



Would you like to increase your income without reducing your estate?

Consider Corporate Insured Annuity

Here's the issue:

You have worked hard to accumulate investment savings inside your company. Your company's investment portfolio includes interest-bearing investments such as GICs, term deposits, bonds, bank accounts, etc. You are currently using the interest income from your investments to supplement your income. You would like to increase your income from your investments but don't want to reduce the amount you want to gift through your estate.

You can increase what you receive today and give more tomorrow:

If your situation is similar to the one described above you should consider the benefits of a financial planning strategy known as a Corporate Insured Annuity. This strategy is designed to give you increased income today, while ensuring that the assets you have worked hard to build are still available to gift through your estate tomorrow.

Here's how the Corporate Insured Annuity works:

Your corporation uses all or a portion of its interest bearing investments to purchase a life annuity contract, which provides a guaranteed income during your lifetime. The corporation also purchases a life insurance policy with you as the life insured and the corporation as the beneficiary. The guaranteed payment stream is used to pay the life insurance premium and the tax on the annuity. The remaining amount is used to supplement your income, usually providing a substantially higher amount than current interest bearing alternatives. When you die, your company receives the tax-free death benefit from the life insurance policy. The excess of the death benefit over the adjusted cost basis of the policy is credited to the corporation's capital dividend account. Your corporation can then use the proceeds to pay a tax-free capital dividend.

Your estate can then distribute the funds as directed in your will.

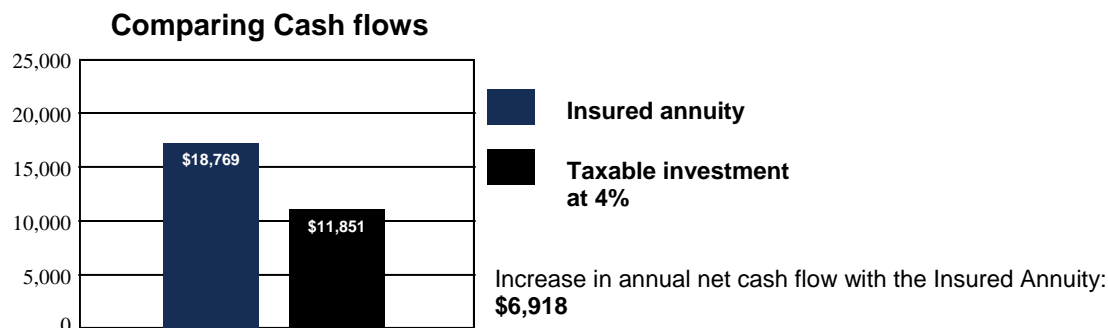
The benefits of the Corporate Insured Annuity:

- Increased cash flow for you today
- Tax-Free insurance benefits can be gifted through your estate
- Potential to reduce the capital gains tax on your closely held corporations

Corporate Insured Annuity Vs. Interest Bearing Investment

Personal Information:	Male, 70, non-smoker	
Funds available to purchase prescribed annuity	\$500,000	
Death benefit	\$500,000	
Corporate tax rate on investment income	44.70%*	
Personal dividend tax rate	27.71%%*	
Life expectancy	Age 86	
* based on 2009 combined federal and Alberta top marginal tax rates		
	Insured Annuity	Taxable Investment at 4%
Total funds available	\$500,000	\$500,000
Average annual after tax dividend	\$18,769*	\$11,851
Increase in average annual after tax dividend	\$6,918 per year	
Shareholder estate value at life expectancy (age 86)	\$500,000	\$361,450
Increase in shareholder estate value at life expectancy	\$138,550	

*Amount net of insurance costs



At Catalyst we provide insurance solutions focused on the unique needs of private corporations and their shareholders.

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