

LOGICAL SOLUTIONS



D'COSTA FINANCIAL GROUP

Every precaution has been taken to have the content in this booklet published correctly. Its purpose is to provide a broad view of the various products available. However, we apologize for any inadvertent errors. E.O.E.



Francis D'Costa started in the financial industry in 1991. He has qualified for the MDRT membership for 21 years. Million Dollar Round Table is a prestigious organization for financial advisors around the world. And, less than 1% advisors qualify for this elite membership

He also qualified for the Court of the Table 7 times (Its 3 times MDRT requirement). Also, qualified for the Top of the Table 2 times, an Elite group of under 90 advisors in Canada. Its requirement is 6 times the MDRT qualification.

He was the Zone Chairman of MDRT for Toronto and Zone Chairman of MDRT for Ontario.

He uses strategies to enhance his client's wealth. Estate preservation and distribution are the key areas he specializes in.

He works with all the major insurers to assist his clients to solve their concerns.

This booklet is designed to give the reader a brief summary of some of the various solutions.

LIFE INSURANCE

Passing away shouldn't mean passing on a financial burden. If someone you love will suffer financially when you die, chances are you need life insurance because it provides cash to your family after your death. The cash received as the death benefit is tax-free. It will assist your family replace your income and can help meet many important financial needs such as funeral costs, daily living expenses, college funding, final expenses, outstanding debts, outstanding mortgage, et cetera.

It's important to find out how much you need and what type of insurance will benefit your family when you are no longer there physically to take care of them.

Basically, there are 2 types of insurance versions - Term (Rental/temporary and Permanent). Refer to their respective strengths and weaknesses later in this brief booklet.

The question you need to ask yourself - How will my family survive when I am gone? I am sure you will agree that 2 incomes are generally required to balance household expenses. So with reduced household income how will the surviving spouse be able to maintain family's financial objective?

Life insurance is medically and financially underwritten, which means that your eligibility to purchase life insurance along with the amount of protection you can purchase are based on your current health, medical history, and other factors. If your health deteriorates or as you age, you may find it difficult or expensive to pur-



chase life insurance. So, delaying the purchase is detrimental to your purchase.



Of course, there are many more reasons a life insurance contract makes good sense. It's the most tax effective method to pass your wealth to your beneficiaries. Tax-free.

There are different ways you could acquire Life Insurance.

Obtaining life insurance through your employer is an option. Many employers provide, at their own expense, a basic life insurance benefit. Generally, it's a temporary measure and if you are employed with the same employer.

Via Internet is another option. In many ways, the Internet has transformed the way life insurance is bought, as you can get quotes, apply for and even purchase policies with a few clicks. It's generally your responsibility to figure out which product best fits your needs.

Life insurance may be one of the most important purchases you'll ever make. Hence, speaking to a qualified insurance advisor never hurts. You will be surprised with the options available to enhance your plan.

There are various strategies in this booklet which may help in making a logical decision in the purchase of life Insurance

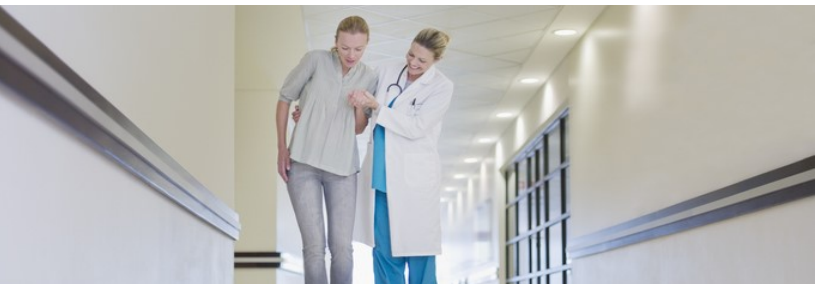
Critical Illness plans, unlike life insurance, will pay you a lump sum tax-free benefit if you are the unfortunate recipient of a drastic life-threatening illness. Critical illness plan is protection that provides money while you are still alive. That's the reason some of the carriers call it a Living Benefit plan.

You need to satisfy the simple conditions of the plan and you get a tax free lump-sum benefit, which you can utilize in whatever best way you can.

Upon contracting a critical illness, you may be off work for an unspecified length of time and maybe without any or reduced salary from your employers. This plan gives you the cash up front to give you the peace of mind and focus on your recovery rather than being concerned with the financial setback.

Most critical illness plans cover over 22 major illnesses and a lump -sum payment is usually paid 30 days after the diagnosis of one of the critical illness conditions as defined in the policy.

Pause for a moment, wander your mind through your friend circle, virtualize how many have had a heart attack, cancer, stroke and have survived the illness. Ask yourself this question—will the amount you insure help you in such a situation?



CRITICAL ILLNESS PLAN



LONG TERM CARE

Long-term care insurance provides benefits to pay the cost of health and personal care services for someone who becomes unable to care for him or herself. To ensure a comfortable future, it makes sense to purchase long-term care insurance.

The basic coverage provides benefits to pay for health and personal care services for an insured person residing in a long-term care facility. You can also purchase additional coverage that would pay for home care provided in the comfort of the insured person's own home. Home care also includes help with everyday tasks such as cooking, cleaning, and shopping.

DISABILITY PROTECTION

What would you do if your income stopped today?

Where would the money come from for your living expenses?

Would your business survive if you, a partner or an employee were disabled?

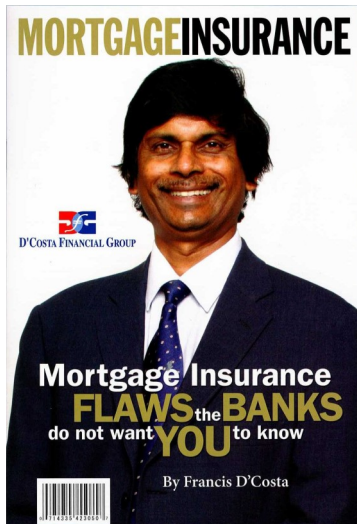
Disability insurance provides you with financial security when an accident or illness causes you to be disabled and unable to work or earn an income.

MORTGAGE INSURANCE

The booklet on mortgage insurance I have written outlines the 22 reasons in depth why a mortgage protection plan with an insurance advisor is better than purchasing one offered by the banks.

Below are some of the excerpts:

- * *Cheaper*
- * *Flexible*
- * *Guaranteed Premiums*
- * *No additional PST charge*
- * *Benefit does not decrease as your mortgage drops*
- * *Can have 2 benefits for both spouses*
- * *Plans are portable, in case you move your house or your mortgage*
- * *Choice of coverage which allows you to buy more or less than the mortgage as per your budget*
- * *Convertibility Option to move to a permanent plan*
- * *Creditor protection*
- * *Medical underwriting is done at issue of the plan and not at claim*

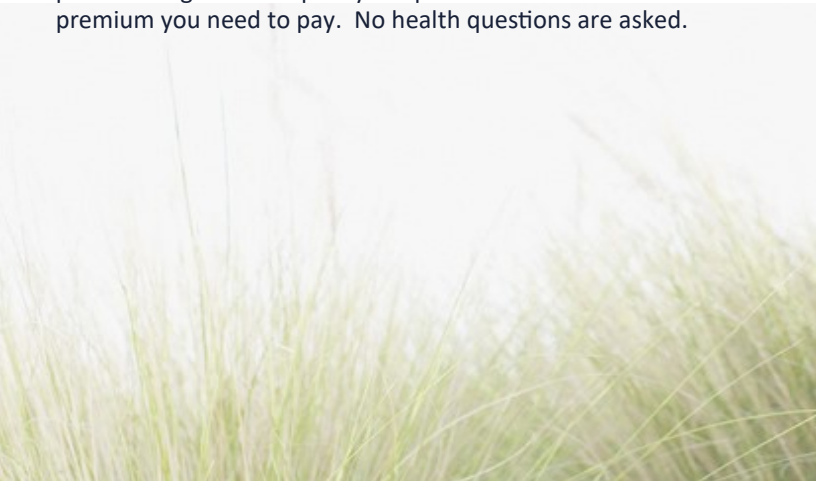


TERM INSURANCE

If your needs are temporary; such as a mortgage, term insurance can cover that type of need. Term insurance cost is cheaper as it covers you for a shorter term. There are various lengths of terms you could purchase - 10, 15, 20, 30-year terms.

Basically, Term insurance is a rental plan which does not have any cash values and is designed to protect you for the term you select. These policies are affordable and flexible.

When the term is up, most plans allow you to renew up to age 80 with no hassles and you always know your renewal rate in advance. The rates, however, increase on every renewal. You also have a choice to convert or exchange it to a permanent plan. The age and the plan you opt to will determine the new premium you need to pay. No health questions are asked.



WHOLE LIFE

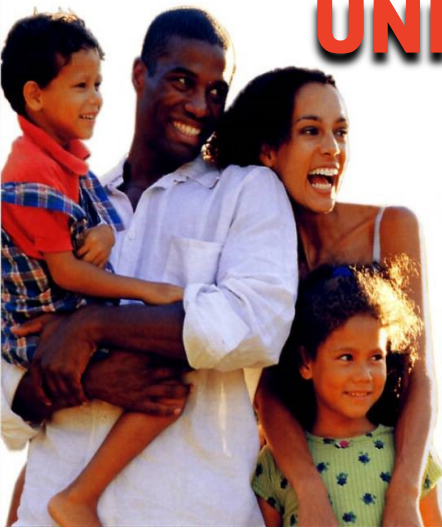
A whole life policy covers you for your entire life. This differs from a term policy since that only lasts for a specific time period.

Whole life insurance also builds cash value, which is a return on a portion of your premiums that the insurance company invests. Your cash value is tax-deferred until it is withdrawn.

It offers 2 types of cash values—guaranteed values and dividends which are not guaranteed. An Ideal plan for someone who needs protection for life.



UNIVERSAL LIFE



Another key difference between universal life coverage and term life insurance is that in addition to providing life insurance protection, there is also a savings component to your policy.

Similarly to RRSPs, a universal life policy allows you to accumulate interest while tax is deferred, enabling you to realize returns that may be significantly

higher than those offered by traditional savings vehicles.

It is flexible and is more client oriented. You have a choice to decide on the amount of investment. You have a choice of selecting the type of cost applied for your coverage and more. It can also give you an opportunity to take a premium holiday if your funds in the plan permit you to do so. It's an excellent plan for someone who needs a flexible and permanent plan.

SIMPLIFIED LIFE INSURANCE

Are you hard to Insure? ...
Did you have a Heart Attack, Stroke, Angina?
Are you Diabetic and using insulin?
Do you have Blood Pressure?
Are you over weight?

NO PROBLEM



- * No medical exams
- * No Doctors Visits
- * No Needles
- * Only a few simple Questions

**NO WAITING PERIOD - COVERAGE BEGINS IMMEDIATELY
AND POLICIES CAN BE ISSUED UNTIL AGE 85**

BENEFITS INCLUDED WITH THE PLAN

- Terminal Illness Benefits (50% of coverage)
 - Transportation Benefit (Extra \$2,000)
- Accidental Death Benefit (Up to 3 times the coverage)
 - Tax-Free Death Benefit
 - Reduced Paid up Coverage
 - Guaranteed Cash Values

ESTATE PRESERVATION

The assets you have built up over your lifetime—such as home, cottage, investment portfolios, business—mean a lot to you, and to your family. However, when you and your spouse pass away, virtually all of these assets will be subject to tax. As a result, your heirs could receive an estate of considerable less value because they have to borrow against the value of the estate, or even be forced to sell these cherished assets just to pay the tax bill. Estate Preservation Strategy is designed to solve this issue.

- Grow some of your assets within a tax-deferred investment vehicle
- Significantly increase your estate's after-tax value to your heirs
- Avoid probate, legal and executor fees in respect of the insurance proceeds
- Potentially protect your assets within the policy from creditors



INDIVIDUAL & GROUP HEALTHCARE

Health & Dental Insurance is a way for people to save on health care costs not covered by their provincial government plan. Expenses like prescription drugs, dental care, hearing aids, vision care, and massage therapy can create a hefty price tag – but the plans offered by us can help save on such expenses.



CREATE INCOME STREAM FOR LIFE

- ◆ **PAY FOR 20 YEARS**
- ◆ **WITHDRAW OF THE REST OF YOUR LIFE**

PAY INSURANCE PREMIUMS FOR THE PLAN FOR 20 YEARS AND THEN STOP PAYING
WITHDRAW UP TO DOUBLE THE PREMIUM PAID PER YEAR FOR THE REST OF YOUR LIFE FROM THE 26TH YEAR ONWARDS
(Ideal for ages 1-40)

TRAVEL, VISITORS, STUDENT & SUPER VISA PLANS

Travel insurance is designed to make travel a worry-free experience. Emergencies can happen even to the most well-prepared traveler. We offer a wide range of insurance coverage so you can travel without a care, knowing that you are protected.

Traveling out of province or out of Canada emergency plans will help.

Visitors and New immigrants should protect themselves from unexpected accident and sickness while in Canada. A day in the hospital could be as much as \$5,000 or more. There are various choices available in the amount of protection and the type of plans to select from to suit your needs.

Plans for Canadian students studying out of province or out of Canada are available.

There are specific plans designed for international students who are studying in Canada.



Super Visa Plans are also available for visitors to Canada.

INVESTMENT

- **RRSP**
- **RRIF**
- **NON REGISTERED**
- **LEVERAGE LENDING**
- **BANK ACCOUNTS**
- **TFSA**



STRATEGIES

- **Buy and Sell Arrangement**
- **Loan Collateral Plan**
- **I.P.P.**
- **I.F.A.**
- **Charitable Giving**
- **Pension Maximization**
- **And more**



BUSINESS OVERHEAD EXPENSE PROTECTION

A tax-deductible premium expense will help to stabilize the business when the business owner gets Disabled.



The Business Overhead Expense Protection plan provides individual business overhead expense reimbursement protection. This coverage allows a small business to meet its everyday expenses while the owner is disabled. This way, the business remains viable until the owner can return to work or allows for an orderly decision regarding the future of the business.

Ideal for small business owners with less than five employees, where the company depends on the ability of the owner to generate income and pay bills.

It makes business sense to create a tax-deductible expense to protect your business legacy, you work hard to grow.



CORPORATE ESTATE TRANSFER

The strategy can:

- Convert your company's taxable surplus
- Grow the surplus in a tax-deferred investment vehicle
- Retain access to your capital for business or investment opportunities if needed
- Immediately enhance your estate value
- Give your loved ones a substantially larger after-tax inheritance
- Reduce the taxable value of the business

KEY PERSON

The loss of a key employee can have serious financial consequences, especially if you have not planned ahead. For example, you could hire a replacement or could take over the person's duties yourself. Unfortunately, both these solutions would incur costs that you may not have factored into your business plan. Finding a new person who is right for the job can be expensive and potentially time-consuming. Doing it yourself will take away from your duties. In either case, your business may suffer.

INSURED RETIREMENT

An Insured retirement Strategy lets you use a permanent life insurance policy to provide supplemental retirement income and a tax-free death benefit for your beneficiaries.

RRIF TAX ELIMINATION UPON DEATH

Upon the death of both the spouse's balance in their RRIF plans will be totally taxable. We have an excellent strategy which will avoid this tax.

CREATE YOUR OWN PENSION

Pay the premium for 20 years and then stop paying. Start withdrawing up to double the premium you paid per year for the rest of your life from the 26th policy year onwards. And your policy will always pay the beneficiary the death benefit upon your death whenever it happens.

LINE OF CREDIT INSURANCE

Cheaper and with better features than the ones offered by the banks.

MORTGAGES

We refer our clients to Manulife Bank and National Bank for their mortgage needs. Flexibility allows our clients to pay off their mortgage obligation much quicker.

With such mortgages, we can show our clients strategies to reduce their insurance costs dramatically and increase the size of their estate. Releasing cash from mortgages can also help our clients to invest in RRSP's and Real Estate if they have intentions to do so.

These mortgages combine our client's mortgage, personal loans and lines of credit with their chequing account, short-term savings and day-to-day finances (including their income) into a single personal borrowing and chequing account. This one step alone could save them thousands and simplify their finances like no other product they've had before.

As advisors, we are only allowed to "**refer**" our clients to a Retail Lending Specialist to obtain a mortgage. We cannot sell, explain in detail, compare mortgages or, in any way, engage in mortgage brokering activities. All of this can be completed for them by a Retail Lending Specialist.



GUARANTEED INCOME FOR LIFE

DON'T WAIT FOR THE NEXT MARKET DROP. TAKE PRECAUTION NOW

YOU CANNOT GO WRONG WITH A MINIMUM 4% GROWTH GUARANTEED

- Invest in funds and avail a higher growth if the funds perform better and if they under perform you get a minimum of 4%
- Get triennial resets, resetting your portfolio every 3 years
- Death and maturity guarantees
- Creditor protection
- Investment flexibility to move and withdraw funds
- Convert into a pension plan and get **INCOME** for life guaranteed
- Get income indexed higher as you age
- Never outlive your income by remaining within the limits of the plan
- Ideal for RRSPs & RRIFs
- Minimum investment required is \$10,000 and transferring of funds from other institutions is allowed



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