Insurance products

Wealth Management

Term insurance

When you think of life insurance, you probably first think of term insurance. Term insurance protects you for a set period of time, usually from one to 30 years. Should you die during that time, your beneficiaries—the people or organizations you want to benefit from your policy—receive the "death benefit" or face amount of the insurance policy.

The advantage of term insurance is that your loved ones are protected for a modest cost, depending on your age. However, term insurance doesn't have any sort of accumulations or investment component; when you stop paying premiums, your contract ends, thus your protection also ends.

Whole life

While term insurance provides coverage for a set period of time, whole life protects you for your entire—or whole—life, regardless of when you die. In addition, whole life adds an accumulation or "savings" component to the life insurance protection you receive. Your life insurance premiums are fixed from day one, are invested by the insurance company, and grow tax-deferred until you withdraw them. This savings is referred to as your cash value. With a whole life policy, you can borrow from the policy cash value. Clients who are looking for protection often find whole life insurance appealing.

Universal life

Universal life—similar to whole life insurance—provides insurance protection as well as an accumulation component, but gives you more control over your death benefit, as well as the amount and timing of your premiums. Universal life is referred to as an "unbundled policy," meaning the policy's charges, expenses and credited interest are fully disclosed and exposed to you.

You must keep enough cash value to cover administrative expenses and mortality charges, but the remaining premium you pay is invested into an accumulation account. Universal life insurance is ideal if you have an unpredictable cash flow and want more flexibility with when and how much you pay.

Universal life coverage

There are two primary types of universal life coverage: fixed and indexed.

Universal life cash value growth is based upon a fixed account and grows at a rate determined by the insurance carrier.

Indexed universal life cash value growth is based upon the performance of a stock index. The insurance carrier will select the indices and pay interest to the policyholders based upon the index performance.

Variable universal life (VUL)

Variable universal life insurance combines the investing aspect of variable insurance—a cash value that may go up or down—with the flexibility that universal life insurance offers: you choose the amount and timing of your premium payment, as well as the amount of death benefit you need. A product that has complete design flexibility coupled with the ability to direct premium payments to a variety of subaccounts make VUL an attractive solution.

Survivorship life

Traditional life insurance provides protection for a single individual, while survivorship life insures two individuals, usually husband and wife. Often referred to as a "second to die" policy, survivorship life insurance pays proceeds upon the second death of you and your spouse. The premium for this insurance is typically more economical, because the insurance only pays upon the death of the second person.

Survivorship life insurance can be a powerful estate-planning tool. With properly structured ownership, survivorship life insurance may help your heirs manage an estate tax liability and other estate settlement costs.

Long-term care

Long-term care insurance helps give you peace of mind that if you are in need of assistance to care for yourself because of an extended illness, leverage funds are available to help cover costs associated with care either in-home or in a care facility. Your premium affords you either a benefit in the form of a dollar amount which is used to defray the costs of nursing home care or home health care.

Disability

People typically buy property and casualty insurance to protect their possessions and life insurance to protect loved ones in the event of death, but what about protecting your most important asset, your ability to earn an income? If you become sick or hurt and could not work, you may not be able to sustain the same standard of living as you did before your disability. Disability insurance helps protect yourself and your family from financial hardship.

Committed to a solid financial future

Your RBC Wealth Management financial advisor is committed to helping you reach your financial goals. Insurance is foundational to financial health and well-being. Your ongoing presence and the ability to continue to financially contribute to your key financial goals and your family's well-being is vital. That's why it's so important to have a protection strategy that is appropriate based on where you stand today and flexible enough to change over time.

Your financial advisor can help you assess and manage your protection needs and, through a comprehensive wealth planning process, determine how to best address your expectations and goals. Work with your financial advisor to take a closer look at your circumstances and determine how to take steps to protect what's most important to you.

Prospectuses containing more complete information about variable life insurance policies, including fees and expenses, are available by contacting your RBC Wealth Management financial advisor. Please read carefully before investing or sending money to make sure the product is appropriate for your goals and risk tolerance. Investors should consider the investment objectives, risks, and charges and expenses of all life insurance products carefully before investing. Variable life insurance policies frequently involve charges such as administrative fees, insurance charges, mortality & risk expenses charges, surrender charges and various fees associated with each underlying fund. Investments in variable life insurance products will fluctuate and values upon redemption may be less than the original amount invested.

Early withdrawals may impact cash values and death benefits. Significant fees and charges may be incurred when transferring out of a life insurance policy, including the possibility of paying surrender charges, additional premiums when purchasing a new policy, as well as the possibility of tax consequences.

RBC Wealth Management does not provide tax or legal advice. All decisions regarding the tax or legal implications of your investments should be made in consultation with your independent tax or legal advisor. No information, including but not limited to written materials, provided by RBC WM should be construed as legal, accounting or tax advice.

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