ 4,059,393.04	\$ 2,709,965.22
56	2039	\$ 2,764,163.82	\$ 4,573,950.00	\$ -	\$ 35,202.40	\$ 50,000.00	\$ 29,454.16	\$ 20,210.26	\$ 512,625.11	\$ 4,130,174.87	\$ 2,773,065.91
57	2040	\$ 2,768,887.40	\$ 4,669,491.95	\$ -	\$ 35,976.98	\$ 50,000.00	\$ 30,372.57	\$ 582.84	\$ 546,987.81	\$ 4,203,405.15	\$ 2,838,676.91
58	2041	\$ 2,774,694.94	\$ 4,774,978.96	\$ -	\$ 36,767.11	\$ 50,000.00	\$ 31,297.86	\$ -	\$ 575,212.15	\$ 4,286,114.63	\$ 2,915,872.04
59	2042	\$ 2,788,574.15	\$ 4,883,714.90	\$ -	\$ 37,573.51	\$ 50,000.00	\$ 32,224.82	\$ -	\$ 604,430.48	\$ 4,371,558.36	\$ 2,995,679.15
60	2043	\$ 2,803,592.36	\$ 4,995,539.32	\$ -	\$ 38,438.09	\$ 50,000.00	\$ 33,168.69	\$ -	\$ 634,895.47	\$ 4,459,560.20	\$ 3,077,901.87
61	2044	\$ 2,819,566.11	\$ 5,110,552.70	\$ -	\$ 39,321.34	\$ 50,000.00	\$ 34,122.11	\$ -	\$ 666,630.67	\$ 4,550,205.54	\$ 3,162,610.67
62	2045	\$ 2,836,536.26	\$ 5,228,860.01	\$ -	\$ 40,222.69	\$ 50,000.00	\$ 35,085.32	\$ -	\$ 699,660.33	\$ 4,643,583.76	\$ 3,249,877.60
63	2046	\$ 2,854,544.90	\$ 5,350,569.44	\$ -	\$ 41,142.89	\$ 50,000.00	\$ 36,058.88	\$ -	\$ 734,009.66	\$ 4,739,786.95	\$ 3,339,777.02
64	2047	\$ 2,873,635.24	\$ 5,475,792.48	\$ -	\$ 42,082.72	\$ 50,000.00	\$ 37,043.32	\$ -	\$ 769,704.85	\$ 4,838,909.96	\$ 3,432,385.70
65	2048	\$ 2,893,851.68	\$ 5,604,644.03	\$ -	\$ 43,042.99	\$ 50,000.00	\$ 38,039.23	\$ -	\$ 806,773.09	\$ 4,941,050.53	\$ 3,527,782.87
66	2049	\$ 2,915,239.82	\$ 5,737,242.50	\$ -	\$ 44,024.51	\$ 50,000.00	\$ 39,047.22	\$ -	\$ 845,242.63	\$ 5,046,309.33	\$ 3,626,050.27
67	2050	\$ 2,937,846.51	\$ 5,873,709.90	\$ -	\$ 45,028.14	\$ 50,000.00	\$ 40,067.91	\$ -	\$ 885,142.78	\$ 5,154,790.05	\$ 3,727,272.31
68	2051	\$ 2,961,719.91	\$ 6,014,171.98	\$ -	\$ 46,054.75	\$ 50,000.00	\$ 41,101.96	\$ -	\$ 926,503.89	\$ 5,266,599.52	\$ 3,831,536.06
69	2052	\$ 2,986,909.45	\$ 6,158,758.30	\$ -	\$ 47,105.24	\$ 50,000.00	\$ 42,150.04	\$ -	\$ 969,357.86	\$ 5,386,847.81	\$ 3,938,931.39
70	2053	\$ 3,013,465.98	\$ 6,307,602.39	\$ -	\$ 48,180.53	\$ 50,000.00	\$ 43,212.86	\$ -	\$ 1,007,045.60	\$ 5,509,548.27	\$ 4,282,408.36



If your death occurred at the age of: **70**

Your estate would receive a payment of: **5,500,648.27 \$**

The taxes payable by the estate would total: **1,218,239.91 \$**

Your heirs would share the net amount of: **4,282,408.36 \$**

Book value of the company: **6,307,602.39 \$**

Capital gain on the shareholder's death: **3,216,879.12 \$**

Taxes paid by the company upon death: **806,954.13 \$**

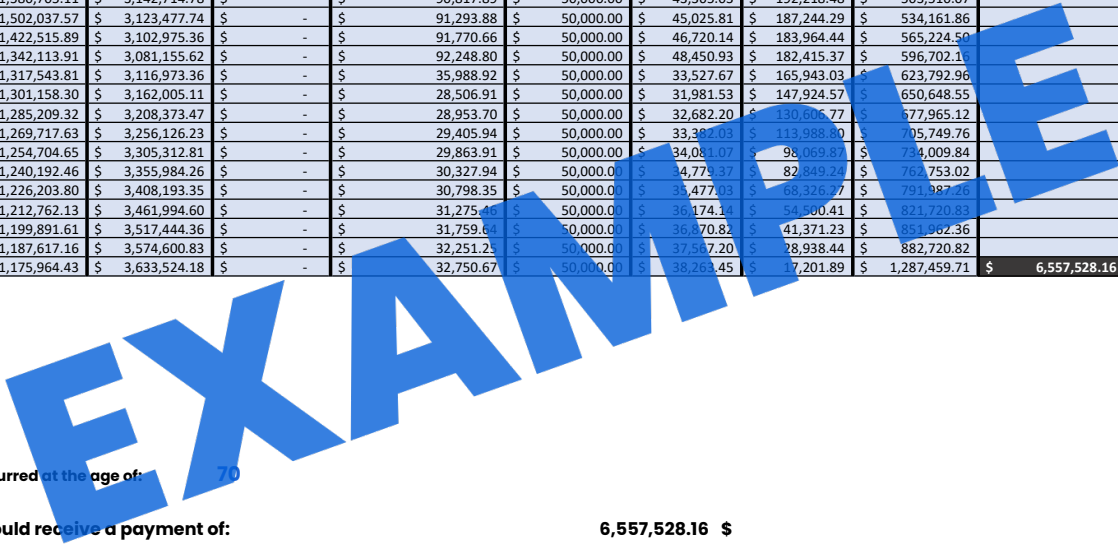
CDA on death : **1,608,439.56 \$**

RDTOH used at death: **1,491,883.60 \$**

Scenario With Life Insurance

AGE 70

Age	Year	Beg. On Per. BkVal	Value	Contribution	Life Ins. Prem. + TxW	Pmt To SHldr	Addition to CDA	CDC (Living)	RDTOH	Pmt to the Estate	Payment to Heirs
40	2023	\$ 1,088,585.00	\$ 1,753,970.40	\$ 280,000.00	\$ 56,740.00	\$ -	\$ 15,117.66	\$ 556,352.66	\$ 80,530.31		
41	2024	\$ 1,349,356.55	\$ 2,059,550.63	\$ 300,000.00	\$ 73,633.25	\$ -	\$ 17,671.63	\$ 574,024.29	\$ 96,880.71		
42	2025	\$ 1,614,569.28	\$ 2,375,739.06	\$ 300,000.00	\$ 75,186.15	\$ -	\$ 17,875.70	\$ 591,899.99	\$ 114,971.78		
43	2026	\$ 1,884,210.22	\$ 2,302,730.13	\$ 300,000.00	\$ 76,960.10	\$ 400,000.00	\$ 73,369.59	\$ 265,269.58	\$ 151,818.25		
44	2027	\$ 1,780,726.45	\$ 2,648,080.51	\$ 350,000.00	\$ 106,498.86	\$ -	\$ 23,647.73	\$ 288,917.31	\$ 173,124.98		
45	2028	\$ 2,133,764.15	\$ 3,067,142.10	\$ 380,000.00	\$ 78,905.42	\$ -	\$ 19,755.72	\$ 308,673.02	\$ 195,462.09		
46	2029	\$ 2,272,535.17	\$ 3,271,579.95	\$ 160,000.00	\$ 81,392.15	\$ -	\$ 20,733.89	\$ 329,406.92	\$ 219,184.21		
47	2030	\$ 2,253,919.83	\$ 3,266,342.96	\$ -	\$ 82,788.64	\$ 50,000.00	\$ 29,031.48	\$ 308,438.39	\$ 245,688.76		
48	2031	\$ 2,181,981.17	\$ 3,256,527.08	\$ -	\$ 86,990.00	\$ 50,000.00	\$ 31,025.13	\$ 289,463.52	\$ 272,752.67		
49	2032	\$ 2,109,366.61	\$ 3,245,815.86	\$ -	\$ 87,473.37	\$ 50,000.00	\$ 32,491.74	\$ 271,955.27	\$ 300,209.54		
50	2033	\$ 2,036,060.48	\$ 3,234,175.48	\$ -	\$ 87,954.83	\$ 50,000.00	\$ 33,977.16	\$ 255,932.43	\$ 328,060.21		
51	2034	\$ 1,962,046.24	\$ 3,221,570.51	\$ -	\$ 88,434.60	\$ 50,000.00	\$ 35,482.64	\$ 241,415.07	\$ 356,305.72		
52	2035	\$ 1,887,306.42	\$ 3,207,963.88	\$ -	\$ 88,912.94	\$ 50,000.00	\$ 37,009.57	\$ 228,424.65	\$ 384,947.32		
53	2036	\$ 1,811,822.53	\$ 3,193,316.73	\$ -	\$ 89,390.11	\$ 50,000.00	\$ 38,559.49	\$ 216,984.14	\$ 413,986.55		
54	2037	\$ 1,735,575.02	\$ 3,177,588.32	\$ -	\$ 89,866.42	\$ 50,000.00	\$ 40,134.08	\$ 207,118.21	\$ 443,425.23		
55	2038	\$ 1,658,543.19	\$ 3,160,735.95	\$ -	\$ 90,342.22	\$ 50,000.00	\$ 41,735.23	\$ 198,853.45	\$ 473,265.54		
56	2039	\$ 1,580,705.11	\$ 3,142,714.78	\$ -	\$ 90,817.89	\$ 50,000.00	\$ 43,365.03	\$ 192,218.48	\$ 503,510.07		
57	2040	\$ 1,502,037.57	\$ 3,123,477.74	\$ -	\$ 91,293.88	\$ 50,000.00	\$ 45,025.81	\$ 187,244.29	\$ 534,161.86		
58	2041	\$ 1,422,515.89	\$ 3,102,975.36	\$ -	\$ 91,770.66	\$ 50,000.00	\$ 46,720.14	\$ 183,964.44	\$ 565,224.50		
59	2042	\$ 1,342,113.91	\$ 3,081,155.62	\$ -	\$ 92,248.80	\$ 50,000.00	\$ 48,450.93	\$ 182,415.37	\$ 596,702.11		
60	2043	\$ 1,317,543.81	\$ 3,116,973.36	\$ -	\$ 35,988.92	\$ 50,000.00	\$ 33,527.67	\$ 165,943.03	\$ 623,792.96		
61	2044	\$ 1,301,158.30	\$ 3,162,005.11	\$ -	\$ 28,506.91	\$ 50,000.00	\$ 31,981.53	\$ 147,924.57	\$ 650,648.55		
62	2045	\$ 1,285,209.32	\$ 3,208,373.47	\$ -	\$ 28,953.70	\$ 50,000.00	\$ 32,682.20	\$ 130,606.77	\$ 677,965.12		
63	2046	\$ 1,269,717.63	\$ 3,256,126.23	\$ -	\$ 29,405.94	\$ 50,000.00	\$ 33,392.03	\$ 113,988.80	\$ 705,749.76		
64	2047	\$ 1,254,704.65	\$ 3,305,312.81	\$ -	\$ 29,863.91	\$ 50,000.00	\$ 34,081.07	\$ 98,069.81	\$ 734,009.84		
65	2048	\$ 1,240,192.46	\$ 3,355,984.26	\$ -	\$ 30,327.94	\$ 50,000.00	\$ 34,773.37	\$ 82,849.24	\$ 763,753.02		
66	2049	\$ 1,226,203.80	\$ 3,408,193.35	\$ -	\$ 30,798.35	\$ 50,000.00	\$ 35,477.93	\$ 68,326.27	\$ 791,987.26		
67	2050	\$ 1,212,762.13	\$ 3,461,994.60	\$ -	\$ 31,275.46	\$ 50,000.00	\$ 36,174.14	\$ 54,600.41	\$ 821,720.83		
68	2051	\$ 1,199,891.61	\$ 3,517,444.36	\$ -	\$ 31,759.64	\$ 50,000.00	\$ 36,870.82	\$ 41,371.23	\$ 851,962.36		
69	2052	\$ 1,187,617.16	\$ 3,574,600.83	\$ -	\$ 32,251.23	\$ 50,000.00	\$ 37,567.20	\$ 28,938.44	\$ 882,720.82		
70	2053	\$ 1,175,964.43	\$ 3,633,524.18	\$ -	\$ 32,750.67	\$ 50,000.00	\$ 38,261.45	\$ 17,201.89	\$ 1,287,459.71	\$ 6,557,528.16	\$ 5,724,952.95



If your death occurred at the age of: **70**

Your estate would receive a payment of: **6,557,528.16 \$**
 The taxes payable by the estate would total: **832,575.20 \$**
 Your heirs would share the net amount of: **5,724,952.95 \$** Moreover **33.7%**

Book value of the company:	3,633,524.18 \$
Capital gain on the shareholder's death:	2,435,306.00 \$
Taxes paid by the company upon death:	610,896.51 \$
CDA on death :	3,896,091.76 \$
RDTOH used at death:	1,020,128.57 \$
Total premiums paid :	1,134,800.00 \$

Scenario Without Life Insurance

AGE 91

Age	Year	Reg. On Per. BkVal	Value	Contribution	Taxable Withdrawals	Pmt To SHldr	Addition to CDA	CDC (Living)	RDTOH	Pmt to the Estate	Payment to Heirs
40	2023	\$ 1,145,325.00	\$ 1,812,980.00	\$ 280,000.00	\$ -	\$ -	\$ 5,229.75	\$ 546,464.75	\$ 77,810.87	\$ 1,654,419.55	\$ 1,294,408.36
41	2024	\$ 1,468,641.63	\$ 2,184,763.70	\$ 300,000.00	\$ 12,245.67	\$ -	\$ 8,144.51	\$ 554,609.26	\$ 91,903.83	\$ 2,015,874.65	\$ 1,498,179.25
42	2025	\$ 1,796,739.75	\$ 2,568,807.12	\$ 300,000.00	\$ 14,756.86	\$ -	\$ 9,421.21	\$ 564,030.47	\$ 108,426.57	\$ 2,387,773.88	\$ 1,710,792.61
43	2026	\$ 2,129,777.03	\$ 2,565,514.51	\$ 300,000.00	\$ 17,350.86	\$ 400,000.00	\$ 61,368.34	\$ 225,398.81	\$ 142,986.91	\$ 2,370,461.63	\$ 1,539,362.82
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45	2028	\$ 2,510,909.68	\$ 3,478,520.44	\$ 380,000.00	\$ 20,161.28	\$ -	\$ 12,547.24	\$ 252,709.69	\$ 185,665.98	\$ 3,252,911.40	\$ 2,077,735.64
46	2029	\$ 2,715,646.73	\$ 3,759,625.97	\$ 160,000.00	\$ 23,495.47	\$ -	\$ 13,767.78	\$ 266,477.47	\$ 209,841.76	\$ 3,516,243.09	\$ 2,246,657.66
47	2030	\$ 2,763,999.06	\$ 3,833,601.06	\$ -	\$ 25,394.18	\$ 50,000.00	\$ 20,997.20	\$ 237,474.67	\$ 236,892.77	\$ 3,571,858.23	\$ 2,287,963.52
48	2031	\$ 2,760,687.02	\$ 3,906,275.12	\$ -	\$ 29,490.37	\$ 50,000.00	\$ 22,313.98	\$ 209,788.65	\$ 264,733.33	\$ 3,625,828.78	\$ 2,333,208.84
49	2032	\$ 2,758,128.18	\$ 3,981,156.93	\$ -	\$ 30,162.70	\$ 50,000.00	\$ 23,188.97	\$ 182,977.62	\$ 293,239.67	\$ 3,681,653.05	\$ 2,380,488.29
50	2033	\$ 2,756,355.04	\$ 4,058,323.53	\$ -	\$ 30,845.84	\$ 50,000.00	\$ 24,068.50	\$ 157,046.12	\$ 322,425.30	\$ 3,739,397.32	\$ 2,429,854.63
51	2034	\$ 2,755,401.06	\$ 4,137,854.53	\$ -	\$ 31,540.32	\$ 50,000.00	\$ 24,952.77	\$ 131,998.89	\$ 352,304.23	\$ 3,799,130.00	\$ 2,481,362.40
52	2035	\$ 2,755,300.75	\$ 4,219,832.16	\$ -	\$ 32,246.68	\$ 50,000.00	\$ 25,842.02	\$ 107,840.91	\$ 382,890.96	\$ 3,860,921.75	\$ 2,535,068.00
53	2036	\$ 2,756,089.67	\$ 4,304,341.35	\$ -	\$ 32,965.48	\$ 50,000.00	\$ 26,736.49	\$ 84,577.40	\$ 414,200.53	\$ 3,924,845.54	\$ 2,591,029.76
54	2037	\$ 2,757,804.46	\$ 4,391,469.82	\$ -	\$ 33,697.29	\$ 50,000.00	\$ 27,636.46	\$ 62,213.86	\$ 446,248.54	\$ 3,990,976.70	\$ 2,649,308.03
55	2038	\$ 2,760,482.87	\$ 4,481,308.18	\$ -	\$ 34,442.73	\$ 50,000.00	\$ 28,542.24	\$ 40,756.10	\$ 479,051.15	\$ 4,059,393.04	\$ 2,709,965.22
56	2039	\$ 2,764,163.82	\$ 4,573,950.00	\$ -	\$ 35,202.40	\$ 50,000.00	\$ 29,454.16	\$ 20,210.26	\$ 512,625.11	\$ 4,130,174.87	\$ 2,770,065.91
57	2040	\$ 2,768,887.40	\$ 4,669,491.95	\$ -	\$ 35,976.98	\$ 50,000.00	\$ 30,372.57	\$ 582.84	\$ 546,987.81	\$ 4,203,405.15	\$ 2,838,676.91
58	2041	\$ 2,774,694.94	\$ 4,774,978.96	\$ -	\$ 36,767.11	\$ 50,000.00	\$ 31,297.86	\$ -	\$ 575,212.15	\$ 4,286,114.63	\$ 2,915,872.04
59	2042	\$ 2,788,574.15	\$ 4,883,714.90	\$ -	\$ 37,573.51	\$ 50,000.00	\$ 32,224.82	\$ -	\$ 604,430.48	\$ 4,371,558.36	\$ 2,995,679.15
60	2043	\$ 2,803,592.36	\$ 4,995,539.32	\$ -	\$ 38,438.09	\$ 50,000.00	\$ 33,168.69	\$ -	\$ 634,895.47	\$ 4,459,560.20	\$ 3,077,901.87
61	2044	\$ 2,819,566.11	\$ 5,110,552.70	\$ -	\$ 39,321.34	\$ 50,000.00	\$ 34,122.11	\$ -	\$ 666,630.67	\$ 4,550,205.54	\$ 3,162,610.67
62	2045	\$ 2,836,536.26	\$ 5,228,860.01	\$ -	\$ 40,222.69	\$ 50,000.00	\$ 35,085.32	\$ -	\$ 699,660.33	\$ 4,643,583.76	\$ 3,249,877.60
63	2046	\$ 2,854,544.90	\$ 5,350,569.44	\$ -	\$ 41,142.89	\$ 50,000.00	\$ 36,058.88	\$ -	\$ 734,009.66	\$ 4,739,786.95	\$ 3,339,777.02
64	2047	\$ 2,873,635.24	\$ 5,475,792.48	\$ -	\$ 42,082.72	\$ 50,000.00	\$ 37,043.32	\$ -	\$ 769,704.85	\$ 4,838,909.96	\$ 3,432,385.70
65	2048	\$ 2,893,851.68	\$ 5,604,644.03	\$ -	\$ 43,042.99	\$ 50,000.00	\$ 38,039.23	\$ -	\$ 806,773.09	\$ 4,941,050.53	\$ 3,527,782.87
66	2049	\$ 2,915,239.82	\$ 5,737,242.50	\$ -	\$ 44,024.51	\$ 50,000.00	\$ 39,047.22	\$ -	\$ 845,242.63	\$ 5,048,309.33	\$ 3,626,050.27
67	2050	\$ 2,937,846.51	\$ 5,873,709.90	\$ -	\$ 45,028.14	\$ 50,000.00	\$ 40,067.91	\$ -	\$ 885,142.78	\$ 5,154,790.05	\$ 3,727,272.31
68	2051	\$ 2,961,719.91	\$ 6,014,171.98	\$ -	\$ 46,054.75	\$ 50,000.00	\$ 41,101.96	\$ -	\$ 926,503.99	\$ 5,266,599.52	\$ 3,831,536.06
69	2052	\$ 2,986,909.45	\$ 6,158,758.30	\$ -	\$ 47,105.24	\$ 50,000.00	\$ 42,150.04	\$ -	\$ 969,357.86	\$ 5,381,847.81	\$ 3,938,931.39
70	2053	\$ 3,013,465.98	\$ 6,307,602.39	\$ -	\$ 48,180.53	\$ 50,000.00	\$ 43,212.86	\$ -	\$ 1,013,737.18	\$ 5,500,648.27	\$ 4,049,551.05
71	2054	\$ 3,041,441.69	\$ 6,460,841.85	\$ -	\$ 49,281.58	\$ 50,000.00	\$ 44,291.44	\$ -	\$ 1,059,676.00	\$ 5,623,117.69	\$ 4,163,490.74
72	2055	\$ 3,070,890.27	\$ 6,618,618.46	\$ -	\$ 50,409.38	\$ 50,000.00	\$ 45,388.64	\$ -	\$ 1,117,209.60	\$ 5,749,376.88	\$ 4,280,849.19
73	2056	\$ 3,101,866.85	\$ 6,781,078.32	\$ -	\$ 51,564.92	\$ 50,000.00	\$ 46,497.15	\$ -	\$ 1,186,374.62	\$ 5,879,548.27	\$ 4,401,728.32
74	2057	\$ 3,134,428.13	\$ 6,948,372.00	\$ -	\$ 52,749.26	\$ 50,000.00	\$ 47,626.47	\$ -	\$ 1,207,709.03	\$ 6,013,761.04	\$ 4,526,233.25
75	2058	\$ 3,168,632.35	\$ 7,120,654.63	\$ -	\$ 53,963.46	\$ 50,000.00	\$ 48,774.44	\$ -	\$ 1,259,752.22	\$ 6,152,146.21	\$ 4,654,472.46
76	2059	\$ 3,204,539.40	\$ 7,298,086.10	\$ -	\$ 55,208.64	\$ 50,000.00	\$ 49,941.92	\$ -	\$ 1,314,045.02	\$ 6,294,839.28	\$ 4,786,557.87
77	2060	\$ 3,242,210.85	\$ 7,481,264.19	\$ -	\$ 56,485.91	\$ 50,000.00	\$ 51,129.81	\$ 1,129.81	\$ 1,369,696.68	\$ 6,442,412.89	\$ 4,923,166.42
78	2061	\$ 3,282,143.04	\$ 7,670,406.44	\$ -	\$ 57,796.46	\$ 50,000.00	\$ 52,338.57	\$ 1,468.38	\$ 1,426,722.90	\$ 6,595,056.48	\$ 5,064,464.82
79	2062	\$ 3,324,437.66	\$ 7,865,712.82	\$ -	\$ 59,144.12	\$ 50,000.00	\$ 53,569.93	\$ 7,038.31	\$ 1,485,163.31	\$ 6,752,940.87	\$ 5,210,597.74
80	2063	\$ 3,369,176.99	\$ 8,067,389.69	\$ -	\$ 60,530.43	\$ 50,000.00	\$ 54,825.04	\$ 11,863.34	\$ 1,545,059.01	\$ 6,916,242.30	\$ 5,361,714.96
81	2064	\$ 3,416,445.85	\$ 8,275,650.14	\$ -	\$ 61,956.86	\$ 50,000.00	\$ 56,105.04	\$ 17,968.39	\$ 1,606,452.58	\$ 7,085,142.77	\$ 5,517,971.40
82	2065	\$ 3,466,331.77	\$ 8,490,714.24	\$ -	\$ 63,424.91	\$ 50,000.00	\$ 57,411.14	\$ 25,379.52	\$ 1,669,388.11	\$ 7,259,830.15	\$ 5,679,527.28
83	2066	\$ 3,518,925.02	\$ 8,712,809.22	\$ -	\$ 64,936.35	\$ 50,000.00	\$ 58,744.56	\$ 34,124.08	\$ 1,733,911.32	\$ 7,440,498.44	\$ 5,846,548.37
84	2067	\$ 3,574,338.73	\$ 8,942,169.74	\$ -	\$ 66,492.16	\$ 50,000.00	\$ 60,106.57	\$ 44,230.65	\$ 1,800,069.52	\$ 7,627,347.95	\$ 6,019,206.07
85	2068	\$ 3,632,608.97	\$ 9,179,038.12	\$ -	\$ 68,094.62	\$ 50,000.00	\$ 61,498.48	\$ 55,729.13	\$ 1,867,911.74	\$ 7,820,585.53	\$ 6,197,677.67
86	2069	\$ 3,693,894.88	\$ 9,423,664.61	\$ -	\$ 69,745.22	\$ 50,000.00	\$ 62,921.64	\$ 68,650.77	\$ 1,937,488.74	\$ 8,020,424.72	\$ 6,382,146.52
87	2070	\$ 3,758,278.72	\$ 9,676,307.63	\$ -	\$ 71,445.73	\$ 50,000.00	\$ 64,377.46	\$ 83,028.23	\$ 2,008,853.06	\$ 8,227,086.07	\$ 6,572,802.21
88	2071	\$ 3,825,866.03	\$ 9,937,234.06	\$ -	\$ 73,197.96	\$ 50,000.00	\$ 65,867.36	\$ 98,895.58	\$ 2,082,059.13	\$ 8,440,797.27	\$ 6,756,258.60
89	2072	\$ 3,896,765.68	\$ 10,206,749.49	\$ -	\$ 75,003.78	\$ 50,000.00	\$ 67,392.83	\$ 116,288.41	\$ 2,157,163.29	\$ 8,661,793.46	\$ 6,943,271.80
90	2073	\$ 3,971,090.00	\$ 10,485,048.54	\$ -	\$ 76,865.13	\$ 50,000.00	\$ 68,955.39	\$ 135,243.80	\$ 2,234,223.84	\$ 8,890,317.46	\$ 7,136,751.41
91	2074	\$ 4,048,955.10	\$ 10,772,515.14	\$ -	\$ 78,783.99	\$ 50,000.00	\$ 70,556.62	\$ 155,800.42	\$ 3,319,472.24	\$ 9,126,619.99	\$ 7,336,908.28

If your death occurred at the age of: 91

Your estate would receive a payment of:	9,126,619.99 \$
The taxes payable by the estate would total:	1,789,711.71 \$
Your heirs would share the net amount of:	7,336,908.28 \$
Book value of the company:	10,772,515.14 \$
Capital gain on the shareholder's death:	6,561,272.24 \$
Taxes paid by the company upon death:	1,645,895.14 \$
CDA on death :	3,436,436.54 \$
RDTOH used at death:	2,181,047.32 \$

Scenario With Life Insurance

AGE 91

Age	Year	Beg. On Per. BkVal	Value	Contribution	Life Ins. Prem. + TxW	Pmt To SHldr	Addition to CDA	CDC (Living)	RDTOH	Pmt to the Estate	Payment to Heirs
40	2023	\$ 1,088,585.00	\$ 1,753,970.40	\$ 280,000.00	\$ 56,740.00	\$ -	\$ 15,117.66	\$ 556,352.66	\$ 80,530.31		
41	2024	\$ 1,349,356.55	\$ 2,059,550.63	\$ 300,000.00	\$ 73,633.25	\$ -	\$ 17,671.63	\$ 574,024.29	\$ 93,282.93		
42	2025	\$ 1,614,569.28	\$ 2,375,739.06	\$ 300,000.00	\$ 75,186.15	\$ -	\$ 17,875.70	\$ 591,899.99	\$ 107,993.37		
43	2026	\$ 1,884,210.22	\$ 2,302,730.13	\$ 300,000.00	\$ 76,960.10	\$ 400,000.00	\$ 73,369.59	\$ 265,269.58	\$ 124,728.52		
44	2027	\$ 1,780,726.45	\$ 2,648,080.51	\$ 350,000.00	\$ 106,498.86	\$ -	\$ 23,647.73	\$ 288,917.31	\$ 141,125.28		
45	2028	\$ 2,133,764.15	\$ 3,067,142.10	\$ 380,000.00	\$ 78,905.42	\$ -	\$ 19,755.72	\$ 308,673.02	\$ 160,116.85		
46	2029	\$ 2,272,535.17	\$ 3,271,579.95	\$ 160,000.00	\$ 81,392.15	\$ -	\$ 20,733.89	\$ 329,406.92	\$ 180,374.28		
47	2030	\$ 2,253,919.83	\$ 3,266,342.96	\$ -	\$ 82,788.64	\$ 50,000.00	\$ 29,031.48	\$ 308,438.39	\$ 200,908.89		
48	2031	\$ 2,181,981.17	\$ 3,256,527.08	\$ -	\$ 86,990.00	\$ 50,000.00	\$ 31,025.13	\$ 289,463.52	\$ 221,382.71		
49	2032	\$ 2,109,366.61	\$ 3,245,815.86	\$ -	\$ 87,473.37	\$ 50,000.00	\$ 32,491.74	\$ 271,955.27	\$ 241,790.21		
50	2033	\$ 2,036,060.48	\$ 3,234,175.48	\$ -	\$ 87,954.83	\$ 50,000.00	\$ 33,977.16	\$ 255,932.43	\$ 262,125.64		
51	2034	\$ 1,962,046.24	\$ 3,221,570.51	\$ -	\$ 88,434.64	\$ 50,000.00	\$ 35,482.64	\$ 241,415.07	\$ 282,383.01		
52	2035	\$ 1,887,306.42	\$ 3,207,963.88	\$ -	\$ 88,912.94	\$ 50,000.00	\$ 37,009.57	\$ 228,424.65	\$ 302,556.14		
53	2036	\$ 1,811,822.53	\$ 3,193,316.73	\$ -	\$ 89,390.11	\$ 50,000.00	\$ 38,559.49	\$ 216,984.14	\$ 322,638.57		
54	2037	\$ 1,735,575.02	\$ 3,177,588.32	\$ -	\$ 89,866.42	\$ 50,000.00	\$ 40,134.08	\$ 207,118.21	\$ 342,623.61		
55	2038	\$ 1,658,543.19	\$ 3,160,735.95	\$ -	\$ 90,342.22	\$ 50,000.00	\$ 41,735.23	\$ 198,853.45	\$ 362,504.30		
56	2039	\$ 1,580,705.11	\$ 3,142,714.78	\$ -	\$ 90,817.89	\$ 50,000.00	\$ 43,365.03	\$ 192,218.48	\$ 382,273.41		
57	2040	\$ 1,502,037.57	\$ 3,123,477.74	\$ -	\$ 91,293.88	\$ 50,000.00	\$ 45,025.81	\$ 187,244.29	\$ 401,923.40		
58	2041	\$ 1,422,515.89	\$ 3,102,975.36	\$ -	\$ 91,770.66	\$ 50,000.00	\$ 46,720.14	\$ 183,964.44	\$ 421,445.43		
59	2042	\$ 1,342,113.91	\$ 3,081,155.62	\$ -	\$ 92,248.80	\$ 50,000.00	\$ 48,450.93	\$ 182,415.37	\$ 440,834.37		
60	2043	\$ 1,317,543.81	\$ 3,116,973.36	\$ -	\$ 92,727.12	\$ 50,000.00	\$ 50,182.82	\$ 180,866.54	\$ 460,144.09		
61	2044	\$ 1,301,158.30	\$ 3,162,005.11	\$ -	\$ 28,506.91	\$ 50,000.00	\$ 31,981.53	\$ 149,924.57	\$ 480,432.64		
62	2045	\$ 1,285,209.32	\$ 3,208,373.47	\$ -	\$ 28,953.70	\$ 50,000.00	\$ 32,682.20	\$ 130,606.77	\$ 500,508.30		
63	2046	\$ 1,269,717.63	\$ 3,256,126.23	\$ -	\$ 29,405.94	\$ 50,000.00	\$ 33,382.03	\$ 113,588.80	\$ 520,979.64		
64	2047	\$ 1,254,704.65	\$ 3,305,312.81	\$ -	\$ 29,863.91	\$ 50,000.00	\$ 34,081.07	\$ 98,009.87	\$ 541,751.55		
65	2048	\$ 1,240,192.46	\$ 3,355,984.26	\$ -	\$ 30,327.94	\$ 50,000.00	\$ 34,779.37	\$ 82,841.24	\$ 562,845.20		
66	2049	\$ 1,226,203.80	\$ 3,408,193.35	\$ -	\$ 30,798.35	\$ 50,000.00	\$ 35,477.02	\$ 68,326.47	\$ 584,758.14		
67	2050	\$ 1,212,762.13	\$ 3,461,994.60	\$ -	\$ 31,275.46	\$ 50,000.00	\$ 36,174.14	\$ 54,500.41	\$ 606,014.21		
68	2051	\$ 1,199,891.61	\$ 3,517,444.36	\$ -	\$ 31,759.61	\$ 50,000.00	\$ 36,870.81	\$ 41,371.23	\$ 628,093.62		
69	2052	\$ 1,187,617.16	\$ 3,574,600.83	\$ -	\$ 32,251.25	\$ 50,000.00	\$ 37,567.00	\$ 28,938.44	\$ 650,536.94		
70	2053	\$ 1,175,964.43	\$ 3,633,524.18	\$ -	\$ 32,750.67	\$ 50,000.00	\$ 38,263.45	\$ 17,201.89	\$ 673,345.10		
71	2054	\$ 1,164,959.88	\$ 3,694,276.52	\$ -	\$ 33,258.23	\$ 50,000.00	\$ 38,959.75	\$ 6,161.64	\$ 696,529.45		
72	2055	\$ 1,154,630.76	\$ 3,758,525.04	\$ -	\$ 33,774.51	\$ 50,000.00	\$ 39,666.29	\$ -	\$ 718,498.70		
73	2056	\$ 1,146,608.13	\$ 3,826,894.73	\$ -	\$ 34,299.80	\$ 50,000.00	\$ 40,345.56	\$ -	\$ 738,780.75		
74	2057	\$ 1,141,440.67	\$ 3,897,173.59	\$ -	\$ 34,843.20	\$ 50,000.00	\$ 41,028.14	\$ -	\$ 759,761.21		
75	2058	\$ 1,138,832.93	\$ 3,969,414.31	\$ -	\$ 35,404.83	\$ 50,000.00	\$ 41,716.93	\$ -	\$ 781,454.63		
76	2059	\$ 1,132,909.93	\$ 4,043,683.95	\$ -	\$ 35,977.68	\$ 50,000.00	\$ 42,408.58	\$ -	\$ 803,874.68		
77	2060	\$ 1,129,400.61	\$ 4,120,051.10	\$ -	\$ 36,561.22	\$ 50,000.00	\$ 43,103.41	\$ -	\$ 827,035.57		
78	2061	\$ 1,126,633.44	\$ 4,198,586.76	\$ -	\$ 37,155.93	\$ 50,000.00	\$ 43,801.75	\$ -	\$ 850,952.07		
79	2062	\$ 1,124,531.98	\$ 4,279,364.06	\$ -	\$ 37,762.31	\$ 50,000.00	\$ 44,503.95	\$ -	\$ 875,639.57		
80	2063	\$ 1,123,140.56	\$ 4,362,658.37	\$ -	\$ 38,380.87	\$ 50,000.00	\$ 45,210.38	\$ -	\$ 901,114.02		
81	2064	\$ 1,122,484.33	\$ 4,447,447.39	\$ -	\$ 39,012.15	\$ 50,000.00	\$ 45,921.43	\$ -	\$ 927,392.06		
82	2065	\$ 1,122,589.26	\$ 4,535,911.17	\$ -	\$ 39,656.69	\$ 50,000.00	\$ 46,637.50	\$ -	\$ 954,490.93		
83	2066	\$ 1,123,492.17	\$ 4,626,432.24	\$ -	\$ 40,315.07	\$ 50,000.00	\$ 47,359.03	\$ -	\$ 982,428.57		
84	2067	\$ 1,125,226.75	\$ 4,719,595.60	\$ -	\$ 40,987.86	\$ 50,000.00	\$ 48,086.46	\$ -	\$ 1,011,223.63		
85	2068	\$ 1,127,827.58	\$ 4,815,488.90	\$ -	\$ 41,675.69	\$ 50,000.00	\$ 48,820.28	\$ -	\$ 1,040,895.48		
86	2069	\$ 1,131,330.17	\$ 4,914,202.40	\$ -	\$ 42,379.16	\$ 50,000.00	\$ 49,560.98	\$ -	\$ 1,071,464.21		
87	2070	\$ 1,135,770.95	\$ 5,015,947.60	\$ -	\$ 43,098.94	\$ 50,000.00	\$ 50,309.07	\$ 309.07	\$ 1,102,832.27		
88	2071	\$ 1,141,305.78	\$ 5,120,996.40	\$ -	\$ 43,835.68	\$ 50,000.00	\$ 51,064.59	\$ 1,373.66	\$ 1,134,850.78		
89	2072	\$ 1,148,146.19	\$ 5,229,461.95	\$ -	\$ 44,590.67	\$ 50,000.00	\$ 51,827.62	\$ 3,201.28	\$ 1,167,540.90		
90	2073	\$ 1,156,339.32	\$ 5,341,460.26	\$ -	\$ 45,365.55	\$ 50,000.00	\$ 52,599.17	\$ 5,800.46	\$ 1,200,924.51		
91	2074	\$ 1,165,933.75	\$ 5,457,111.09	\$ -	\$ 46,161.14	\$ 50,000.00	\$ 53,379.95	\$ 9,180.41	\$ 1,884,178.28	\$ 9,976,933.43	\$ 9,248,359.33

If your death occurred at the age of: **91**

Your estate would receive a payment of: **9,976,933.43 \$**

The taxes payable by the estate would total: **728,574.10 \$**

Your heirs would share the net amount of: **9,248,359.33 \$ Moreover 26.1%**

Book value of the company: **5,457,111.09 \$**

Capital gain on the shareholder's death: **4,233,153.24 \$**

Taxes paid by the company upon death: **1,061,886.49 \$**

CDA on death: **7,707,465.86 \$**

RDTOH used at death: **869,886.92 \$**

Total premiums paid: **1,134,800.00 \$**

Additional Information

The company's taxes upon the shareholder's death.

Payment of company tax is required when the company accumulates capital gains in its portfolio. Half of these capital gains are taxable, but the other half can be paid to the estate tax-free through the Capital Dividend Account (CDA).

To reduce company tax, the company can use its refundable dividend tax on hand account (RDTOH) when a dividend is paid. This obligation can be fulfilled when the company is dissolved or its shares are redeemed, in order to avoid accumulating capital gains.

In summary, capital gains accumulated by a company are taxable, but it's possible to reduce the tax through the CDA and RDTOH. In the event of the company's dissolution or redemption of its shares, the company can avoid generating accumulated capital gains and thereby free itself from this tax obligation.

We illustrate the dissolution and repurchase of the company's shares, without complex tax technique at death.

The pipeline strategy upon death can be challenging, costly, and time-consuming to implement. Nevertheless, the resulting tax savings can more than offset these costs by reducing taxes and allowing access to lower tax rates for capital gains. To successfully implement this strategy, it is essential to plan meticulously and seek the assistance of professionals to help you choose the most advantageous tax options and that your will accurately reflects your wishes. Additionally, the use of life insurance can enhance the benefits of this strategy.

The First Step.

One of the important steps to implement this strategy is to check your eligibility. In other words, an insurer must typically assess **your insurability**, ensuring that you are not seriously ill. Your financial security advisor must submit a proposal to an insurer to establish this eligibility.