

Insurance Tax Solutions

Bolstering the balance sheet using life insurance

As Canadian-Controlled Private Corporations (CCPCs) and business-owner Clients grow their companies, they employ a comprehensive team of professionals to help manage complex and expanding needs. By working together, there's a great opportunity to deliver value-added service and solutions to the Client.

The challenge

Insurance professionals, accountants, lawyers and bankers are all potential centers of influence for Clients. While a team of professionals is invaluable, it can sometimes make decisions harder for Clients because of:

- different assumptions (e.g. "insurance is simply a cost"),
- unique language (e.g. "I only buy assets and never liabilities"), and
- perception of value.

The solution

Accountants understand financial statements. You'll have an advantage working with them if you can explain how insurance works in ways unique to each Client, and, how it can be a corporate asset on financial statements.

Client benefit

By creating a common understanding of the value insurance brings to a company, Clients benefit from a bench of expertise and trusted advice, allowing them to make well-informed decisions.

Resources – For advisor use to support conversations with Clients and professionals

Using the resources below, you can articulate the value of permanent insurance in ways that make sense to a Client and their professional team, including accountants.

| Piece | Description & audience | How to use it |
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| Client email - Bolstering the balance sheet (see template below) | An introduction to the opportunity for Clients and members of their professional team. | Send this email to Clients and/or members of their professional team to introduce the opportunity and invite them to connect with you. |

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| <p>Whitepaper - Bolstering the Balance Sheet and Bolstering the Balance Sheet – A summary</p> | <p>Summarizes why more of Canada’s wealthiest business owners are turning to permanent life insurance. For Clients and members of their professional team.</p> | <p>In discussions with accountants and professionals, present the value of permanent life insurance to the balance sheet, income statement and corporate cash flows.</p> |
| <p>Whitepaper - Booking the Insurance Transaction</p> | <p>Presents guidelines for accounting for common transactions of a life insurance policy in a corporation. For Clients and members of their professional team.</p> | |
| <p>Video: Bolstering the Balance Sheet : A Corporate Primer</p> | <p>An introductory video to support a Bolstering the Balance Sheet discussion. For Clients and members of their professional team.</p> | <p>Use in meetings with accountants and professionals, or as a follow up to your discussion.</p> |
| <p>Video: Bolstering the Balance Sheet : Tools demonstration</p> | <p>Shows you how to use the Bolstering the Balance Sheet tool. For advisors.</p> | <p>Learn to run illustrations and see how the output demonstrates the Bolstering the Balance Sheet and Booking the Insurance Transaction themes.</p> |
| <p>Bolstering the Balance Sheet Excel Tool</p> | <p>Shows the advantages of insurance to a corporation. For advisors.</p> | <p>Excel tool for you to use along with a Sun Life illustration.</p> |

Questions?

We’re here to help. Contact your Sun Life Relationship Manager to see how permanent insurance can benefit a corporation and to find an ideal product solution.

We help. You grow.

Advisor email to Clients - Bolstering the balance sheet - template

Subject: Looking to enhance your corporate balance sheet?

Hi <client name>,

Did you know that many business owners are investing in a strategy that Chartered Professional Accountants (CPAs) can often miss?

It might surprise you that more of Canada's wealthiest business owners are turning to permanent life insurance to help protect their estates and address tax issues. In fact, hundreds of millions of dollars are being used to purchase corporate-owned policies each year.

Permanent life insurance can help solve some issues you're facing in your business, or may face in the future. It can enhance the value of your business through cash value growth during the life of the policy. And, it offers a tax-free death benefit, helping you preserve your estate.

Life insurance is often mistakenly viewed as an expense, when in fact, it can enhance your corporate balance sheet. I'd be happy to meet with you and your team of professional partners (accountant, banker, lawyer, etc.) about how permanent life insurance can benefit your business.

Let's talk.