

# Insurance Valuations

Discover the true value of your insurance policy

## Fair Market Valuation (FMV) of Life Insurance

GBL can provide an actuarial calculation and certification of the fair market value of a life insurance policy held personally or in a corporation.

An FMV of an insurance policy is recommended in the following situations:

- ✓ Transfer of the policy from a corporation to an individual
- ✓ Transfer of the policy between corporations
- ✓ Charitable donation of a life insurance policy
- ✓ Business valuation or the sale of a business
- ✓ Marriage Breakdown calculations for marital property

### Case Study

Policy Type: Universal Life  
Age of Individual: 71  
Face Amount: \$3,000,000  
ACB: \$0  
CSV: \$10,000  
Health Status: 175% Non-smoker

- ✓ **FMV of Policy is \$649,000**
- ✓ **If the policy was donated, a tax receipt equal to the FMV would be issued, which is \$639,000 more than the CSV.**

## Critical Illness (CI) Valuation

GBL can provide an actuarial calculation and certification of the fair market value of a CI insurance policy held personally or in a corporation.

Factors that may affect your CI value:

- Health status
- Size of policy
- Return of premium provisions and other riders
- Other demographic factors



***Discover the  
value of your  
insurance  
policy today***

## Cross Border Insurance Testing

If you or your client is a Canadian or U.S. resident with a foreign life insurance policy, the policy could lose its tax exempt status based on the insurance exemption rules in the country of residence. This can lead to a potentially expensive tax bill.

GBL provides cross border insurance policy testing for:

- U.S. citizens and Foreign Nationals living in Canada
  - Ensure U.S. and foreign life insurance policies are tax exempt under CRA rules
  - Determine the Adjusted Cost Base (ACB) of the U.S. and foreign life insurance policies
- Canadian citizens and Foreign Nationals living in the U.S.
  - Ensure Canadian and foreign life insurance policies are tax exempt under IRS rules
  - *Note: Canadian life insurance policies held by U.S. citizens living in Canada are still subject to IRS rules*

## Next Steps:

Visit our website at [www.gblinc.ca](http://www.gblinc.ca) or speak with a GBL Representative



Building **your** future



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