

# CHILDREN'S WHOLE LIFE INSURANCE STRATEGY

## Case Study



### John & Mary

John & Mary are proud grandparents. They have a healthy new grandson Liam.



### Insurance Needs

John & Mary want to give their new grandson the gift of a participating whole life insurance policy. They choose Empire Life's Optimax Wealth 20 Pay, with the Paid-Up Additions dividend option that can provide Liam with permanent life insurance protection for the rest of his life and the ability to access cash values that accumulate in the policy.



### Optimax Wealth™ 20 Pay Life Insurance with Paid Up Additions

Life insured is a male, age 0

Initial coverage amount of \$50,000

Annual premium is \$668.00 per year for 20 years, then the policy is fully paid up.

Guaranteed cash values begin start to accumulate at the end of the first policy year.



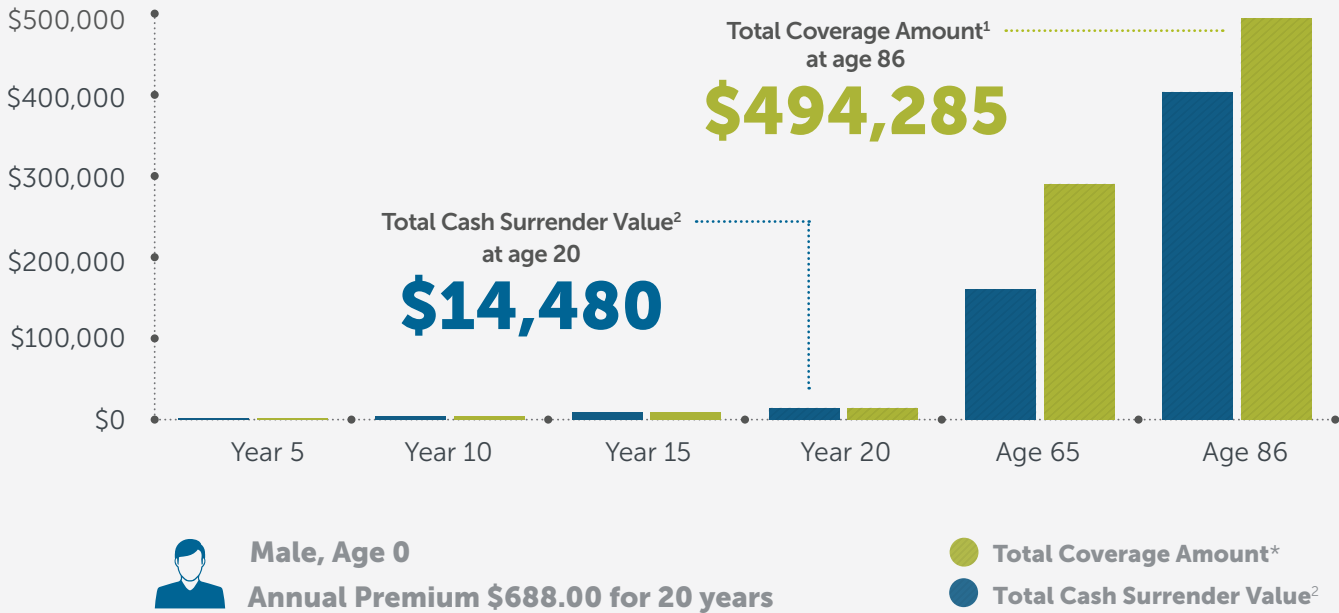
### Accessing Cash Values

If Liam needs cash in the future, for post-secondary education, buying his first home, or whatever he chooses, he will have the option of accessing accumulated cash values through a policy loan or by surrendering the policy.



**Optimax Wealth 20-pay using the Paid-Up Additions dividend option with an initial coverage amount of \$50,000**

Optimax Wealth 20-pay, is a participating insurance plan, which means dividends may be declared on policy anniversary. By choosing the Paid-Up Additions dividend option, declared dividends are used to buy more participating life insurance, called "paid up additions", which is paid up insurance that also accumulates cash values and can earn dividends. As paid up additions increase, the Total Cash Surrender Value and Total Coverage Amount of the policy can increase.



<sup>1</sup> Includes initial coverage amount, which is guaranteed, plus the amount of paid-up additions purchased with dividends, which is not guaranteed. Total Coverage Amount will decrease by the amount of any outstanding policy loans or if any paid-up additions are surrendered. If the policy is surrendered, no death benefit is payable.

<sup>2</sup> Includes cash value of the base coverage, which is guaranteed, and cash values of the paid-up additions purchased with dividends, which are not guaranteed. The total cash surrender value can be accessed through a policy loan or by surrendering the policy.

This case study is for illustration purposes only. It is designed to show how an Empire Life Optimax Wealth 20-Pay policy with Paid-up Additions dividend option may perform. Results will vary depending on the life insured's insurance age, initial coverage amount, pay period, dividend scale used each year and life insurance premiums. Advisors should determine whether this concept is suitable for any particular client based on the client's specific circumstances and needs.

All figures and projected values shown are as of October 2016. Premium shown is based on the Empire Life coverage and life insured (standard rated) indicated. Total Coverage Amount and Total Cash Surrender Values shown are based on the Empire Life product and life insured (standard rated) indicated and assume paid-up additions will be purchased each year with dividends declared using the current Empire Life dividend scale, which is not guaranteed. Actual amounts may be more or less than those indicated. See insurance contract for details.

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