



THE INSURED ANNUITY

As Canadians live longer and healthier lives, many investors are concerned about outliving their retirement income. With an aging population placing increased demands on government pension plans, such as Old Age Security and the Canada Pension Plan, and limitations on other traditional sources of retirement income, investors are looking for innovative solutions to supplement their income.

If you are looking for a low-risk, tax-efficient vehicle that will increase your income and preserve your capital for your heirs, an insured annuity may be the solution for you.

IS AN INSURED ANNUITY RIGHT FOR YOU?

- 1) Do you want to maximize your retirement income?
- 2) Are you concerned about protecting your retirement income?
- 3) Are you concerned about preserving your capital?
- 4) Are you willing to hold your investments for the long term?
- 5) Do you want to increase your after-tax guaranteed income?

If you answered yes to some or all of these questions, an insured annuity may be the right solution for you.

CASE STUDY

Jane and John Smith are 65 years old. Their income stream currently comes from interest-paying non-registered investments. They are considering the purchase of an insured annuity and have asked their advisor how net income from an annuity compares to a GIC.

Investment Assumptions

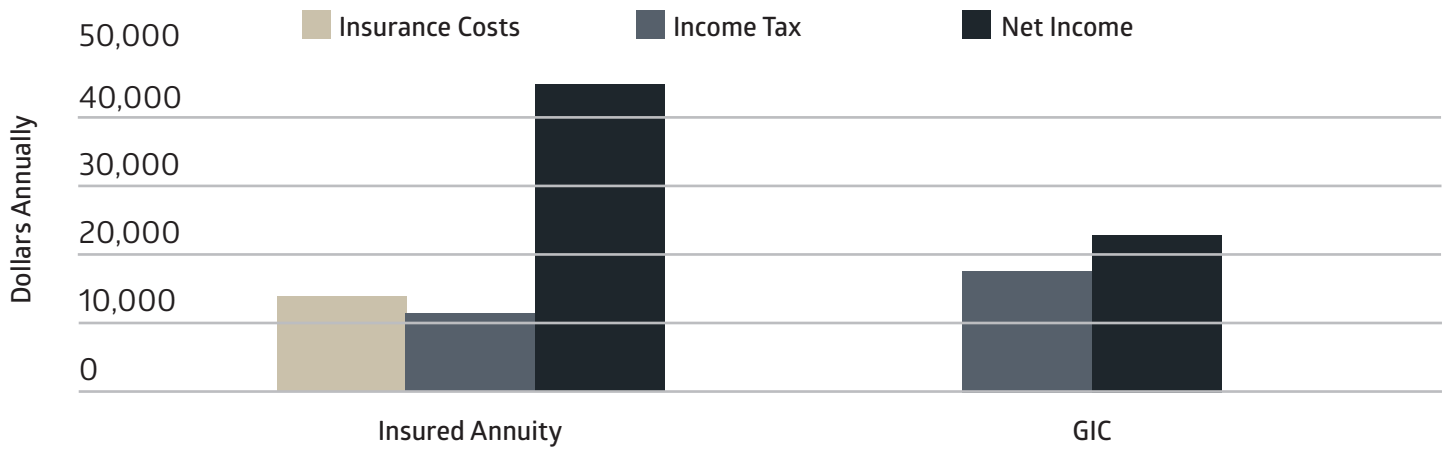
Capital	\$1,000,000
GIC Interest Rate	4.00 percent
Annual Insurance Premium	\$16,740
Marginal Tax Rate	46.00 percent

GIC Versus Insured Annuity

	GIC	Annuity
Annual Income	\$40,000	\$60,289
Income Tax Payable	\$18,400	\$ 8,206
Annual Insurance Premium		\$16,740
Net Income	\$21,600	\$35,343



INSURED ANNUITY VS. GIC



By purchasing an Insured Annuity, Jane and John Smith could earn \$35,343 in net income each year, compared to \$21,600 in net income from a GIC. An insured annuity could also reduce their taxes payable to \$8,206 from \$18,400 payable on GIC income.

An insured annuity can provide you with guaranteed income for your retirement and should be considered as an important part of your overall financial plan. A CIBC Wood Gundy Investment Advisor, in conjunction with an Estate Planning Specialist (Financial Security Advisor in Quebec) can help you determine if an insured annuity will help you meet your retirement income goals. For more information, contact me today.

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