

A beneficiary is the person (or people) you designate to receive the money from your Life Insurance and/or AD&D benefit (if applicable) in the unfortunate event you should pass away while insured. Your beneficiary can be anyone you wish: family, friend or charity.

### Why Designate a Beneficiary

It is important to designate a beneficiary so your loved ones are taken care of in the event of your passing. This ensures the proceeds of your Life Insurance are paid out as you had intended. When no beneficiary has been designated, the proceeds of your policy are paid to your estate and subject to estate taxes. The funds are then available to be claimed by creditors for any outstanding debts.

It is also important to review and make any updates to your beneficiary designations whenever you experience a major life event, such as marriage, divorce, birth of a child or death. If you forget to update your beneficiary, the money may go to someone you no longer wished to receive it.

### Primary vs. Contingent

**Primary Beneficiary:** The person or persons first selected to receive the life benefit in the event of your passing. If you choose more than one primary beneficiary, you must indicate what percentage you want each person to receive. The total must equal 100%.

**Contingent Beneficiary:** The person or persons selected to receive the life benefit if the primary beneficiary is not alive at the time of your passing.

### Revocable vs. Irrevocable

- \* You **can** remove a revocable beneficiary without their consent
- \* You **cannot** remove an irrevocable beneficiary without their consent.

If you live anywhere in Canada (except Quebec), the insurance carrier will assume all designations are revocable unless otherwise stated. In Quebec, if you designate your spouse, the default is **irrevocable** unless otherwise stated.

### Designating a Minor

If you choose to designate a minor as your beneficiary (child under the age of 18 years), insurance carriers will not pay the claim without the appointment of a trustee. This trustee would receive the benefit payout on behalf of the minor. If there is no trustee appointed, the courts will hold onto the benefit payout until the minor is of age.

*\* In Quebec, the parents or legal guardians of the minor would receive the benefit payout.*

### Beneficiaries Outside of Canada

While you may choose anyone to be your beneficiary, even if they do not reside in Canada, it is important to note that the funds payable to a non-resident of Canada may be taxed differently than if the funds were payable to a Canadian resident.

*\* This is not a legal document, and is intended solely for informational purposes.*