



Monarch Series™

The logic behind the solution

Sales Concept Matrix

What does a Monarch butterfly have to do with insurance?

The connection is subtle yet profound. Like many things in nature, the physical design of a Monarch butterfly is influenced by a natural logic. Although it may be hidden from the eye, this underlying order helps shape the beautiful, balanced results that we see.

Likewise, Monarch Series sales concepts supply the underlying order to create beautiful financial results for your clients. Each concept combines intelligent strategies, optimized products, professional consultation and ongoing support. As a result, you can build your business on sophisticated concepts that are effective yet remarkably easy to implement.



Strategies

Our insurance, tax and legal specialists develop intelligent strategies to solve various needs, from income protection to estate planning, business succession and charitable giving.



Products

Our products are optimized with pricing and features that enhance each strategy and feature some of the industry's most accountable illustrations and contracts.



Consultation

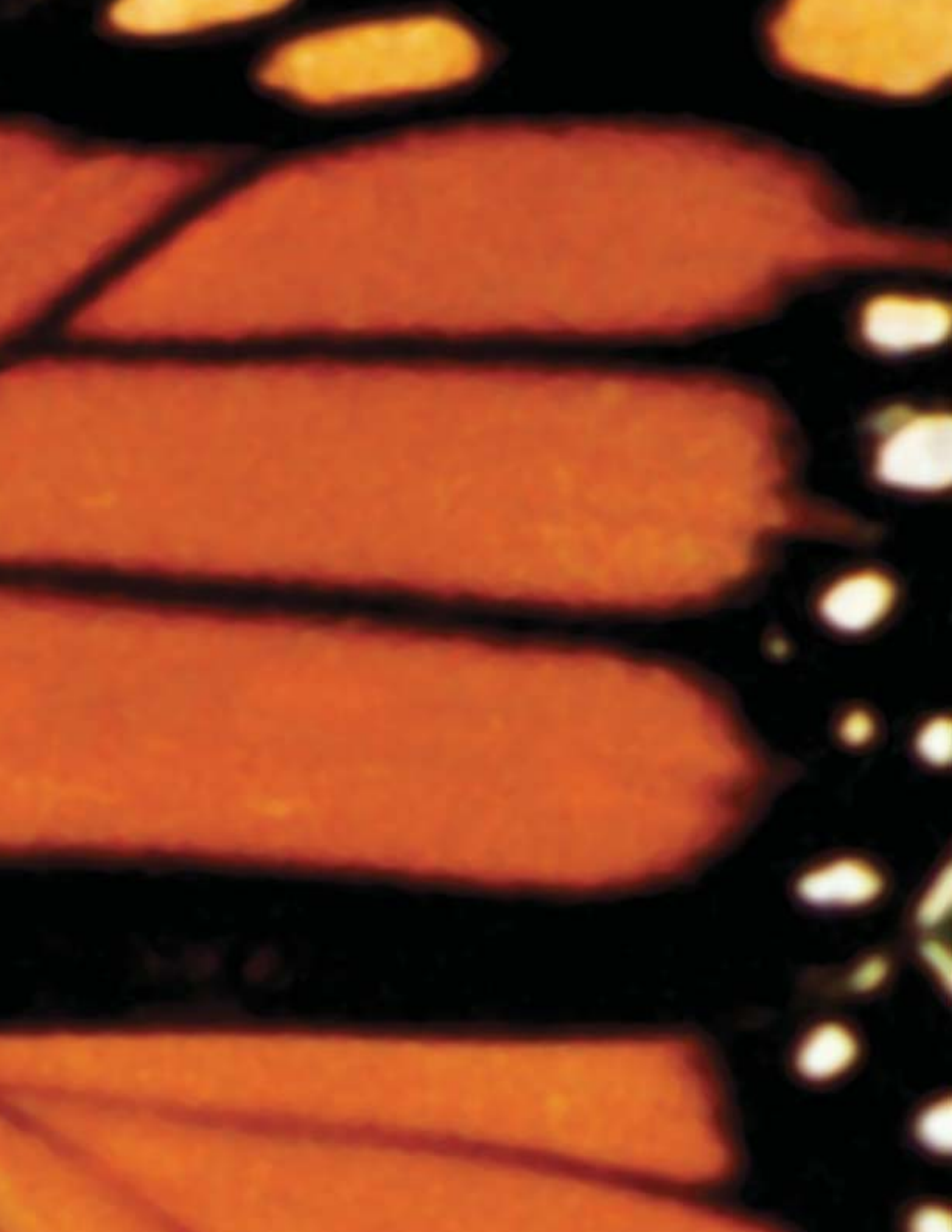
Our team of Sales Directors and in-house specialists take a consultative approach, supporting you and your clients in the execution and maintenance of the strategies.



Support


Our administrative services keep everything in order with timely reminders, convenient reporting, pre-completed tax forms and more.

In other words, we provide the **logic behind the solution.**



Sales Concept Matrix

The Monarch Series matrix is designed to help you match specific clients with a step-by-step concept that will solve their needs.

	The Need	The Ideal Client	The Approach	Optimized Products	Support
 Income Replacement Strategy	How would surviving family members replace lost income and maintain their lifestyle if a spouse were to die unexpectedly?	<ul style="list-style-type: none"> • Dependent children, spouse or other family members • A significant mortgage balance or other debt • Major future expenses, such as education • Age 25 to 55 	<ul style="list-style-type: none"> • Determine insurance amount required using the Income Replacement Worksheet • The death benefit of the policy is passed on to the beneficiary(s) free of probate and other estate costs like legal, accounting and trustee fees • Universal life allows tax-advantaged pre-funding of COI • Transamerica's Term plans can meet future needs by offering conversion to UL with MTAR duration credits 	<p>Products: TERMSelect™, PROTECTORPlus™ or EstateADVANTAGE™</p> <p>Coverage: Single life or Joint first-to-die</p> <p>For universal life plans:</p> <p>Death Benefit: Increasing or Level</p> <p>Cost of Insurance: ART or Level COI</p> <p>Additional features: Term Riders, Children's Insurance Riders</p>	<p>Client brochure: LP662 (includes income replacement worksheet)</p> <p>Life View support: Yes</p>
 Family Wealth Transfer Plan	How can you pass your estate on to your heirs without losing significant value to probate, taxes and other estate charges while also saving taxes during your lifetime?	<ul style="list-style-type: none"> • Older individuals who may be in poor health resulting in very high insurance premiums • Heirs are young and healthy • May want to pass their assets on to heirs while they are still living but maintain control • Large amount of assets earmarked for heirs • Age 50 and up 	<ul style="list-style-type: none"> • Designate your client's adult child or grandchild as successor owner of the contract where a child or grandchild is the life insured • Invest the maximum amount of money into the policy to generate a high cash surrender value • Upon the policy owner's death, the child or grandchild can take ownership of the policy on a rollover basis without probate or a taxable disposition • Alternatively, at an earlier time the policyowner may transfer to a child on a tax-deferred basis • Optimize the sum insured • When the child or grandchild becomes the owner, funds may be withdrawn and will generally be taxed at the child or grandchild's lower rate 	<p>Product: WealthADVANTAGE™</p> <p>Coverage: Single Life or Joint Last-to-die</p> <p>Death Benefit: Increasing</p> <p>Cost of Insurance: ART COI</p> <p>Additional Features: Optimizer</p>	<p>Advisor Guide: LP408</p> <p>Life View support: Yes</p>
 Transamerica's Insured Retirement Strategy	How can you minimize the tax on your savings and investments today, and maximize your retirement income tomorrow?	<ul style="list-style-type: none"> • RRSP fully utilized, annually • A desire to reduce taxes today and increase income at retirement • In good health (to keep cost of insurance low) • Free of debt and non-tax-deductible interest payments (e.g., mortgage) • Client in highest marginal tax bracket • There is an underlying need for insurance • Aged 30 to 55 	<ul style="list-style-type: none"> • Client accumulates tax-deferred savings in a universal life insurance policy. At retirement, the policy is used as collateral for a series of loans from a bank or other financial institution • The loans are paid back using the death benefit, and any remaining balance is passed on to beneficiaries, tax free • Minimize the face amount to keep insurance costs low • Illustrate conservatively 	<p>Product: WealthADVANTAGE</p> <p>Coverage: Single life or Joint last-to-die</p> <p>Death Benefit: Increasing or Level with Optimizer</p> <p>Cost of Insurance: ART 85 or 100</p>	<p>Client brochure: LP544</p> <p>Advisor Guide: LP468</p> <p>Life View support: Yes</p>
 Estate Preservation Strategy	How can you protect the proceeds of your estate (i.e. disposed non-registered investments, real estate, shares of a corporation, RRSPs and RRIF balances etc) from taxation when they can't be rolled over to a spouse or infirm dependent?	<ul style="list-style-type: none"> • Sizable personally-owned assets (stocks, funds, real estate, business assets, etc.) • Large RRSP/RRIF • Assets that will trigger taxes may hold sentimental value to heirs so you want to ensure they do not have to be liquidated to pay taxes e.g., cottage • Age 50 and up 	<ul style="list-style-type: none"> • Project the total expenses at life expectancy against the estate using the Estate Preservation Strategy Client Worksheet • Use LifeView to solve for the face amount and premium to cover the estate tax liability at any point in time 	<p>Products: EstateADVANTAGE OF PROTECTORPlus</p> <p>Coverage: Joint last-to-die or Single Life</p> <p>Death Benefit: Increasing with Optimizer</p> <p>Cost of Insurance: Level COI or ART 85/20 (possible switch to Level)</p>	<p>Client brochure: LP543</p> <p>Advisor Guide: LP464</p> <p>Worksheet: LP545</p> <p>Life View support: Yes</p>
 Insured Annuity Strategy	How can you achieve a better investment return and/or higher cash flow than most traditional fixed-rate investments such as GICs, while also protecting your capital and preserving its value for your heirs?	<ul style="list-style-type: none"> • In good health (to keep cost of insurance low) • Have a need for greater income as well as a return of capital at death • Risk averse • Not satisfied with the low after-tax returns offered by traditional fixed-income vehicles, such as GICs and Government Bonds • Between ages 65 and 80 	<ul style="list-style-type: none"> • Purchase a prescribed life annuity (which provides a series of payments guaranteed for life) • Buy a permanent life insurance policy with a face amount equal to the amount of the annuity principal • A portion of the cash flow from the annuity is used to pay the life insurance premiums and the remaining amount provides a steady stream of income after taxes are paid • The insurance benefit can be left to your heirs tax-free and returns the capital to them • Taxes are lower than a GIC investment as the income will be a combination of return of capital and interest, with taxable interest spread evenly over the life of the annuity 	<p>Products: PROTECTORPlus or EstateADVANTAGE</p> <p>Coverage: Single life or Joint first-to-die</p> <p>For universal life plans:</p> <p>Death Benefit: Increasing</p> <p>Cost of Insurance: Level COI</p>	<p>Coming Soon!</p> <p>Life View support: Coming Soon</p>
 Personal Estate Transfer Strategy	How can you bequest investment assets to your heirs while avoiding probate and other estate costs, potentially protecting the investment from creditors and deferring or eliminating current taxation of the investment?	<ul style="list-style-type: none"> • Generating income in excess of living expenses • Non-registered funds set aside for specific bequest • Unlikely to ever need capital for living expenses • Want to maximize estate • Paying too much current income tax • Desire to maintain control of assets while alive • Age 50 + 	<ul style="list-style-type: none"> • Transfer liquidated non-registered assets into exempt life insurance policy • Immediate estate enhancement via insurance • Reduction of current tax burden • Tax-free death benefit paid directly to named beneficiary • Funds are accessible and under client's control 	<p>Product: EstateADVANTAGE</p> <p>Coverage: Joint last-to-die or Single life</p> <p>Death Benefit: Increasing</p> <p>Cost of Insurance: Level or ART 85/20</p>	<p>Coming Soon!</p> <p>Life View support: Coming Soon</p>
 Charitable Giving Strategy	How can you protect the value of your estate and also leave a generous gift to your favoured charity?	<ul style="list-style-type: none"> • Wants to leave a gift to favoured charity(s) • Sizable personally-owned assets (stocks, funds, real estate, business assets, etc.) • Assets that will trigger taxes may hold sentimental value to heirs so you want to ensure they do not have to be liquidated to pay taxes e.g., cottage • Age 50 and up 	<ul style="list-style-type: none"> • Project the total expenses against estate using the Estate Preservation Strategy Client Worksheet • Project the tax credit from the planned death benefit to charity to offset the projected income tax on the registered investments and capital gains at life expectancy. The remaining death benefit of the policy is designated to the estate to pay for probate fees, executor fees, taxes and debts 	<p>Product: EstateADVANTAGE</p> <p>Coverage: Joint last to die or Single life</p> <p>Death Benefit: Increasing</p> <p>Cost of Insurance: Level COI</p>	<p>Client brochure: LP324</p> <p>Advisor Guide: LP327</p> <p>Life View support: Yes</p>
 Leveraged Corporate Insurance Strategy	How can you minimize your tax on corporate savings and investments today and maximize retirement income tomorrow?	<ul style="list-style-type: none"> • Shareholders have a need for supplemental cash flow in retirement • RRSP of shareholders is fully utilized • Company is retaining and not reinvesting earnings below the small business deduction limit in the business • There is an underlying corporate insurance need • Age 30-55 	<ul style="list-style-type: none"> • Corporation purchases a universal life policy on the life of the shareholder • Use the universal life policy as collateral for a series of personal or corporate loans from a bank or other financial institution • The loans are paid back from the death benefit with any remaining balance paid to the corporation, tax free • Insurance proceeds can be passed to surviving Canadian resident shareholders via the capital dividend account • There may be remaining capital dividend account room to pass future after-tax earnings tax free to surviving Canadian resident shareholders 	<p>Products: WealthADVANTAGE OF EstateADVANTAGE</p> <p>Coverage: Single Life or Joint last-to-die</p> <p>Death Benefit: Level or Increasing with Optimizer</p> <p>Cost of Insurance: ART COI</p>	<p>Advisor Guide: LP584 and LP855</p> <p>Life View support: Yes</p>
 Key Person Insurance Strategy	How can you protect your business from financial loss in the event that a key employee – such as a top salesperson, manager, partner or product developer – suddenly dies?	<ul style="list-style-type: none"> • Smaller businesses for which success is heavily dependant on a few high-performing individuals • Business feels that a cash injection may help should a key person pass away • Life Insured: Age 30 and up 	<ul style="list-style-type: none"> • Project the amount of insurance required in case of death of key person • Use a policy owned by the business with a sufficient death benefit to sustain the business in the event of losing a key individual • The death benefit less the adjusted cost basis creates a capital dividend account to flow other after-tax assets to the shareholders tax-free (corporate owned businesses only) 	<p>Products: WealthADVANTAGE, TERMSelect or PROTECTORPlus</p> <p>Coverage: Joint first-to-die or Single life</p> <p>For universal life plans:</p> <p>Death Benefit: Increasing</p> <p>Cost of Insurance Type: Level COI</p> <p>Additional Features: Business Guaranteed Insurability Option</p>	<p>Advisor Guide: LP586</p> <p>Life View support: Yes</p>
 Corporate Estate Transfer Strategy	How do you pass corporate assets to your heirs in the most tax-efficient manner?	<ul style="list-style-type: none"> • Shareholder of a Canadian Controlled Private Corporation (Operating or Holding company) • No personal need for assets • Shares earmarked for heirs • Passive income inside corporation taxed at a high corporate rate • The surplus would be taxed if distributed • Age 40 and up • Canadian resident heirs 	<ul style="list-style-type: none"> • Use accumulated surpluses to purchase a corporate owned universal life policy • Fund policy as quickly as possible to reduce current corporate taxation • At death, the policy's death benefit is paid to the corporation tax free • The death benefit less the adjusted cost basis to the corporation flows through the capital dividend account to the successor shareholders tax-free 	<p>Product: EstateADVANTAGE</p> <p>Coverage: Single life or joint last-to-die</p> <p>Death Benefit: Increasing</p> <p>Cost of Insurance: Level COI</p> <p>Additional Features: Business Guaranteed Insurability Option</p>	<p>Coming Soon!</p> <p>Life View support: Coming Soon</p>

Transamerica Life Canada provides Canadians with innovative life insurance and investment products and services. Through a national network of 18,000 independent advisors, Transamerica creates better futures for employees, clients and advisors through our core principles: innovation, discipline and expertise.

Transamerica Life Canada is a member of the AEGON Group, one of the world's largest insurers. AEGON N.V. and Transamerica Life Canada have consistently received strong financial ratings from Standard and Poor's, Fitch and A.M. Best Company. In 2003, Transamerica Life Canada earned more than \$580 million in life insurance premium income and recorded over \$8 billion in total assets under management.



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