



FREE GUIDE • OCTOBER 2026 EDITION

Universal life insurance

Flexible permanent insurance that combines protection with a tax-sheltered investment account.

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AT A GLANCE

The essentials on one page

Universal life is for people who want lifetime coverage but like to keep a hand on their choices. You can see clearly what the insurance costs, what is invested and how that investment is doing.

Two parts

The cost of insurance on one side, an investment account on the other.

Flexibility

You adjust your deposits to your means, within the limits of the contract.

Tax-sheltered

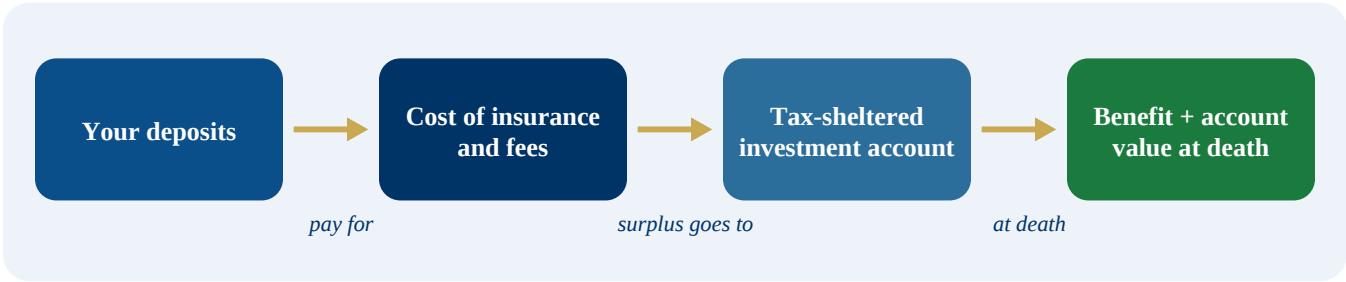
Account earnings grow with no annual tax, within the limits set by law.

Enhanced benefit

The death benefit can include the account value on top of the insured amount.

HOW IT WORKS

Universal life insurance



Each deposit first pays the cost of insurance and fees. The surplus goes into an investment account that you direct yourself: guaranteed interest account, index-linked or managed accounts, depending on the contract.

The cost of insurance can be level (the same for life) or yearly renewable (low at first, then higher each year). Account earnings grow tax-sheltered as long as the policy stays within the limit set by the Income Tax Act.

Key terms

Level cost of insurance	The same amount every year. More expensive at first, but stable over the long term.
Yearly renewable term (YRT) cost	Low at first, then it rises with age. Only advantageous in the short term.
Investment account	The portion that grows. Its options and fees vary from one insurer to another.
Exempt policy	A policy that respects the tax limits: earnings grow inside it without being taxed every year.
Cash surrender value	The account value minus any surrender charges.



THE BENEFITS

Why it helps

01

You set the pace

You can deposit more in good years and less in tight years, as long as the policy stays in force.

02

Tax-sheltered growth

For someone who has already maxed out the RRSP and TFSA, it is one more place where savings grow with no annual tax.

03

Transparency

Statements show the cost of insurance, fees and returns separately.

04

A planning tool

Over time, the account can secure a loan or increase the benefit paid to your heirs.

WHO IT IS FOR

Is it right for you?

- **High-income professionals and entrepreneurs**
Who have maxed out their RRSP and TFSA and want another tax-sheltered vehicle.
- **Holding companies**
To invest corporate surplus in an exempt policy, as part of a tax plan.
- **Those who want flexibility**
Who prefer adjusting their deposits to paying a fixed premium.
- **Estate planning**
To pass on more wealth than the insurance amount alone.

A REAL-LIFE EXAMPLE

Isabelle, 45, a dentist, contributes the maximum to her RRSP and TFSA every year. She wants to protect her family for life and grow additional savings with no annual tax.

With a level-cost universal life policy and deposits above the cost of insurance, her investment account grows tax-sheltered. At her death, her children will receive the insured amount plus the value built up in the account, tax-free.

OPTIONS AND PITFALLS

Choosing well, without surprises

Common options

Level death benefit	The benefit stays fixed; the account value reduces the insurer's risk.
Benefit plus account value	The benefit paid includes the account value: the legacy grows with the savings.
Investment choices	Guaranteed interest, index-linked accounts, managed accounts: chosen according to your investor profile.
Riders	Waiver of premium, critical illness, child coverage, depending on the insurer.

WHAT TO CHECK BEFORE YOU SIGN

- A deposit that is too low can cause the policy to lapse if the account no longer covers the cost of insurance.
- YRT cost becomes very expensive with age: it mostly suits a temporary need.
- Returns on index-linked accounts are not guaranteed.
- Surrender charges in the early years: cancelling early can be costly.
- Tax limits: an excess deposit may be refused or moved to a taxable side account.

NEXT STEPS

The right questions to ask

Before you decide, ask yourself:

- Level or YRT cost for my need?
- Which investment accounts, and at what fees?
- What minimum deposit keeps the policy in force?
- Should this policy belong to my corporation?

I compare products from several insurers and lay the numbers out side by side. A 30-minute meeting, in person in Montréal, by Google Meet or by phone, is usually enough to see clearly.

BOOK A MEETING

maprime.ca/rendez-vous-en · 438 889-6474 · info@maprime.ca



Run the numbers

Scan the code with your phone's camera: the free Maprime.ca calculator gives you a first estimate in two minutes, with no sign-up.

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Request a quote

Or scan this one to request a personalized quote, free and without obligation.

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IMPORTANT NOTICES AND SOURCES

Please read

- This guide provides general information. It is not personalized tax, legal or financial advice, nor a product recommendation. A needs analysis is required before any recommendation.
- The coverage, exclusions, fees and conditions that apply are those of the contract issued by the insurer, which alone is authoritative. Examples are illustrative and are not a quote.
- I am an independent representative: I am not bound to any insurer by an exclusivity agreement and I compare products from several insurers. I am paid by commission from the insurer; I will disclose it on request.
- Figures and rules in effect in October 2026; they may change. Images: Pexels photographs (Pexels licence) and illustrations generated by artificial intelligence; the people shown are models or fictional characters.

Sources consulted

- Income Tax Act, s. 148 and Regulations, s. 306 (exempt policy)
- Standard contracts of Canadian insurers, reviewed in October 2026