

Income Payout Strategy on Par Whole Life User Guide

October 2023



What it is and what is its value?

- An enhancement on our Participating Whole Life products on the ProCloud illustration system
- Allows the policyholder to see the potential of receiving an income from the policy in the form of either a withdrawal of Paid-Up Additions (PUA) or policy loans (up to the policy loan limit) of the policy's Total Cash Surrender Value (CSV)
- The concept is available only on "Buy Paid - Up Additions" dividend option

Client Value	Advisor Value	Serenia Life Value
Enhances the client's understanding of the benefits/value of Par Whole Life product	Gives an option for advisors to illustrate how to attain client's income goal	A differentiator as not a lot of carriers offer this concept
Answers immediate need like funds for dream vacation, wedding, and education expenses, making the product more tangible and appealing	Provides a new engagement opportunity to describe and explain a new concept of Par Whole Life product	Increase new and larger sales
Improved client experience	Improved ability for more comprehensive planning	Helps generate revenue
	Ability to illustrate "Infinite Banking Concept"	Ease of doing business

Screen changes on the illustration system



What are the screen changes and enhancements ?

Plan & Client tab

Income

- An Income section and a new set of Income Payout controls are added on the screen if Whole Life or 20 - Pay Whole Life plan is selected
- This is located immediately below the “Add Additional Deposits” section
- The “Add income” appears only when “Buy Paid - Up Additions” dividend option is selected.
 - The “Add income” is inactive and invisible when “Accumulated Dividends” or “Cash” dividend option is selected
- The “Add income” toggle is defaulted to Off and **must be turned On each time the user wants to illustration an income payout** .

The screenshot displays the 'Coverage Details' section of a user interface. It includes a 'Face Amount' field set to '\$250,000' and a 'Dividend Option' dropdown menu currently set to 'Buy Paid-Up Additions'. Below these is a 'Solve for face amount' section with a 'Premium Offset' checkbox. The 'Add Additional Deposits' section features a toggle switch that is currently turned off. Underneath, there are three input fields: 'Deposit Amount' (set to '\$1,000'), 'Additional Deposit Limits' (showing 'Min: \$60.00' and 'Max: \$7,525.00'), and 'Deposit Interval (in years)'. At the bottom, the 'Income' section is highlighted in yellow, containing an 'Add income' toggle that is also highlighted in yellow. Below the toggle, a note reads: 'Add an income as Paid-up Additions (PUA) Withdrawal or Policy Loan to this policy'.

What are the screen changes and enhancements?

Plan & Client tab

Add income

- When the “Add income” toggle is On, the “Income Type”, “Income frequency”, “Income method” and “Duration Type” controls will be active.
- The “Income Type” is defaulted to “PUA Withdrawal”.
- The “Income frequency” is defaulted to “Annually” and is the only option for now.
- The “Income Method” options are “Simple”, “Level Maximum Income” and “Customize per year”. The default is “Simple”
 - **Simple**: allows to specify up to two income flows
 - **Level Maximum**: solves for the maximum level income
 - **Customize**: allows inputs for different or complex income flows

Income

Add income

Add an income as Paid-up Additions (PUA) Withdrawal or Policy Loan to this policy

INCOME TYPE [?] Income frequency

PUA Withdrawal **Policy Loan** **Annually** [?]

INCOME METHOD [?]

Simple **Level maximum income** **Customize per year**

DURATION TYPE Age Year Gross Income Amount [?]

Age **Years** **to** **26-60**

Start End

[+ Add a gross income amount](#)

What are the screen changes and enhancements?

Plan & Client tab

Income Method – Simple

- “Duration type” radio button is active where there’s an option between age range or year range
 - Age: Enter “start age” and “end age”
 - Min: The age from the Client Details – Life 1 section
 - Max: 99 for both “start age” and “end age”
 - Year: Enter “start year” and “end year”
 - Min: 1 for both “start year” and “end year” is 1
 - Max: 99 less age taken from the Client Details – Life 1 section for both start year and end year for both “start year” and “end year”
- Enter the Gross Income Amount
 - Min: \$500
 - Max: \$999,999,999

Income

Add income

Add an income as Paid-up Additions (PUA) Withdrawal or Policy Loan to this policy

INCOME TYPE [?] Income frequency

PUA Withdrawal **Policy Loan** Annually ^v

INCOME METHOD [?]

Simple **Level maximum income** **Customize per year**

DURATION TYPE Age Years

Age: 65 to 99 **26-60** Year Gross Income Amount [?]

Start End \$1,000.00

[+ Add a gross income amount](#)

DURATION TYPE Age **Years**

Year: 26 to 60 **65-99** Age Gross Income Amount [?]

Start End \$1,000.00

[+ Add a gross income amount](#)

What are the screen changes and enhancements?

Plan & Client tab

Income Method – Simple

- A maximum of two income flows are available. Click the “Add a gross income amount”.
- If the second income flow is not required, then click the “garbage pail” icon on the right side of the 2nd income flow to remove it.

INCOME METHOD ?

Simple Level maximum income Customize per year

DURATION TYPE Year Age Gross Income Amount ?

Age Years 26 to 60 65-99 \$1,000.00

Start End

DURATION TYPE Year Age Gross Income Amount ?

Age Years 26 to 60 65-99 \$1,000.00

Start End

Income Method – Level maximum income

- When selected, the same functionality as “Income Method – Simple” will be activated.
- The “Gross Income Amount” field is disabled and greyed out.

INCOME METHOD ?

Simple Level maximum income Customize per year

DURATION TYPE Year Age Gross Income Amount ?

Age Years 26 to 60 65-99 \$1,000.00

Start End

DURATION TYPE Year Age Gross Income Amount ?

Age Years 26 to 60 65-99 \$1,000.00

Start End

DURATION TYPE Year Age Gross Income Amount ?

Age Years 26 to 60 65-99 \$1,000.00

Start End

What are the screen changes and enhancements?

Plan & Client tab

Income Method – Customize per year

- When selected, “Year”, “Age” and “Income Amount” columns will appear
 - Min Age: Age taken from the Client Details – Life 1 section
 - Max Age: 99
- When an Income Amount is entered into a row, it is copied to all rows below it.
 - You can remove/delete the income amount from a particular row
 - You can add different income amounts to different rows
- Income amount:
 - Min: \$500
 - Max: 999,999,99

Income

Add income

Add an income as Paid-up Additions (PUA) Withdrawal or Policy Loan to this policy

INCOME TYPE [?] Income frequency

PUA Withdrawal **Policy Loan** Annually [?]

INCOME METHOD [?]

Simple **Level maximum income** **Customize per year**

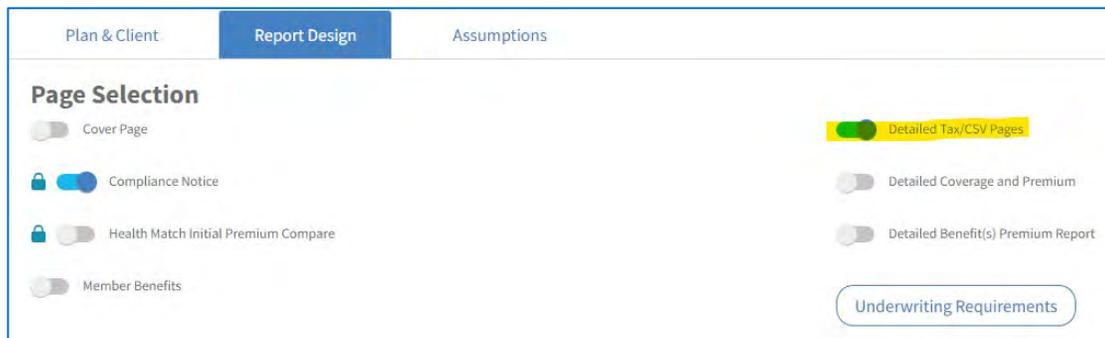
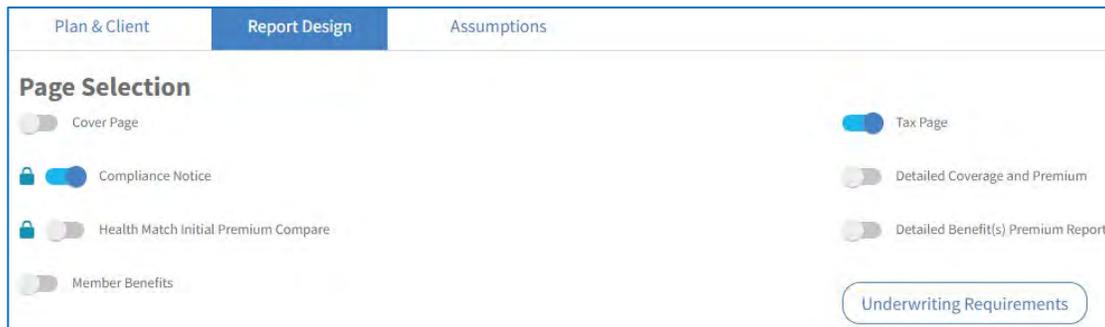
Year	Age	Income Amount
4	43	500
5	44	0
6	45	1000
7	46	0
8	47	800

What are the screen changes and enhancements?

Report Design tab

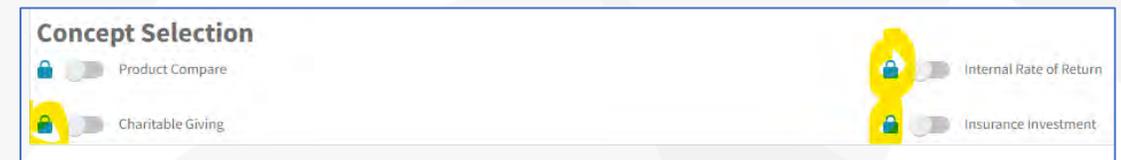
Page Selection

- The Tax Page toggle is replaced with Detailed Tax/CSV Pages



Concept Selection

- If the “Add Income” under Plan & Client tab is On, the “Charitable Giving”, “Internal Rate of Return” and “Insurance Investment” concepts are locked/disabled.



What are the screen changes and enhancements?

Report Design tab

Income Payout

- A new section “Income Payout” is added and located between the “Concept Selection” and “Print Options”
- This section has the following reports:
 - Income Payout Strategy
 - Insurance Income vs Alternate Investment
- If the “Add income” under the Plan & Client tab is On, then both reports are enabled and defaulted on.
 - You can toggle “on” and “off” to either of these reports
- If the “Add income” under the Plan & Client tab is Off, then both reports are locked.

Concept Selection

Product Compare

Charitable Giving

Internal Rate of Return

Insurance Investment

Income Payout

Select the items below to demonstrate how a Serenia Life Whole Life policy can be used to generate income for you.

Income Payout Strategy

Insurance Income vs Alternate Investment

Print Options

DURATION

Print All Years

Print Selected Years

Print First

Then

SUMMARY SECTION

Policy Years to Display

0 0 0 0 0

Ages To Display

0 0 0 0 0

Income Payout

Select the items below to demonstrate how a Serenia Life Whole Life policy can be used to generate income for you.

Income Payout Strategy

Insurance Income vs Alternate Investment

What are the screen changes and enhancements?

Assumptions tab

Income Payout

- A new section “Income Payout” is added and located below the “Insurance Investment” section
- This section allows the advisor to specify the assumptions that will be used for in calculating the Income Payout related calculations and tables.
- This section has the following fields:
 - Policy Loan Rate: default is 8.50%; limits: 8.5% - 13.5%;
 - Alternate Investment Rate: default is 3.00%; limits: 1% - 10%
 - Marginal Tax Rate: default is 40.16%; limits: 0%- 60%
- Ensure to **use the Income Payout section, NOT the Insurance Investment section** under the Assumption tab to adjust the rates, if needed.

Note: Default values only apply to new users or for users who have never logged into the new version of the illustration system.

All fields in the Assumption tab get automatically saved when you log out and reloaded when the system is used so advisors wouldn't have to keep changing them every time they log in.

E.g.. You previously put a loan rate of 10%, the next time you log in, it'll remain at 10%. So be mindful of this.

Income Payout

Policy Loan Rate ?

8.50 %

Alternate Investment Interest Rate ?

3.00 %

Marginal Tax Rate ?

40.16 %

Report changes



What are the report changes and enhancements?

Illustration Details

- If “Add income” toggle is On and “Income Type” is set to PUA Withdrawal then “Cash Withdrawals” column appears in all three illustrations:
 - Current Dividend Scale
 - Current Dividend Scale – 1%
 - Current Dividend Scale – 2%

Income

Add income

Add an income as Paid-up Additions (PUA) Withdrawal or Policy Loan to this policy

INCOME TYPE (?) Income frequency

Annually ▾

Illustration Details - Current Dividend Scale

Year	Age	Guaranteed Values			Non-Guaranteed Values			
		Required Annualized Premium	Cash Value	Death Benefit	Total Annualized Premium Paid	Cash Withdrawals	Total Cash Value	Total Death Benefit
1	66	\$13,175	\$0	\$250,000	\$13,175	\$0	\$145	\$250,260
2	67	\$13,175	\$0	\$250,000	\$13,175	\$145	\$970	\$251,689
3	68	\$13,175	\$0	\$250,000	\$13,175	\$500	\$2,171	\$253,670
4	69	\$13,175	\$0	\$250,000	\$13,175	\$500	\$4,063	\$256,673
5	70	\$13,175	\$0	\$250,000	\$13,175	\$500	\$6,608	\$260,557
6	71	\$13,175	\$2,250	\$250,000	\$13,175	\$500	\$11,839	\$264,914
7	72	\$13,175	\$5,000	\$250,000	\$13,175	\$500	\$18,146	\$269,926
8	73	\$13,175	\$8,750	\$250,000	\$13,175	\$500	\$26,364	\$276,046
9	74	\$13,175	\$13,000	\$250,000	\$13,175	\$500	\$36,037	\$283,268
10	75	\$13,175	\$18,000	\$250,000	\$13,175	\$500	\$47,444	\$291,573

What are the report changes and enhancements?

Additional reports

- If “Add income” toggle is On, “Income Type” is set to PUA Withdrawal and the “Detailed Tax/CSV Pages” toggle is On under the Report Design tab, then a new set of reports are added
 - Cash Value Details– replacing the Cash Value and Tax Report on the illustration without Income Payout
 - Death Benefit Details
 - Tax Details
- These 3 new reports show only the Current Dividend Scale scenario

Income

Add income

Add an income as Paid-up Additions (PUA) Withdrawal or Policy Loan to this policy

INCOME TYPE PUA Withdrawal Policy Loan

Income frequency:

Plan & Client | **Report Design** | Assumptions

Page Selection

Cover Page

Compliance Notice

Health Match Initial Premium Compare

Member Benefits

Detailed Tax/CSV Pages

Detailed Coverage and Premium

Detailed Benefit(s) Premium Report

[Underwriting Requirements](#)

What are the report changes and enhancements?

Cash Value Details

Guaranteed Values				Non-Guaranteed Values			
Year	Age	Required Annualized Premium	Cash Value	Total Annualized Premium Paid	Cash Withdrawals	Cash Value Paid Up Additions	Total Cash Value
1	66	\$13,175	\$0	\$13,175	\$0	\$145	\$145
2	67	\$13,175	\$0	\$13,175	\$145	\$970	\$970
3	68	\$13,175	\$0	\$13,175	\$500	\$2,171	\$2,171
4	69	\$13,175	\$0	\$13,175	\$500	\$4,063	\$4,063
5	70	\$13,175	\$0	\$13,175	\$500	\$6,608	\$6,608
6	71	\$13,175	\$2,250	\$13,175	\$500	\$9,589	\$11,839
7	72	\$13,175	\$5,000	\$13,175	\$500	\$13,146	\$18,146
8	73	\$13,175	\$8,750	\$13,175	\$500	\$17,614	\$26,364
9	74	\$13,175	\$13,000	\$13,175	\$500	\$23,037	\$36,037
10	75	\$13,175	\$18,000	\$13,175	\$500	\$29,444	\$47,444

Tax Details

Year	Age	Required Annualized Premium	Total Annualized Premium Paid	Cash Withdrawals	Net Cost of Pure Insurance	Taxable Portion of Cash Withdrawal	Adjusted Cost Basis	Cash Withdrawal After Tax	Taxable Gain on Policy Surrender
1	66	\$13,175	\$13,175	\$0	\$755	\$0	\$12,420	\$0	\$0
2	67	\$13,175	\$13,175	\$145	\$1,192	\$0	\$24,258	\$145	\$0
3	68	\$13,175	\$13,175	\$500	\$1,544	\$0	\$35,389	\$500	\$0
4	69	\$13,175	\$13,175	\$500	\$1,907	\$0	\$46,156	\$500	\$0
5	70	\$13,175	\$13,175	\$500	\$2,299	\$0	\$56,532	\$500	\$0
6	71	\$13,175	\$13,175	\$500	\$2,725	\$0	\$66,483	\$500	\$0
7	72	\$13,175	\$13,175	\$500	\$3,197	\$0	\$75,960	\$500	\$0
8	73	\$13,175	\$13,175	\$500	\$3,710	\$0	\$84,925	\$500	\$0
9	74	\$13,175	\$13,175	\$500	\$4,264	\$0	\$93,336	\$500	\$0
10	75	\$13,175	\$13,175	\$500	\$4,876	\$0	\$101,136	\$500	\$0

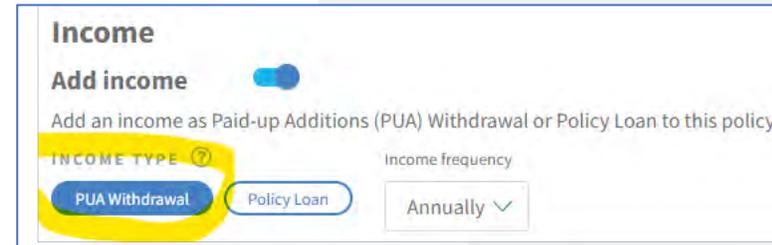
Death Benefit Details

Guaranteed Values				Non-Guaranteed Values			
Year	Age	Required Annualized Premium	Death Benefit	Total Annualized Premium Paid	Cash Withdrawals	Death Benefit Paid Up Additions	Total Death Benefit
1	66	\$13,175	\$250,000	\$13,175	\$0	\$260	\$250,260
2	67	\$13,175	\$250,000	\$13,175	\$145	\$1,689	\$251,689
3	68	\$13,175	\$250,000	\$13,175	\$500	\$3,670	\$253,670
4	69	\$13,175	\$250,000	\$13,175	\$500	\$6,673	\$256,673
5	70	\$13,175	\$250,000	\$13,175	\$500	\$10,557	\$260,557
6	71	\$13,175	\$250,000	\$13,175	\$500	\$14,914	\$264,914
7	72	\$13,175	\$250,000	\$13,175	\$500	\$19,926	\$269,926
8	73	\$13,175	\$250,000	\$13,175	\$500	\$26,046	\$276,046
9	74	\$13,175	\$250,000	\$13,175	\$500	\$33,268	\$283,268
10	75	\$13,175	\$250,000	\$13,175	\$500	\$41,573	\$291,573

What are the report changes and enhancements?

Additional pages

- If “Add income” toggle is On and “Income Type” is set to either PUA Withdrawal or Policy Loan;
- Then 3 new pages are available if the following are selected On or activated under the Report Design tab.
 1. Serenia Life Whole Life Insurance: Income Payout Strategy (always part of the report)
 2. Income Payout Strategy
 3. Insurance Income vs Alternate Investment



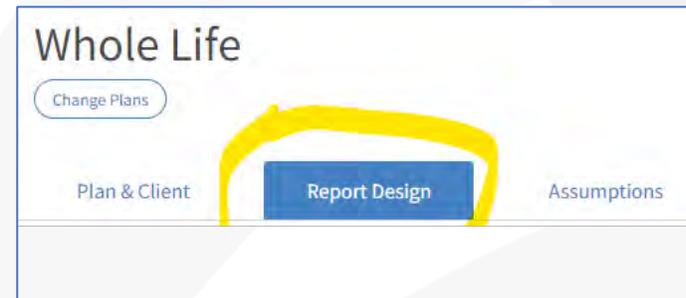
Income

Add income

Add an income as Paid-up Additions (PUA) Withdrawal or Policy Loan to this policy

INCOME TYPE PUA Withdrawal Policy Loan

Income frequency:



Whole Life



Income Payout

Select the items below to demonstrate how a Serenia Life Whole Life policy can be used to generate income for you.

Income Payout Strategy Insurance Income vs Alternate Investment

What are the report changes and enhancements?

Additional pages

1. Serenia Life Whole Life Insurance: Income Payout Strategy



Serenia Life Whole Life Insurance: Income Payout Strategy

This sales concept is intended to show that a Whole Life policy is not only a life insurance protection and estate planning solution. It also demonstrates how a Serenia Life Whole Life policy can be used to generate income for you, enabling you to optimize your savings, your estate value, and your retirement income.

You can choose:

1. When to start and stop your income payouts, highlighting the flexibility and control you have,
2. How to withdraw the income, either by:
 - a. surrendering Paid-Up Additions that results in a blend of taxable and tax-free income,
 - or,
 - b. taking policy loans.

This illustration assumes you will remain in the same income tax bracket.

This sales concept is provided for illustrative purposes only. It does not constitute legal, accounting, financial, or tax advice. It is recommended that you consult your own advisor or obtain appropriate legal, accounting, or tax advice regarding your specific situation.

The Cash Value Details, Death Benefit Details, and Tax Details are illustrative values and are not guarantees of future performance. Any changes in the dividend scale would have an impact on the illustrated values.

Dividends are not guaranteed and are paid based on the overall experience of Serenia Life Financial, considering all the risk factors. They may be subject to taxation. They vary based on the actual investment returns in the participating account as well as mortality, expenses, taxes, lapses, withdrawals, and other experience of the participating block of policies. They have the potential to increase the value of your policy above the guaranteed amount, depending on the dividend option selected.

This illustration is not an application, an offer to provide a contract of life insurance, an insurance contract, or part of a contract. It is intended to be a tool for both you and your advisor to review the potential growth inside the policy.

This is supplemental and is not required when you submit an application for insurance.

2. Income Payout Strategy



Income Payout Strategy

When is the best time to use this strategy?

You're at the point where you want to optimize your estate, minimize taxes, and increase your retirement income as part of your long-term financial plan. You've maximized other tax-preferred investments, like RRSPs and TFSAs. You're in good health, and like the idea of using alternative approaches to increase your retirement income.

Why is this a good way to invest my money?

The Income Payout Strategy uses the attributes of a Whole Life insurance contract to protect assets and reduce taxes payable. It enables tax preferred growth of cash values that may increase the tax-advantaged retirement income available to you, as compared to other similar taxable investments.

How does the strategy work?

You purchase a permanent Whole Life insurance policy with your surplus income or existing investments. The money paid into the insurance contract grows on a tax-preferred basis and may provide additional growth above the guaranteed death benefit. Upon retirement, you can take partial surrenders from your paid-up additions or take policy loans from your policy on a tax-advantaged basis to supplement your retirement income. On death, the remaining life insurance death benefit is paid out to your beneficiary, tax free.

Benefits of Insurance

Protects against setbacks

Life insurance provides a tax-free source of funds (i.e., the death benefit) to protect your wealth from taxes and settlement costs compared to taxable investments. You can choose to use the earnings from within your policy to provide yourself with an income and enhance your retirement.

Enjoy growth and flexibility

Canadian tax regulations allow for tax-free growth of the policy's cash value while it remains inside the policy, subject to legislated limits. The cash value can also provide a source of funds in the future through a policy loan, withdrawal, or through a collateral assignment with a lending institution.

Give back

By strategically using your policy's values, you can enhance your retirement income. This enables you to live better, give more to your favourite charity, family, or other entity during retirement. It also allows you to name beneficiary(ies) who will receive the funds directly, protecting your privacy, and saving your loved ones' time and money associated with probate.

What are the report changes and enhancements?

Additional pages

3. Insurance Income vs Alternate Investment (PUA Withdrawal or Policy Loan)

- The alternative investment is a non - registered bank account which is compared to the whole life insurance policy with withdrawals.
- This bank account uses the policy premiums as the deposits and the before - tax cash withdrawals/policy loans as the basis for the withdrawals from bank account.
- The balance in this bank account will be accumulated using the interest rate which is one of the assumed user inputs (under the Assumptions tab).

Income Payout		
Policy Loan Rate [?]	Alternate Investment Interest Rate [?]	Marginal Tax Rate [?]
8.50 %	3.00 %	40.16 %

Insurance Income vs Alternate Investment - Current Dividend Scale

Year	Age	Annualized Premiums/ Deposits Paid	Cash Withdrawals	Non-Guaranteed Values					
				Alternate Investment			Strategy Values on Death		
				Cash Withdrawals (Net of Tax)	Net Investment	IRR on Net Investment (%)	Cash Withdrawals (Net of Tax)	Total Death Benefit	IRR on Total Death Benefit (%)
1	66	\$13,175	\$0	\$0	\$13,412	1.80 %	\$0	\$250,260	1799.51 %
2	67	\$13,175	\$145	\$145	\$26,916	1.80 %	\$145	\$251,689	290.41 %
3	68	\$13,175	\$500	\$500	\$40,302	1.80 %	\$500	\$253,670	128.32 %
4	69	\$13,175	\$500	\$500	\$53,928	1.80 %	\$500	\$256,673	75.49 %
5	70	\$13,175	\$500	\$500	\$67,799	1.80 %	\$500	\$260,557	50.65 %
6	71	\$13,175	\$500	\$500	\$81,918	1.80 %	\$500	\$264,914	36.59 %
7	72	\$13,175	\$500	\$500	\$96,291	1.80 %	\$500	\$269,926	27.74 %
8	73	\$13,175	\$500	\$500	\$110,923	1.80 %	\$500	\$276,046	21.80 %
9	74	\$13,175	\$500	\$500	\$125,816	1.80 %	\$500	\$283,268	17.61 %
10	75	\$13,175	\$500	\$500	\$140,978	1.80 %	\$500	\$291,573	14.55 %

Insurance Income vs Alternate Investment - Current Dividend Scale

Year	Age	Annualized Premiums/ Deposits Paid	Cash Withdrawals / Policy Loans	Non-Guaranteed Values					
				Alternate Investment			Strategy Values on Death		
				Cash Withdrawals (Net of Tax)	Net Investment	IRR on Net Investment (%)	Policy Loans (Net of Tax)	Total Death Benefit (Net of Policy Loan)	IRR on Total Death Benefit (%)
1	41	\$4,725	\$0	\$0	\$4,810	1.80 %	\$0	\$250,961	5211.35 %
2	42	\$4,725	\$0	\$0	\$9,706	1.80 %	\$0	\$252,860	583.25 %
3	43	\$4,725	\$0	\$0	\$14,690	1.80 %	\$0	\$255,516	239.56 %
4	44	\$4,725	\$0	\$0	\$19,764	1.80 %	\$0	\$258,820	139.51 %
5	45	\$4,725	\$0	\$0	\$24,928	1.80 %	\$0	\$262,680	94.81 %
6	46	\$4,725	\$0	\$0	\$30,186	1.80 %	\$0	\$266,807	70.17 %
7	47	\$4,725	\$0	\$0	\$35,537	1.80 %	\$0	\$271,275	54.83 %
8	48	\$4,725	\$0	\$0	\$40,985	1.80 %	\$0	\$276,422	44.51 %
9	49	\$4,725	\$0	\$0	\$46,531	1.80 %	\$0	\$282,236	37.16 %
10	50	\$4,725	\$0	\$0	\$52,176	1.80 %	\$0	\$288,737	31.71 %

What are the report changes and enhancements?

Location of Assumptions

The assumptions used in the report are located as follows:

- Investment interest rate and marginal tax rate are found at the bottom of the “Insurance Income vs Alternate Investment” report .
- Loan interest rate is found in the Illustrations Assumption section on the “Insurance Summary” page .
- An indication on whether PUA withdrawals or Policy Loans was selected is found in the Illustrations Assumption section on the “Insurance Summary” page

Illustration Assumptions	At end of year
All premiums are paid at the beginning of the policy year. All other values are shown as of the end of the policy year	-
You have requested to cancel Additional Deposit Option	60
You have requested to illustrate Policy Loan	-
Assuming policy loan rate of 8.50%	-

Insurance Income vs Alternate Investment - Current Dividend Scale Continued

Year	Age	Annualized Premiums/ Deposits Paid	Cash Withdrawals / Policy Loans	Non-Guaranteed Values					
				Alternate Investment			Strategy Values on Death		
				Cash Withdrawals (Net of Tax)	Net Investment	IRR on Net Investment (%)	Policy Loans (Net of Tax)	Total Death Benefit (Net of Policy Loan)	IRR on Total Death Benefit (%)
35	75	\$12,250	\$1,000	\$1,000	\$751,073	3.00 %	\$1,000	\$1,566,613	6.41 %
36	76	\$12,250	\$1,000	\$1,000	\$785,192	3.00 %	\$1,000	\$1,611,833	6.27 %
37	77	\$12,250	\$1,000	\$1,000	\$820,335	3.00 %	\$1,000	\$1,669,131	6.14 %
38	78	\$12,250	\$1,000	\$1,000	\$856,533	3.00 %	\$1,000	\$1,728,648	6.02 %
39	79	\$12,250	\$1,000	\$1,000	\$893,817	3.00 %	\$1,000	\$1,790,564	5.91 %
40	80	\$12,250	\$1,000	\$1,000	\$932,219	3.00 %	\$1,000	\$1,855,015	5.80 %
41	81	\$12,250	\$1,000	\$1,000	\$971,773	3.00 %	\$1,000	\$1,922,183	5.71 %
42	82	\$12,250	\$1,000	\$1,000	\$1,012,513	3.00 %	\$1,000	\$1,991,397	5.62 %
43	83	\$12,250	\$1,000	\$1,000	\$1,054,476	3.00 %	\$1,000	\$2,061,821	5.54 %
44	84	\$12,250	\$1,000	\$1,000	\$1,097,698	3.00 %	\$1,000	\$2,133,164	5.45 %
45	85	\$12,250	\$1,000	\$1,000	\$1,142,216	3.00 %	\$1,000	\$2,205,102	5.38 %
46	86	\$12,250	\$1,000	\$1,000	\$1,188,070	3.00 %	\$1,000	\$2,277,308	5.30 %
47	87	\$12,250	\$1,000	\$1,000	\$1,235,300	3.00 %	\$1,000	\$2,349,334	5.22 %
48	88	\$12,250	\$1,000	\$1,000	\$1,283,946	3.00 %	\$1,000	\$2,420,683	5.15 %
49	89	\$12,250	\$1,000	\$1,000	\$1,334,052	3.00 %	\$600	\$2,490,796	5.08 %
50	90	\$12,250	\$1,000	\$1,000	\$1,385,661	3.00 %	\$600	\$2,560,598	5.00 %
51	91	\$12,250	\$1,000	\$1,000	\$1,438,819	3.00 %	\$600	\$2,629,690	4.93 %
52	92	\$12,250	\$1,000	\$1,000	\$1,493,571	3.00 %	\$600	\$2,699,098	4.86 %
53	93	\$12,250	\$1,000	\$1,000	\$1,549,965	3.00 %	\$600	\$2,768,545	4.80 %
54	94	\$12,250	\$1,000	\$1,000	\$1,608,052	3.00 %	\$600	\$2,837,903	4.73 %
55	95	\$12,250	\$1,000	\$1,000	\$1,667,881	3.00 %	\$600	\$2,905,903	4.67 %
56	96	\$12,250	\$1,000	\$1,000	\$1,729,505	3.00 %	\$600	\$2,972,930	4.61 %
57	97	\$12,250	\$1,000	\$1,000	\$1,792,978	3.00 %	\$600	\$3,039,489	4.55 %
58	98	\$12,250	\$1,000	\$1,000	\$1,858,354	3.00 %	\$600	\$3,103,799	4.49 %
59	99	\$12,250	\$1,000	\$1,000	\$1,925,693	3.00 %	\$600	\$3,166,097	4.43 %
60	100	\$12,250	\$1,000	\$1,000	\$1,995,051	3.00 %	\$600	\$3,226,557	4.37 %
11	51	\$12,250	\$0	\$0	\$161,602	3.00 %	\$0	\$667,713	22.85 %
21	61	\$12,250	\$0	\$0	\$361,826	3.00 %	\$0	\$924,091	10.53 %
26	66	\$12,250	\$1,000	\$1,000	\$485,413	3.00 %	\$1,000	\$1,129,461	8.41 %
46	86	\$12,250	\$1,000	\$1,000	\$1,188,070	3.00 %	\$1,000	\$2,277,308	5.30 %

Assuming alternate investment interest rate of 5% and a marginal tax rate of 40%

What are the report changes and enhancements?

Updated Product Details Page

- Updated the descriptions of Total Cash Value and Total Death Benefit to include the impact of policy loans.
- Includes descriptions of the following:
 - Policy Loans
 - Paid-Up Additions (PUA) Withdrawal
 - Taxable Portion of Withdrawals/Policy Loans

Total Cash Value

The Total Cash Value is the Guaranteed Cash Value of your policy plus any non-guaranteed cash values provided by the dividend option you have selected. **If policy loans are illustrated, the Total Cash Value will be net of the outstanding policy loan balance.**

Total Death Benefit

The Total Death Benefit includes the Guaranteed Death Benefit and any additional non-guaranteed death benefit provided by the dividend option you have selected. **If policy loans are illustrated, the Total Death Benefit will be net of the outstanding policy loan balance.**

Paid-Up Addition (PUA) Withdrawals

You may choose to withdraw up to the total cash value of the Paid-Up Additions. While the cash value will be reduced by the amount of the withdrawal, the death benefit will be reduced by an amount that is greater than the withdrawal.

Policy Loans

You may choose to take a loan up to a specified limit less any outstanding loans. Note that the death benefit payable to your beneficiary(ies) will be reduced by any outstanding policy loan balance at the time of claim payment. Furthermore, all or a portion of the policy loan may be treated as a taxable disposition depending on when you take your policy loan.

Designed for John Doe
Date: October 10, 2023

Page 1 of 12

Prepared by: Karen Mendoza

Illustration #: 10102023130353

Version: 2.0.4
E&OE

This illustration is incomplete without all pages.

This illustration is not an insurance policy nor is it an offer to insure.

FaithLife Financial conducts business as Serenia Life Financial.



Product Details Continued

Taxable Portion of Withdrawals/Policy Loans

This shows the potential taxable portion of a withdrawal or policy loan, should you opt to take one, from your Whole Life policy in the future. Withdrawals or Policy Loans will be considered a disposition and may be subject to taxation. The actual portion of the withdrawal or policy loan that will be subject to taxation will depend on several factors including applicable income tax rules in effect at the time you request a withdrawal or Policy Loan.

What are the report changes and enhancements?

Things to keep in mind

- Age/Year combination under the Duration Type
 - The age / year combination on the screen does not totally align with the age / year combination in the report.
 - For example: If the client is age 45, the age selected for PUA Withdrawal level maximum is between ages 65 to 99. This results to years 21 - 55 on the screen. The user might have thought it was supposed to be year 20 instead of 21. In the report, the cash withdrawals or policy loans start at age 46 (which is year 1) because it shows end of year (EOY) for age 45 or beginning of year (BOY) for age 46.
 - This logic is NOT new. It's the same with the existing illustration (without the Income Payout feature).

INCOME METHOD ⓘ

Simple Level maximum income Customize per year

DURATION TYPE

Age: 65 to 99 21-55

Start End

Cash Value Details - Current Dividend Scale

Year	Age	Guaranteed Values		Non-Guaranteed Values			
		Required Annualized Premium	Cash Value	Total Annualized Premium Paid	Cash Withdrawals	Cash Value Paid Up Additions	Total Cash Value
1	46	\$6,095	\$0	\$6,095	\$0	\$283	\$283
2	47	\$6,095	\$0	\$6,095	\$0	\$934	\$934
3	48	\$6,095	\$0	\$6,095	\$0	\$1,933	\$1,933
4	49	\$6,095	\$0	\$6,095	\$0	\$3,264	\$3,264
5	50	\$6,095	\$0	\$6,095	\$0	\$4,916	\$4,916
6	51	\$6,095	\$1,000	\$6,095	\$0	\$6,788	\$7,788
7	52	\$6,095	\$2,250	\$6,095	\$0	\$8,923	\$11,173
8	53	\$6,095	\$4,000	\$6,095	\$0	\$11,471	\$15,471
9	54	\$6,095	\$6,000	\$6,095	\$0	\$14,455	\$20,455
10	55	\$6,095	\$8,500	\$6,095	\$0	\$17,901	\$26,401
11	56	\$6,095	\$12,250	\$6,095	\$0	\$21,492	\$33,742
12	57	\$6,095	\$16,750	\$6,095	\$0	\$25,568	\$42,318
13	58	\$6,095	\$21,750	\$6,095	\$0	\$30,142	\$51,892
14	59	\$6,095	\$27,250	\$6,095	\$0	\$35,231	\$62,481
15	60	\$6,095	\$33,500	\$6,095	\$0	\$40,844	\$74,344
16	61	\$6,095	\$43,250	\$6,095	\$0	\$47,018	\$90,268
17	62	\$6,095	\$54,000	\$6,095	\$0	\$53,742	\$107,742
18	63	\$6,095	\$65,750	\$6,095	\$0	\$61,022	\$126,772
19	64	\$6,095	\$78,750	\$6,095	\$0	\$68,862	\$147,612
20	65	\$6,095	\$92,750	\$6,095	\$0	\$77,265	\$170,015
21	66	\$6,095	\$98,000	\$6,095	\$10,744	\$74,917	\$172,917
22	67	\$6,095	\$103,250	\$6,095	\$10,744	\$72,571	\$175,821
23	68	\$6,095	\$108,500	\$6,095	\$10,744	\$70,237	\$178,737
24	69	\$6,095	\$113,750	\$6,095	\$10,744	\$67,926	\$181,676
25	70	\$6,095	\$119,000	\$6,095	\$10,744	\$65,655	\$184,655
26	71	\$6,095	\$124,250	\$6,095	\$10,744	\$63,443	\$187,693
27	72	\$6,095	\$129,500	\$6,095	\$10,744	\$61,302	\$190,802
28	73	\$6,095	\$134,500	\$6,095	\$10,744	\$59,258	\$193,758
29	74	\$6,095	\$139,500	\$6,095	\$10,744	\$57,325	\$196,825
30	75	\$6,095	\$144,500	\$6,095	\$10,744	\$55,525	\$200,025

What are the report changes and enhancements?

Things to keep in mind

- For now, the income frequency is limited to Annual.
- There's no any administrative set up or processing for a recurring PUA Withdrawal or Policy Loan with the Income Payout concept in the illustration.
- Members will still have to complete the form for **each withdrawal or each policy loan** :
 - PUA Withdrawal - SER310 Dividend Request Form
 - Policy Loan – SER014 Policy Loan Agreement

Income

Add income

Add an income as Paid-up Additions (PUA) Withdrawal or Policy Loan to this policy

INCOME TYPE ?

PUA Withdrawal Policy Loan **Income frequency**

Annually ✓

INCOME METHOD ?

Simple Level maximum income Customize per year

What are the report changes and enhancements?

Things to keep in mind

- The income amount for the age/year range entered under the “Add Income” section may not show up exactly in the pdf report or Excel report as the requested income amount could exceed the maximum available in each future year.
- The pdf report or Excel report will still go through but it may show the income amounts entered at a shorter duration.
- Example:
 - Income Method: Simple
 - Annual income amount of \$10K for ages 65 to 99 (years 21 to 55)

Income
Add income

Add an income as Paid-up Additions (PUA) Withdrawal or Policy Loan to this policy.

INCOME TYPE PUA Withdrawal Policy Loan **Income frequency** Monthly Annually

INCOME METHOD Simple Level maximum income Customize per year

DURATION TYPE Age Years Term

Start: 65 to End: 99 **Year**: 21-55 **Gross Income Amount**: \$10,000.00

Add a gross income amount

21	66	\$5,750	\$98,000	\$250,000	\$5,750	\$10,000	\$173,380	\$386,227
22	67	\$5,750	\$103,250	\$250,000	\$5,750	\$10,000	\$176,412	\$386,801
23	68	\$5,750	\$108,500	\$250,000	\$5,750	\$10,000	\$179,062	\$386,792
24	69	\$5,750	\$113,750	\$250,000	\$5,750	\$10,000	\$181,276	\$386,147
25	70	\$5,750	\$119,000	\$250,000	\$5,750	\$10,000	\$182,999	\$384,809
26	71	\$5,750	\$124,250	\$250,000	\$5,750	\$10,000	\$184,173	\$382,727
27	72	\$5,750	\$129,500	\$250,000	\$5,750	\$10,000	\$184,720	\$379,823
28	73	\$5,750	\$134,500	\$250,000	\$5,750	\$10,000	\$184,328	\$376,041
29	74	\$5,750	\$139,500	\$250,000	\$5,750	\$10,000	\$183,154	\$371,293
30	75	\$5,750	\$144,500	\$250,000	\$5,750	\$10,000	\$181,107	\$365,493
31	76	\$5,750	\$149,500	\$250,000	\$5,750	\$10,000	\$178,086	\$358,543
32	77	\$5,750	\$154,250	\$250,000	\$5,750	\$10,000	\$173,733	\$350,342
33	78	\$5,750	\$158,750	\$250,000	\$5,750	\$10,000	\$167,917	\$340,769
34	79	\$5,750	\$163,250	\$250,000	\$5,750	\$10,000	\$160,760	\$329,695
35	80	\$5,750	\$167,750	\$250,000	\$5,750	\$10,000	\$152,098	\$316,963

Designed for John Doe
Date: October 5, 2023

Page 3 of 17

Prepared by: Karen Mendez

This illustration is incomplete without all pages.

This illustration is not an insurance policy nor is it an offer to insure.

Illustration #: 0510202314163

Version: 2.0.

E&O



Illustration Details - Current Dividend Scale Continued

Year	Age	Guaranteed Values			Non-Guaranteed Values			Total Death Benefit (Net of Policy Loan)
		Required Annualized Premium	Cash Value	Death Benefit	Total Annualized Premium Paid	Policy Loans	Total Cash Value (Net of Policy Loan)	
36	81	\$5,750	\$172,000	\$250,000	\$5,750	\$10,000	\$141,516	\$302,415
37	82	\$5,750	\$176,250	\$250,000	\$5,750	\$10,000	\$128,825	\$285,547
38	83	\$5,750	\$180,250	\$250,000	\$5,750	\$10,000	\$113,252	\$265,787
39	84	\$5,750	\$184,000	\$250,000	\$5,750	\$10,000	\$94,421	\$242,748
40	85	\$5,750	\$187,750	\$250,000	\$5,750	\$10,000	\$72,158	\$215,999
41	86	\$5,750	\$191,250	\$250,000	\$5,750	\$10,000	\$45,761	\$185,091
42	87	\$5,750	\$194,750	\$250,000	\$5,750	\$0	\$25,810	\$160,354

What are the report changes and enhancements?

Things to keep in mind

- The income amount for the age/year range entered under the “Add Income” section may not show up exactly in the pdf report or Excel report as the requested income amount could exceed the maximum available in each future year.
- The pdf report or Excel report will still go through, but it may show different income amounts .
- Example:
 - Income Method: Customize per year
 - Annual Income Amount:
 - Year 6: \$5K
 - Years 11- 55: \$10K

Income

Add income

Add an income as Paid-up Additions (PUA) Withdrawal or Policy Loan to this policy

INCOME TYPE ? Income frequency

▼

INCOME METHOD ?

Guaranteed Values					Non-Guaranteed Values			
Year	Age	Required Annualized Premium	Cash Value	Death Benefit	Total Annualized Premium Paid	Cash Withdrawals	Total Cash Value	Total Death Benefit
1	46	\$5,750	\$0	\$250,000	\$5,750	\$0	\$283	\$250,865
2	47	\$5,750	\$0	\$250,000	\$5,750	\$0	\$934	\$252,766
3	48	\$5,750	\$0	\$250,000	\$5,750	\$0	\$1,933	\$255,541
4	49	\$5,750	\$0	\$250,000	\$5,750	\$0	\$3,264	\$259,063
5	50	\$5,750	\$0	\$250,000	\$5,750	\$0	\$4,916	\$263,220
6	51	\$5,750	\$1,000	\$250,000	\$5,750	\$4,916	\$2,588	\$254,137
7	52	\$5,750	\$2,250	\$250,000	\$5,750	\$0	\$5,672	\$258,642
8	53	\$5,750	\$4,000	\$250,000	\$5,750	\$0	\$9,652	\$263,840
9	54	\$5,750	\$6,000	\$250,000	\$5,750	\$0	\$14,302	\$269,718
10	55	\$5,750	\$8,500	\$250,000	\$5,750	\$0	\$19,895	\$276,261
11	56	\$5,750	\$12,250	\$250,000	\$5,750	\$10,000	\$16,295	\$259,048
12	57	\$5,750	\$16,750	\$250,000	\$5,750	\$4,045	\$19,605	\$256,202
13	58	\$5,750	\$21,750	\$250,000	\$5,750	\$2,855	\$24,880	\$256,606
14	59	\$5,750	\$27,250	\$250,000	\$5,750	\$3,130	\$30,648	\$256,971
15	60	\$5,750	\$33,500	\$250,000	\$5,750	\$3,398	\$37,153	\$257,288
16	61	\$5,750	\$43,250	\$250,000	\$5,750	\$3,653	\$47,170	\$257,612
17	62	\$5,750	\$54,000	\$250,000	\$5,750	\$3,920	\$58,150	\$257,845
18	63	\$5,750	\$65,750	\$250,000	\$5,750	\$4,150	\$70,110	\$258,028
19	64	\$5,750	\$78,750	\$250,000	\$5,750	\$4,360	\$83,303	\$258,167
20	65	\$5,750	\$92,750	\$250,000	\$5,750	\$4,552	\$97,478	\$258,268
21	66	\$5,750	\$98,000	\$250,000	\$5,750	\$4,728	\$102,878	\$258,319
22	67	\$5,750	\$103,250	\$250,000	\$5,750	\$4,877	\$108,285	\$258,380
23	68	\$5,750	\$108,500	\$250,000	\$5,750	\$5,035	\$113,700	\$258,450
24	69	\$5,750	\$113,750	\$250,000	\$5,750	\$5,200	\$119,125	\$258,533
25	70	\$5,750	\$119,000	\$250,000	\$5,750	\$5,375	\$124,560	\$258,629
26	71	\$5,750	\$124,250	\$250,000	\$5,750	\$5,560	\$130,010	\$258,744
27	72	\$5,750	\$129,500	\$250,000	\$5,750	\$5,760	\$135,465	\$258,864
28	73	\$5,750	\$134,500	\$250,000	\$5,750	\$5,965	\$140,690	\$258,999
29	74	\$5,750	\$139,500	\$250,000	\$5,750	\$6,190	\$145,923	\$259,162
30	75	\$5,750	\$144,500	\$250,000	\$5,750	\$6,422	\$151,168	\$259,330
31	76	\$5,750	\$149,500	\$250,000	\$5,750	\$6,667	\$156,420	\$259,505
32	77	\$5,750	\$154,250	\$250,000	\$5,750	\$6,920	\$161,438	\$259,697
33	78	\$5,750	\$158,750	\$250,000	\$5,750	\$7,187	\$166,215	\$259,900
34	79	\$5,750	\$163,250	\$250,000	\$5,750	\$7,465	\$171,000	\$260,111
35	80	\$5,750	\$167,750	\$250,000	\$5,750	\$7,750	\$175,790	\$260,325

Your Serenia Life Financial Advisor Support Network

Kevin Zakus

Director, Business Development
778-215-7230
kzakus@serenialife.ca



Todd Straus

Director, Business Development
226-808-6207
tstraus@serenialife.ca



Peter McCarten

Internal Insurance Wholesaler
519-588-9384 ext. 278
pmccarten@serenialife.ca



PARTNERING
WITH YOU!



Thank you



