PRIVATE WEALTH MANAGEMENT
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Valuing Permanent Insurance on the Holistic Corporate Balance Sheet

Weighing the pros and cons of corporately-held insurance as a tax-efficient wealth-building strategy

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For the incorporated professional or owner-manager, the use of corporately-owned permanent life insurance is one of the most powerful – and most tax-efficient – ways to build wealth and create and protect estate value. But this strategy is frequently decried as expensive, inappropriate and motivated by considerations other than the best interests of the potential purchaser, among other criticisms.

In this white paper, we provide a careful review of the assumptions, benefits, and qualifications associated with the use of corporately-owned permanent life insurance, especially in light of new rules for the taxation of passive income inside corporations.

We review each of the strategy's claimed benefits and disadvantages to provide clear insight into the power of properly-structured, corporately-owned permanent life insurance to deliver value on an after-tax, risk-adjusted basis.

Our goal is to ensure readers are able to isolate and understand both the potential benefits and drawbacks that may arise when using corporately-owned permanent life insurance as a wealth- and estate-building strategy.

A review of the basics—permanent life insurance as tax arbitrage

Life insurance, at the most elemental level, is a hedge against the risk of premature death—and if it wasn't for the Income Tax Act, there wouldn't be much more to this story, and no White Paper to read.

The Income Tax Act, however, changes everything; as it introduces tax arbitrage, or the opportunity to take positions which capitalize on features of the tax code.

First, the use of permanent life insurance provides an initial tax arbitrage opportunity as it allows for the buildup of tax-deferred savings, which can then in turn be used as collateral to provide a tax efficient cashflow (potentially in retirement), in addition to the payment of the tax-free death benefit.

Secondly, these attributes are then multiplied for the incorporated professional or owner-manager who can pay for a policy using (lightly-taxed) corporate dollars from an active business, not (more-heavily-taxed) personal dollars—and whose corporation can receive the death benefit tax-free.

Finally, and more recently, with the 2018 introduction of new rules regarding passive income inside corporations, this strategy offers an additional benefit to the incorporated individual who is able to use permanent life insurance to avoid the impact of passive income on the small business deduction.

We'll review each of these attributes in turn.

The Benefits of Corporately-Owned Permanent Life Insurance

1. Pay premiums with corporate dollars

In Ontario, the small business corporate tax rate is just 12.5% on the first $500,000 of active business income; the lowest rate in the history of corporate taxation in Ontario. The rate in 2000, for example, was 20%, and limited to just the first $200,000 of active business income.

The corporate tax landscape in Ontario has changed significantly since 2000, and not just in terms of tax rates. Starting in 2006, many Ontario physicians became able to incorporate their practices.

As a result of that changed landscape, an Ontario physician who purchases permanent life insurance inside their professional corporation is able to use much more lightly-taxed corporate dollars to cover this expense, versus personal dollars subject to marginal rates as high as 53.53%.

Holding all other parameters constant, using corporate dollars from an active business to pay life insurance premiums reduces the cost of premiums 30 to 40% or more, compared to the non-incorporated individual purchasing the same product.

2. Avoid new passive income rules

Not all corporate tax is created equal. Instead, tax on passive income inside a corporation is subject to a rate that is 50.17% (assuming Ontario residence) on interest, foreign income and dividends; 38.33% on Canadian dividends, and 25% on capital gains (due to the 50% inclusion rate).

Starting January 1, 2019, new rules impose potentially significant adverse tax consequences if corporately-held passive income exceeds $50,000 in a tax year, as access to the small business deduction may be reduced or lost. The new rules can bring corporate tax rates on active business income up from 12.5% to 26.5%, or to 18.5% if the 2019 Ontario corporate tax legislation is implemented.

Investment income in a corporately-held permanent insurance policy, however, will grow tax-free and will not impact the small business deduction, meaning permanent life insurance policies provide an effective “escape hatch” from the new passive income tax rules when there is an underlying need for insurance.

3. Creating cash flow

There are several options for creating liquidity and cash flow from a permanent life insurance policy, some more tax efficient than others.

If a policy has cash value, it can be cashed in (“surrendered”), either partially or completely. A complete surrender eliminates the policy’s death benefit and can result in a fully taxable policy gain to the extent the cash surrender value (CSV) exceeds the adjusted cost basis (ACB) of the policy. A partial surrender can result in a prorated recognition of any policy gain. Another option is to take a policy loan from the policy’s CSV. A policy loan is also a disposition of an interest in a policy, but unlike a partial surrender, a policy loan only results in taxable income when the amount of the loan exceeds the full ACB of the policy.

Dividends generated under an insurance policy are generally used to pay premiums or purchase additional insurance within the same policy. When used for these purposes policy dividends produce no immediate tax consequence. Dividends can also be paid in cash to the policy owner, however doing so reduces the policy’s ACB and results in tax when the policy’s ACB has been reduced to zero. Paying dividends in cash will also limit the growth of the eventual tax-free death benefit. Finally, an insurance policy with cash value can be used as collateral for a loan from a lender, potentially up to 90% of its cash value. Collateral borrowing strategies are often the most tax efficient means of creating a cash flow from a life insurance policy, but such strategies have their own issues and risks that need to be considered. If a corporation is the owner of a life insurance policy, we also need to think about the tax consequences of withdrawing funds from the corporation for personal use. Most strategies, but not all, will expose the funds to a further personal level of tax.

4. Provide a tax-efficient financial legacy

The death benefit from any life insurance policy is paid out and received free of tax. When the beneficiary is a corporation, it receives the funds tax-free—and may then be able to pass most or all of those funds on to heirs or other estate beneficiaries tax-free.

This outcome compares very favourably, for example, to the combined top marginal tax rate in Ontario on non-eligible dividends, which is 47.40% in 2019 (and was 24% not long ago).

By way of comparison, if an investor sought the same after-tax estate value as that provided by a death benefit of a corporately-held life insurance policy of $2 million, they would need in excess of $3.8 million in cash inside the corporation to match it—meaning an investor would need nearly twice as much saved to match the same benefit.

(As a side note, I always tell clients that if we knew the exact date they were going to pass away, we could create the perfect financial plan. For example, if you knew the date of your passing, to create the most optimal financial outcome, we would ensure you spent your last RRSP dollar and all of your Corporate savings on that day, in order to avoid the 53.53% and 47.4% tax rates at death, leaving every other dollar in tax-efficient insurance!)

In summary, the benefits associated with the use of corporately-owned permanent life insurance include:

- Tax-efficient cost through the use of corporate, not personal, dollars to purchase the policy
- The opportunity to avoid the impacts of new corporate tax rules for passive income
- A mechanism to create potentially tax-efficient cash flow in or before retirement
- A way to create a tax-efficient financial legacy

CASE STUDY

A Real-World Example: My Plan in Action

Let's look at my own plan. Using a Canada Life Estate Achiever participating life insurance policy, I've structured my plan to, with a high probability, be paid up in 8–10 years, depending on interest rates. I have maximized the deposits up to the limit that tax law permits, or what's sometimes called Additional Deposit Options (ADO), given the long-term nature of this plan.

$25,000 per year is my corporation's planned contribution over ten years. This plan allows for significant future payments if I choose, without further medicals. I like this structure as it gives me the flexibility to invest for up to 20 years, without having to initially commit beyond the initial 10-year plan.

Funding the plan

Given that Small Business Corporate tax rate on active business income is 12.5%, I will only need to make $28,571 in income to fund a $25,000 payment. A non-incorporated individual would potentially need to make up to $52,665 to make this $25,000 payment outside of a corporation.

The growth of funds in the plan

The growth on this permanent insurance investment will be tax-free and circumvents the new rules on passive income. Considering I am right on the cusp of the rule changes, this will likely save me approximately $75,000 in corporate taxes over 10 years. Most importantly I avoid paying the 50.17% passive income tax on gains.

The investment in the insurance plan itself is broken down into two components: a guaranteed component and a dividend value. Since this is a long-term retirement and estate planning investment, at age 67, the new retirement government-push age, the guaranteed component is $270,375 and the dividend cash value at current low rates is projected to be $380,270, for a total of $650,645. The death benefit is projected to be $1,722,557. (See Table 1)

TABLE 1

$25,000 x 10 Payments, 5.5% Dividend	Cash Value	Death Benefit
Year 10	$ 183,313.00	$1,456,334.00
Year 20	$ 352,966.00	$1,316,645.00
Year 30	$ 650,645.00	$1,722,557.00
Year 40	$1,116,280.00	$2,193,943.00
Year 50	$1,817,188.00	$2,732,122.00

*Prepared from updated illustration of Canada Life Estate Achiever participating whole life, dated January 19, 2019 – Ref # 3.7.0.0190119213339

Assumptions in the projections

Now this is a good time to discuss assumptions. By year 30 of the plan, 42% of investment and estate return are guarantees. Regardless of what happens in markets or to interest rates, I can't botch this.

The Dividend Value is a projection, but one important point to mention is that it could never be negative. The worst return it has paid historically in the last 70 years is still above 5%. An important element here is when the Cash Value or death benefit increase, those values are now the floor upon which next year's values are built.

Rates of return assumptions

The current dividend scale interest rate is 5.5%. While it is not the actual rate of return on the cash value of the policy, the dividend scale interest rate is used to calculate the investment component of participating policyowner dividends and is based upon the smoothed investment performance of the assets backing the participating account. It's important to note that in determining the dividend scale interest rate, Canada Life doesn't use calendar year returns and the returns are smoothed over a number of years. Smoothing is used as one of the methods to help maintain the stability of the dividend scale interest rate. Smoothing works by bringing gains and losses into the dividend scale interest rate over a period of time. The actual cash value growth in a policy varies based on several factors, such as type of product, product features, premium-paying period, issue age, rating and dividend option.

The 30-year average of the dividend scale interest rate is 8.7% as of December 31, 2017 (Canada Life Participating Account Details, as of Sept 30, 2018), though there has been a recent downward trend, and I would plan for a lower long-term rate than this average of 8.7%.

If dividends go up and average 6.5%, then at year 30, the cash value is projected to be $850,650 and the death benefit $2,221,291. If the Canadian market enters a very troubled 30-year period, with interest rates entering new lows, and we receive a lower average dividend rate of 4.5%, the cash value could be as low as $495,738 and death benefit $1,326,377.

Beyond the first ten years

If I chose to continue making the $25K per year payments for the following ten years, in years 11-20, a total of $500K of payments would look like Table 2. Keep in mind with my plan I can make this election in year 11, and payments do not have to continue to be a full $25K per year.

TABLE 2

$25,000 x 10 Payments, 5.5% Dividend

	Cash Value	Death Benefit
Year 10	$ 183,313.00	$1,456,334.00
Year 20	$ 669,944.00	$2,424,963.00
Year 30	$1,168,912.00	$3,048,048.00
Year 40	$1,949,095.00	$3,795,510.00
Year 50	$3,123,587.00	$4,670,400.00

*Prepared from updated illustration dated January 19, 2019 – Ref # 3.7.0.0190119221721

Let's fast forward 30 years and assume I am retired, though it is unlikely as I really enjoy what I do. If I need funds from the plan, I could:

- Cash in and end the plan, although my children Jacob and Sophie will not be too happy about this situation as they would lose the death benefit.
- My corporation could pledge the policy as collateral for a loan, borrowing up to 90% of my cash value to help with cash flow.
- Alternatively, I could direct my corporation to simply withdraw $89,514 per year for 20 years accomplishing my goal of creating an income stream in retirement.

The plan as an investment

So, to wrap up, let's examine the math of the rates of return on the cash surrender value, the investment component of the policy. What is the rate of return pre-tax on my investment and death benefit, and, most importantly, what would be the required rate of return to equal my projected investment and estate? Let's assume I pay into the policy $25,000 per year for 20 years and take no withdrawals. Table 3 illustrates the rate of return on my investment and Table 4 illustrates the rate of return to my estate.

In summary, my plan invests $25,000 per year over 10 years with the option of paying in for a longer period:

- Growing my funds tax-free avoiding the 50.17% passive income tax in Corporations,
- At least delaying the loss of my Small Business Deduction given the new Passive Income rules,
- Creating options for income streams in retirement (likely $89.5K/year), and
- Meanwhile providing for an estate for my children.

TABLE 3: RATE OF RETURN (ROR) ON CASH SURRENDER VALUE (CSV)

	Pre-Tax CSV ROR	Investment: Required Equivalent Return on Investment
Year 10	-5.76%	-5.76%
Year 20	2.70%	5.42%
Year 30	4.09%	8.21%
Year 40	4.45%	8.93%
Year 50	4.54%	9.11%

TABLE 4: RATE OF RETURN (ROR) ON ESTATE

	Death Benefit ROR	Death Benefit: Required Equivalent Return on Investment
Year 10	31.62%	63.45%
Year 20	13.46%	27.01%
Year 30	8.62%	17.30%
Year 40	6.63%	13.31%
Year 50	5.54%	11.13%

*Prepared from updated illustration dated January 19, 2019 – Ref # 3.7.0.0190119221721

Understanding the Criticisms of Corporately-Held Permanent Life Insurance

Thus far, we have outlined the potential benefits of a tax-minimization, wealth-building and estate planning strategy using corporately-held permanent life insurance, and we have illustrated these features using a specific case study.

Now let's turn to the criticisms levied against this strategy, which can be bundled into concerns about the risk and overall appropriateness of this strategy.

Risk review: Economic and Tax Considerations

Critics of the strategy we have outlined in this White Paper often point to the underlying economic and tax considerations that underpin it. These include questions about what happens to the strategy if tax laws change, dividends decrease, or interest rates increase. Will the strategy still perform as well?

At the outset, we note that any strategy contingent on economic conditions remaining static will almost certainly fail, as many moving parts of the overall economic and financial environment—particularly tax and interest rates, as well as tax policy—will change over time. Tax laws will be altered, interest rates will not remain constant, and dividends can and will fluctuate. These maxims hold true whether you are considering this strategy or any other.

Of course, these changes can and will impact many different strategies an incorporated professional might deploy, not just the use of corporately-owned permanent life insurance.

Tax policy risk: "What if tax rates change?"

Given that tax rates can and will change, your financial plans must be based on this reality. What this means in practical terms is adopting a strategy of tax diversification or diversifying your approaches so you aren't overly reliant on one strategy or another. Following this approach, the use of corporately-owned life insurance will ideally be just one of many strategies you implement, based on your personal financial plan.

One saving grace in the insurance world: when the tax legislation is changed, typically the changes leave intact existing arrangements, and only impact new plans on a go-forward basis. (Otherwise, insurance contracts would be toothless.)

The advice in respect of potential tax changes is thus straightforward: plan for change, diversify your approaches, and actively seek advice from those who will carefully watch where the tax winds are blowing.

Economic risk: "What if dividend rates or interest rates change?"

Just like tax policy, dividends can and do change—and they can decrease. While a "negative dividend" can never be paid, a plan could fail to pay dividends any given year, and dividend rates have decreased since the 1980s and 1990s (just as interest rates have decreased and the overall economic environment has shifted).

An appropriate approach to the risk of dividends decreasing is first, to adopt relatively conservative assumptions about dividend rates going forward, and secondly, to model varying scenarios—for example, how does the strategy fare if dividends continue to trend downwards? As with changes in dividend payout rates, interest rates cannot be assumed to remain static over the expected holding period of a corporately-held permanent insurance policy.

However, dividends and interest rates are loosely correlated, in that rising long term interest rates are usually linked to dividend rate increases—meaning that viewed from the perspective of the value of dividends, interest rate increases are to be welcomed. From the point of view of the borrower, however, when interest rates go up, so does the cost of borrowing.

In practical terms, this means that depending on how you are using a policy in the financial plan that supports your personal situation and financial goals, you may welcome or bemoan changes in interest rates—but the bottom line is that your personalized financial plan should be built and tested on the assumption that both dividends and interest rates can and will change. Are you getting appropriate professional planning support to help you through these calculations?

Appropriateness review: Concerns about the Sales Process

“This strategy is designed to maximize advisor sales commissions—if it’s so good, why do so many people oppose it?”

Investment and financial planning discussions can inspire some of the most passionate and deeply held beliefs. Some people believe wholeheartedly that no one, ever, should purchase permanent insurance while others believe just as fervently that insurance can play a critical role on your personal balance sheet, for tax, financial planning, and risk management benefits.

One of the important aspects of insurance is, of course, the transfer of risk from your personal balance sheet to the insurance company’s books. Unlike the world of investments, which operates much more like “you pay your money, and you take your chances,” the world of insurance is characterized by contracts, guarantees, and the doctrine of “utmost good faith.” Because of the ways that insurance differs from investing, the process of purchasing insurance is inherently not (and cannot be) a “DIY” process, and a salesperson—who is paid a commission—will necessarily be involved in the transaction. While a permanent insurance policy can include an investment component, fundamentally investments and insurance are significantly different. Reaping the tax and risk-transfer benefits associated with life insurance will require the use of a licensed insurance agent as an intermediary.

Now is a good time to note that how the plan is structured can have a huge impact on the results. Take my plan, for example—had I used a different insurance company, with a different structure, my estate benefit (projecting out 50 years) could be almost 40 percent lower than my current plan will provide, by my estimates. Not all plans are created equal!

That said, your personal financial situation should be diversified to include multiple financial strategies and options, all in the context of a comprehensive financial plan that is directly keyed to your situation, preferences, risk tolerance, and objectives. When you work with a professional advisor, make sure you get appropriate professional advice and support that goes beyond a sales transaction to meet your needs over time.

“Shouldn’t I help my kids today, instead of building an estate?”

Given the meteoric run-up in real estate prices in many parts of Canada, many of our clients have expressed concerns about ensuring they will be able to help their children financially without requiring them to wait for an eventual estate.

On this question, there is no right answer—nor is there a need to choose just one option. As with many other elements of a personal financial plan, the optimal path for any one individual will depend on their preferences, resources, and goals. Certainly, the attainment of one goal (endow children during your lifetime) doesn’t mean ruling out the other (build a financial legacy upon your passing).

This strategy is “an expensive way to buy insurance, and I can get higher investment returns elsewhere”—shouldn’t I just “buy term and invest the difference?”

Compared to buying term insurance, permanent insurance is a more expensive way to hedge against the risk of premature death—especially in the early years of the policy.

While the strategy of using permanent insurance will generally always “lose” when compared to the cheap and effective hedge of term life insurance, when you are using your corporation to buy permanent life insurance, you are not only protecting the value of your future earnings; you are accessing the tax, investment and overall financial planning benefits of this strategy.

The true cost of term insurance

Take my situation: if I purchased a Term-65 policy for $1,500,000 it would cost me $2,218/year for a total of $62,104, as opposed to $250,000. Keep in mind, after 65, I would have no insurance—and no cash value from the $62,104 of payments.

That said, no one should use permanent insurance strictly for income protection in their working years. It may accomplish that goal but is an expensive way to do so. On a side note, I do not have any term insurance on my life. I do believe many policies are sold inappropriately with misleading purposes.

The use of corporately-owned permanent life insurance is not primarily meant to protect against the loss of your human capital while working: it is used to transfer wealth tax efficiently, provide access to a tax-preferred investment vehicle and other benefits outlined earlier in this White Paper. That said, investors who pursue this strategy will also want investments outside the permanent insurance policy, and many will require additional term insurance.

A well-constructed financial plan will allow you to build wealth, protect your investments and your assets—including the value of your human capital—and minimize the effects of tax. Meeting this diverse array of goals typically takes various products and strategies, working together in accordance with the parameters of your personal financial plan.

Buying term and "investing the difference:" A review of the facts and assumptions

First, I think many people should do both: buy term, "invest the difference," and explore a corporately-owned permanent policy. But to make the comparison between permanent insurance and "buying term and investing the difference," we have to make a series of simplifying assumptions But are these assumptions fair?

- Is it fair to assume everyone, without knowing his or her risk tolerance, should be aggressive and 100% in equities? It is reasonable to assume an 85-year-old investor will stick with a 100% equity allocation?
- Is it fair to assume the Canadian index, for instance, will average about 8%—given that the TSX is lower than it was in 2007 at the time of this writing (keep in mind, the Japanese Nikkei, world's third-largest market, index just recently overcame its previous high from 30 years ago.)
- Is it fair to ignore the sequence or order of returns? What if one retires or passes away at the end of 2018 with the TSX down 11.6%—or down 11.1% in 2011 and 2015—or 35.5% in 2008?
- Is it fair to assume that behavioral finance does not come into play, ignoring the work of Nobel Laureate Richard H. Thaler on why and how the average investor underperforms the index—even with index funds?
- Is it fair to assume that ETFs are structured to be safe in downturns? (Look specifically at XFN, Canada's largest bank ETF, and the "flash crash" on August 24, 2015 during which it dropped 30% in one hour, with the underlying holdings only losing 5%!)

Ignoring all those lingering questions, the projected rates of return in Tables 3 and 4 speak for themselves (though keep in mind, it's all about how one structures these plans): the dividend scale interest rate assumes 5.5% but has a 30-year average of 8.7% and a 60 year average of 8.9%.

The last time dividends were this low was in the 1950s, a similar low-interest-rate environment, and the 60-year average ended up being greater than 8%.

In designing my own plan, I asked myself this question: Is it more likely dividends will perform higher than the current projection or is it more likely equities will have a magnificent bull run? The truth is, I don't know, so let's invest in both.

Critics may also point to the fact that the returns are being compared to a fixed-income, interest-bearing investment, and not a capital-gains-generating investment for which 50% of gains are tax-free (for now, let's ignore what happened in 1988-2001 with a higher tax rate on capital gains).

In year 40, in your projected estate, one would need a 10%+ capital gain versus a 13% return, but this would require an aggressive and outperforming portfolio. Ask yourself: which scenario is more likely? Which poses the most risk? And which are you most comfortable with?

"What if something changes and I can't afford the premiums?"

Just like tax and interest rates, your own personal financial situation can and will change over time. As a result, you may face the risk that a plan you commit to becomes unsuitable because you become unable to make the required premium payments.

As with other risks to the achievement of your overall financial plan, you should evaluate and plan for this risk, just as you evaluate and plan for other risks ranging from the risk of disability, to the risk of divorce, job loss, and more. Other life changes, too—such as the decision to pursue employment or retire to a country outside Canada—will impact the fulfillment of your financial plan.

Over the short term, the expected return on this strategy is abysmal—but over the long term, the expected return is (in a word) fantastic. As a result, before deciding to pursue this strategy, a thorough risk analysis should be undertaken, modelling and planning for your expected cash flow, and risks to your cash flow, to the myriad of other risks and changes to your life circumstances and your financial future over the long term. (To date, my business partner and I have set up approximately 200 of these plans, and I am proud to say that not one of our clients has collapsed their plan—which speaks, I hope, to the strength of the planning that underpins the use of this strategy for our clients.)

Comparing U.S. and Canadian scenarios

Sometimes, prospective clients will ask about U.S. insurance plans, perhaps because of reading websites such as *The White Coat Investor*.

I was asked recently by a good friend of mine living in Boston, Dr. Mark Preston, about whether he should purchase a U.S. insurance policy. Mark is a Boston Celtics fan, but even despite this, I told him that the benefits are not nearly as great for him as they are with our Ontario Corporations.

Let's start by addressing some of the differences between U.S. and Canadian policy-holders: In the U.S., most physicians are not incorporated, and therefore buying their policies with after-tax personal dollars, with tax rates ranging from 35% to 50%. Ontario physicians, by comparison, receive similar benefits with after-tax corporate dollars, with rates of 12.5% applying to active business income.

In the U.S., the tax rate on investment income is much lower, as low as 15% in some states. Compare this to the tax rate on passive income in Ontario, which is 50.2%. Tax-free growth on investments in Ontario corporations is much more attractive than tax-free growth on investments personally in the U.S.

Lastly, while the U.S. has an estate tax, which comes into play (as of 2019) at over $11.4 million individually and $22.8 million for couples, the U.S. actually has very little taxes when one passes away. In Canada, with a corporation, one can be subject to rates as high as 47.78%—and this has been increasing dramatically over the years.

The concept of the Capital Dividend Account does not exist in the U.S., meaning we have an enormous advantage in Canada with tax-free payouts from the corporation.

Finally, the structure of plans is different in Canada vs. the U.S., which comes into play when factoring how much of your investments can grow tax-free.

All these factors come into play when looking at rate of return. In summary, it's safe to say insurance is definitely a much less attractive investment in the U.S.

In closing: I believe the biggest risk investors face when considering the question of whether or not to invest in a corporately-owned life insurance policy is the risk of being impressionable.

At the time of this writing, there are 17 very vocal celebrities who are still questioning the science of vaccines. While I am no medical expert, I have faith in science and the physician community—and while I believe these celebrities have well-meaning intentions, I also think their actions have potentially serious unintended consequences.

The same can be said for many of the criticisms of the strategy outlined in this White Paper. While the risk here is not to anyone's health, nevertheless if someone were to enter into an appropriate plan, but exit early for the wrong reasons, they may place elements of their lifestyle at risk. Today, with the rise of social media, there are some very vocal critics with a tendency to lump all plans together, or shout "foul" due to their own bad experiences. Reading comments such as "no one should have permanent insurance," "stay away" or "cancel within ten years" is not helpful in improving financial awareness. Skepticism and caution can be helpful when navigating financial decisions, but not blanket exaggerations. The bottom line? Find a qualified advisor whom you trust and explore solutions that are custom-fit to your specific situation, and then make an informed decision.

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