



**ASK AN EXPERT
FINANCIAL PLANNER**

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PLANNING WITH LIFE INSURANCE

How can life insurance help my financial plan?

WE ALL KNOW some of the basic uses of life insurance. If you have a mortgage, life insurance can be used to pay off that mortgage should you pass away. Life insurance proceeds can also help with family expenses in the event of your death, as your income will no longer be supporting your family. However, life insurance should also be considered as a factor in the areas of business planning, estate planning, and retirement income planning.

BUSINESS PLANNING

Shareholder Agreements – If you have a business partner and he or she passes away, it is then possible that in the absence of proper planning their spouse may end up becoming your new partner (hardly ever a desirable outcome). To avoid this, partners should draw up a shareholder agreement specifying that should one pass away, the other will buy the shares from the deceased partner's estate or beneficiary. Most people don't have this lump sum available to make the purchase, so taking out an inexpensive life insurance policy on your business partner will ensure that a lump sum is available in the event of an untimely death.

ESTATE PLANNING Most Canadians don't realize that when you pass away, CRA considers your assets to be sold on your date of death (even though they haven't really been sold) and tax is applied at that point. Of course, there are ways to defer some of this tax by transferring assets to your spouse at death. However, that tax will ultimately have to be paid upon your spouse's death, and the tax bill could be enormous. Here are just a few taxed assets to note:

- 100 percent of the value of your RRSP's (or RRIF's)
- The capital gain on a second property (e.g., a cottage)
- The capital gains on all investments (including shares in your business)

I guess it really is true—the only sure things in life are death and taxes!

In order to preserve the value of your estate for your beneficiaries, you should purchase life insurance to cover the estimated tax bill (or at least part of it) that will come due upon your death. The last thing you would want is for your children to be forced to sell the family cottage to pay your taxes.

RETIREMENT PLANNING There are several outstanding strategies that utilize the tax-free benefit associated with life insurance. One of the best for retirees in their sixties and seventies is the "Insured Annuity Strategy". If you have large amounts of money sitting in GICs and you want to continue to be conservative with that money, the "Insured Annuity Strategy" can provide you with after-tax income that equates to what a seven-to-ten percent GIC would pay you. (And we all know we can't find GICs at *those* rates!) Again, if you have large amounts sitting in GICs, be sure to investigate this strategy or contact your financial planner, as the increase in guaranteed retirement income can be significant.

Life insurance is simply a tool which can provide several strategies to protect and maximize your wealth. With the guidance of an experienced wealth management advisor licensed to offer insurance you can make certain you are taking advantage of all of the strategies available, regardless of your age or situation. **■**



**ASK AN EXPERT
PHYSICIAN**

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WANT TO MAINTAIN YOUR YOUTHFUL APPEARANCE?

I'm a 40-year old male starting to notice wrinkles on my forehead and around my eyes. I know that it's more common for women to get Botox, but do men get this treatment as well, and is it different for men?

MEN, JUST LIKE WOMEN, want to maintain their youthful appearance. Typically, clinics see a majority of women, but the number of male patients using Botox and dermal fillers is growing steadily.

For both sexes, Botox works by relaxing the underlying muscles where dynamic lines, wrinkles, and creases tend to appear—such as around the eyes and on the forehead. After a Botox treatment, existing lines fade or disappear, resulting in a smoother, younger-looking appearance. Regular use of Botox also prevents new wrinkles from forming. Regardless of your mood, frown lines can make a man look angry or stressed. Botox treatments can provide a confident, relaxed and refreshed look in any situation.

Because they tend to have larger and stronger muscles, men often need more Botox than women for optimal results. However, it is important to use enough to adequately relax the area—if not, the treatment will not last as long. For a first treatment we offer a free follow-up visit to ensure the optimal dosage has been injected. In this way we can offer the best possible value.

The only way to get meaningful information about your individual requirements is to have a consultation with a well trained, experienced physician. You can see before and after photos, have a personal assessment and find out more about the products used. There is no recovery period, with most clients coming in three to four times per year. We often refer to Botox as a "lunch hour procedure," as a treatment takes about 15–30 minutes. Our male clients *love* Botox because there is virtually no time or effort required to look great. **■**