

Is your financial plan fully protected?

Planning for the future involves more than investing. Even the largest portfolio can be eroded by unforeseen expenses and tax consequences following an untimely death. The best way to save your family from unnecessary difficulty is to incorporate insurance into your financial plan.

Life insurance is one of the most overlooked financial solutions, and its role within a well-developed financial strategy is often under appreciated. Here are some common misconceptions about life insurance.

Misconception #1: With substantial savings, there is no use for life insurance

Individuals with a large portfolio may not necessarily need life insurance, but it can help them address complex estate planning concerns such as excessive taxation upon death and the possible need to liquidate valuable assets to fund the tax bill. It can allow you to build additional wealth on a tax-sheltered basis, with a tax-free benefit paid to your estate that can maximize the asset value passed on to future generations. If you have plans for inter-generational wealth, these are important opportunities.

Misconception #2: Life insurance adds little value to an overall financial strategy

While some people may feel life insurance premiums are a waste of money or are reluctant to consider the possibility of death, we all have obligations regardless of whether we are here to meet them or not:

- burial expenses
- children's education
- mortgage and other debt payments
- estate tax liabilities, and
- ongoing daily expenses


Furthermore, a life-altering event such as diagnosis of a critical illness could force you to fund medical and other expenses from your investment portfolio. Critical Illness Insurance can help you recover financially – as well as physically – in the event that illness strikes.

Misconception #3: Life insurance is only for young families

While young families have significant financial obligations and need protection, life insurance is a risk management tool with tremendous upside at any stage. Whether you've got a home mortgage to protect, or a substantial estate to preserve, there is likely an insurance solution that can be beneficially integrated with your overall financial strategy.

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A ScotiaMcLeod advisor has the knowledge, resources, and team of experts to define an appropriate role for life insurance in your financial plan, and to implement a solution the makes sense for you.

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