

The Wave (Version 28)



April 2014

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1. Welcome to The “New” Wave
2. NEW Preferred Term 10 and 20 rates
3. NEW Preferred Term 10 Exchange Program
4. Changes to 20 Pay Life
5. More UL Fund options available in Life Dimensions

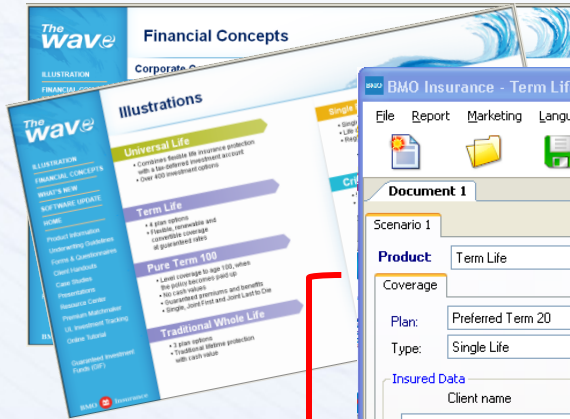
Welcome to the "New" Wave

*Fresh Look. New Platform.
More Functionality.*





- Prepare **multiple product scenarios** for your clients in a single illustration;
- Access **Premium Matchmaker** from within the illustration module without exiting the illustration;
- View plan summary, plan details, premium breakdowns and underwriting requirements right on the illustration screen;
- Navigate intuitively among product illustrations, financial concepts and marketing materials.
- Online tutorials to help guide you through the new software



The screenshot shows the BMO Insurance software interface for configuring a term life insurance policy. The window title is "BMO Insurance - Term Life - Preferred Term 20 V28.0/14-03 [Document 1]". The interface includes a menu bar (File, Report, Marketing, Language, Help), a toolbar with icons for file operations, and a main workspace. The "Document 1" tab is active, showing a "Scenario 1" configuration. The "Product" is set to "Term Life". The "Coverage" section shows "Plan: Preferred Term 20", "Province: Ontario", "Owner: [blank]", "Type: Single Life", and "Face Amount: 250,000". The "Insured Data" section shows "Client name: Client_1_1", "DOB: [blank]", "Age nearest: 35", "Sex: Male", "Status: Nsm", "Classification: Standard", and "Rating: [blank]". The "Riders" section shows "Living Benefit Rider" selected. The "Mortgage Concept" section shows "Mortgage Concept" selected. The "Quick Calc" section shows a table of costs:

	Premium	Policy Fee	WP	ADB	Child Rider	LB rider	BGIO	Total
Annual:	212.50	75.00	0.00	0.00	0.00	0.00	0.00	287.50
Monthly:	19.13	6.75	0.00	0.00	0.00	0.00	0.00	25.88

The right sidebar shows "Version V28.0/14-03", "Illustration summary", "Total premium: Annual premium: \$287.50", "Coverage: Preferred Term 20 single life \$250,000", "Insured(s): Client_1_1, Male, 35, NS, Standard", and "Medical requirements for Preferred Term 20: Client_1_1 - Paramedical, Blood Profile, Urine (HIV)". The bottom navigation bar includes "What's New", "Product Information", "Forms & Questionnaires", "Resource Center", "UL Investment Tracking", and "Online Tutorials".

Input area

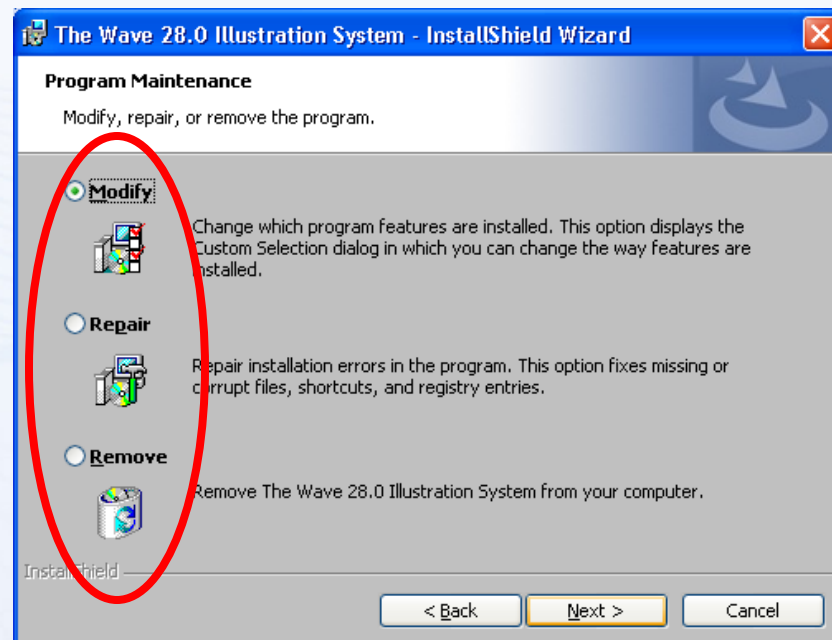
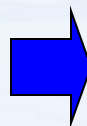
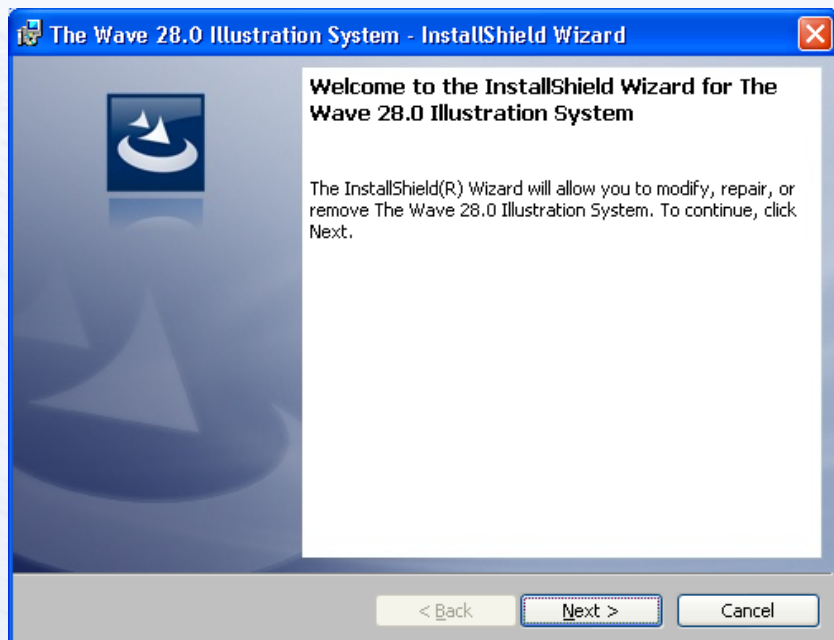
Plan Summary

Bottom Navigation bar to online resources



- Online video tutorials now available as a click-through in various spots:
 - Opening menu;
 - Side bar on the left of submenus;
 - Navigation bar at the bottom of the illustration screen.
- Video tutorials in interactive chapters with voice-over and closed captions. Click on the button below to explore The 'New' Wave now!

Watch video ▶

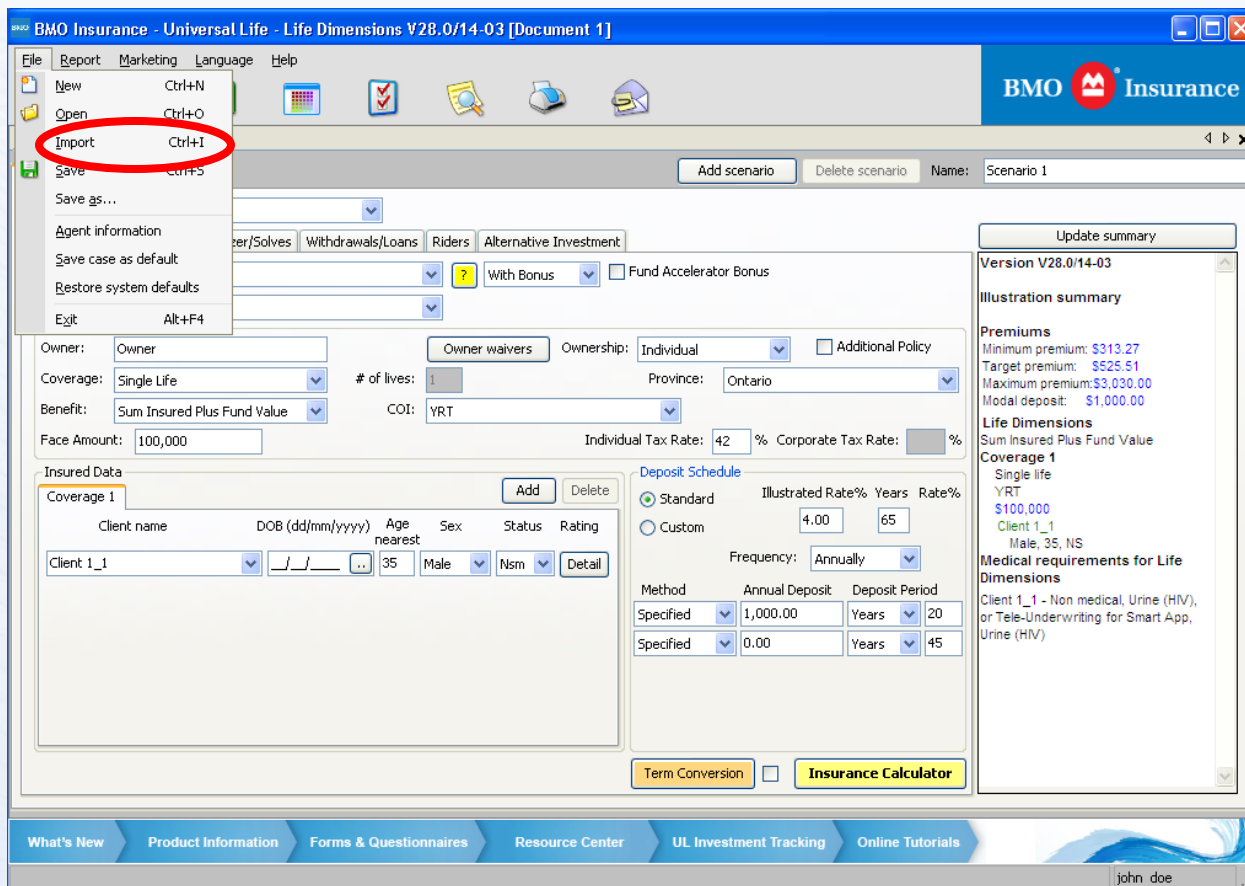


- A new installation wizard offers the flexibility to install, repair or remove The Wave Illustration software intuitively.

Important: To retain a copy of the previous version of the WAVE v27.0, [click here](#) to download and make sure that you save it to a different folder.

The screenshot shows a software window titled "Advisor info" with a close button in the top right corner. The window contains a list of advisors at the top, with "doe, john" selected in a dropdown menu. Below the list are "Add" and "Delete" buttons. The main form area includes fields for "Presented by:" with sub-fields for "First name *", "Middle name:", and "Last name *". Below these are three dropdown menus for "Professional designation(s)". Further down are text input fields for "Company Name", "Address line 1", "Address line 2", "City", and "Province *". There are also fields for "Postal code", "Business phone", "Ext.", "Cell Phone", "E-mail address", "Fax", and "Website". At the bottom, there is a "Default save location" field with a "Browse" button. A legend at the bottom left indicates "* Required input". "Save" and "Close" buttons are at the bottom center.

- When you run The 'New' Wave for the first time, you will be asked to set up your profile under 'Advisor Info' .
- The information you enter e.g. name, professional designation(s), agency name and contact information, will appear on the illustration report automatically.
- You can update your profile at any time



You can import cases saved from previous versions of The Wave (Version 25 to Version 27) into The 'New' Wave

For example, to import a previously saved Preferred Term 10 case, simply:

- start up the Term Illustration module;
- click 'File' → 'Import' from the pull-down menu;
- locate the saved case and click open.

- Preferred Term 10
 - Entry rates lowered as much as 10% with non-smokers and 23% with smokers
 - New Renewal Rates
- Preferred Term 20
 - Entry rates lowered as much as 18% with non-smokers and 38% with smokers
 - No change to Renewal Rates

No changes to compensation

There are no rate changes to our Preferred Term 30 or any Term riders on Universal Life and Whole Life at this time.

New rates effective
May 26, 2014

Preferred Term 10 Position
Non-Smokers Standard Class

PT10 Ranking (NS Standard Class) ... Years 1 to 10

Male NS	35	37	39	40	42	44	45	46	48	50	52	53	55	57	59	60	61	63	65
\$100,000								7	6	3	2	3	3	1	1	1	1	1	1
\$250,000	4	3	3	3	3	3	3	4	2	4	1	1	1	1	1	1	2	1	1
\$500,000	7	5	4	3	2	2	2	3	3	5	3	3	3	4	5	4	2	2	1
\$1,000,000	3	2	3	3	2	2	2	2	4	3	3	4	3	2	3	2	1	2	1

Female NS	35	37	39	40	42	44	45	46	48	50	52	53	55	57	59	60	61	63	65
\$100,000								6	5	3	3	3	2	1	1	1	1	1	1
\$250,000	8	8	5	2	1	1	3	2	3	5	4	4	4	1	1	1	1	2	1
\$500,000	9	7	6	5	4	4	4	3	4	3	3	4	5	3	3	3	2	4	5
\$1,000,000	4	2	3	3	3	3	3	4	4	3	3	4	3	1	1	1	1	4	6

Companies surveyed: BMO Insurance, Canada Life, Desjardins Financial, Empire Life, Equitable Life, Foresters Life, Industrial Alliance, Manulife, RBC Insurance, SSQ Assurance, Sun Life and Transamerica. Ranking based on the annual premium in effect as of March 16, 2014. BMO Life Assurance Company is not liable for any errors or omissions in the information derived from third party sources.

Source: Illustration Software

New rates effective
May 26, 2014

Preferred Term 20 Position
Non-Smokers Standard Class

PT20 Ranking (NS Standard Class) ... Years 1 to 20

Male NS	35	37	39	40	41	43	45	47	48	50	51	52	54	55	56	58	60	62	64	65
\$100,000	3	3	3	3	2	2	3	1	2	3	1	2	1	1	1	1	1	1	2	2
\$250,000	5	4	4	3	4	2	5	3	3	4	1	2	4	4	2	4	6	3	3	3
\$500,000	3	3	3	3	2	3	3	3	3	4	1	1	1	3	2	4	6	3	3	3
\$1,000,000	1	2	2	2	2	2	2	2	4	4	2	1	3	3	2	3	5	3	3	3

Female NS	35	37	39	40	41	43	45	47	48	50	51	52	54	55	56	58	60	62	64	65
\$100,000	2	3	3	3	3	4	3	3	3	3	2	3	2	3	3	3	5	3	3	3
\$250,000	5	3	3	2	2	3	4	4	3	4	2	2	2	3	2	3	6	3	3	3
\$500,000	9	7	4	4	3	3	4	3	3	3	1	2	2	2	1	2	4	3	3	6
\$1,000,000	4	3	3	3	3	3	3	2	2	2	1	1	1	1	2	2	4	4	4	4

Companies surveyed: BMO Insurance, Canada Life, Desjardins Financial, Empire Life, Equitable Life, Foresters Life, Industrial Alliance, Manulife, RBC Insurance, SSQ Assurance, Sun Life and Transamerica. Ranking based on the annual premium in effect as of March 16, 2014. BMO Life Assurance Company is not liable for any errors or omissions in the information derived from third party sources.

Source: Illustration Software

Preferred Term 10 and 20 Transition Rules

- Any applications for Preferred Term 10 and Preferred Term 20 which are received in our head office on or after May 26, 2014 will receive the new rates.
- Only original copies will be accepted - we will not accept faxed applications to meet these deadlines.
- During the transition period, policies that have been issued but not yet settled can be exchanged to The Wave (version 28.0) rates by returning the policy and sending in a written request. Also, complete all outstanding settling requirements by June 9, 2014.
- Policies already settled will not be changed.

NEW Preferred Term 10 Exchange

- Available on Preferred Term 10 base plans issued with The Wave version 28.0 (or later) rates.
- The policyowner may exchange the full amount or a portion of any eligible Preferred Term 10 plan.
- Any partial exchange must meet the plan minimum for both the remaining Preferred Term 10 and new Preferred Term 20 coverages.
- The new plans include the privilege to convert to a permanent plan.

For our advisors	For your clients ...
25% FYC on the entire premium	Exchange allowed after the 1 st anniversary and before the earlier of the 5 th anniversary or age 65 ... Giving your clients the ability to continue their Term coverage at affordable rates without underwriting for another 20 years.

New Rate Band

- Band 1: \$25,000 to \$99,999
- Band 2: \$100,000+

No changes to compensation

New Issue Rates

- Average increase of 21% for ages 30 to 54 (more at younger ages at about 26% and much less at older ages at about 12%)

New Cash Values

- New Schedule - percentages varies by age and smoking status
- 100% fully guaranteed and becomes available after the policy has been in force for 10 years.

NEW Reduced Paid Up Values

- New Schedule - starts at 10% of the original face amount calculated in year 11, increasing by 10% thereafter for each additional year premiums are paid.
- 100% fully guaranteed and become available starting on the 10th policy anniversary

20-Pay Life Ranking at \$50,000 Sum Insured

	20	25	30	35	40	45	50	55	60	65
Male NS	3	3	2	2	2	2	2	2	2	2
Male SM	3	3	3	3	2	2	2	2	2	2
Female NS	3	3	2	3	3	2	2	2	2	2
Female SM	3	3	3	2	2	2	2	2	2	2

Companies surveyed: BMO Insurance, Desjardins Financial, Industrial Alliance, SSQ Assurance. Ranking based on the annual premium in effect as of March 16, 2014. BMO Life Assurance Company is not liable for any errors or omissions in the information derived from third party sources.

Source: Illustration Software

20 Pay Life Transition Rules

- Any applications for new 20 Pay Life plans (or term conversions to 20 Pay Life Plan) which are received in our head office on or after May 26, 2014 will receive the new rates.
- Policies that are pending will be issued as applied for.
- Only original applications will be accepted - we will not accept faxed applications to meet these deadlines.
- Policies already settled will not be changed.

The only option of its kind on any UL plan in Canada

- Exposure to the performance of the S&P 500 Price Return Index, without any downside risk!
- Net rates of return that are guaranteed never to be negative
- Interest that's calculated and credited every year over the Investment Term, converted to Canadian dollars
- Flexibility to switch to a Fixed Interest Rate Option or the Canadian Equity GMIA on Interest Crediting Dates without any penalty

Annualized Average (end of Year) Rate of Return¹

	2009 to 2013	2004 to 2013	1999 to 2013	1994 to 2013
American Equity GMIA ²	8.21%	5.25%	5.56%	8.25%
American Equity Market Indexed Account (S&P 500) ³	12.16%	3.00%	- 0.12%	5.86%

Visit www.bmoinvestpro.ca for more details

¹ GMIA Values are based on the GMIA Credited Rate of Return, converted to Canadian dollars (if applicable), using the historical performance of the underlying Reference Market Index by calendar year assuming the fund was available for that period. The historical performance of securities in the Reference Market Index does not indicate the future performance of those securities.

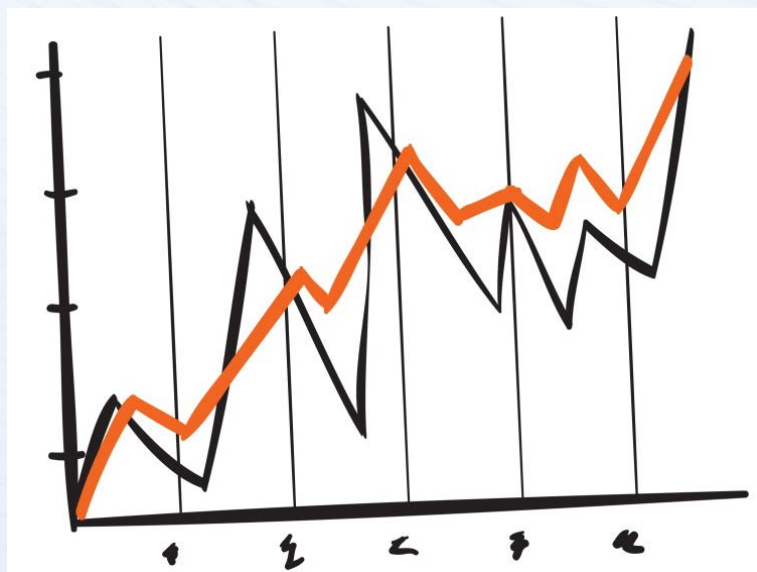
² For the GMIA, the following assumptions were made in this illustrative example: Minimum Rate of Return: 0%; Index Cap Rate: No maximum; Hurdle Rate: 3%; Index Participation Rate: 60% **You do not purchase units in any index or a legal interest in any security.**

³ Market Indexed Account Values are based on the historical performance of the underlying Total Return Index, adjusted for currency fluctuation (if applicable), less 1.75% (Low Fees) by calendar year. The historical performance of securities in the Total Return Index does not indicate the future performance of those securities.

The accumulation does not reflect any insurance charges (such as cost of insurance, premium tax or other deductions), which will impact the actual accumulation of any funds in a GMIA when included in a universal life policy.

Sanlam P2strategies funds are designed to reduce return volatility, giving you the confidence to stay invested over the long-term.

What does this mean to you?



While both lines in this example would have yielded similar results, the Sanlam P2strategies investment experience would have been smoother.

Which one would have helped you stay invested?

The graph is a visual display to illustrate how the P2strategies is designed to work. It does not reflect a specific investment or is intended to show any actual or historical returns or to project or predict investment returns.

Asset Allocation is split:



Passive Equity Exposure

(eg. Sanlam North American Equity Tracker Fund)

+

Protection Strategy Assets (P2account)

(10 - 15% average)

- Cash + short futures positions
- Moves in opposite direction to the fund

When funds go down

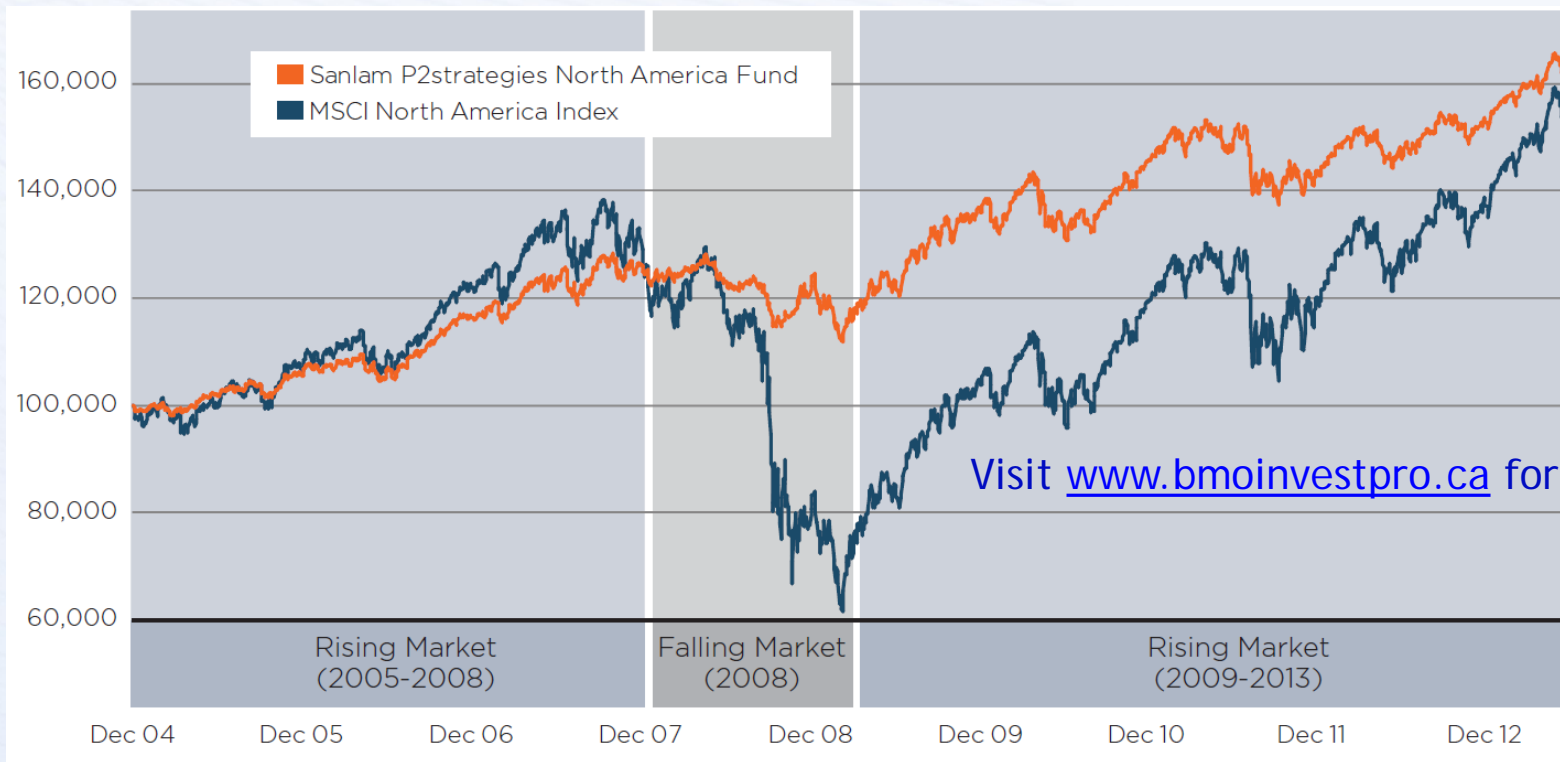


P2account goes up



Designed to reduce the effects of sharply falling markets

P2strategies investment against an index without P2strategies
Smoother returns over multiple market cycles:



This hypothetical illustration is based on a \$100,000 initial investment in the Sanlam P2strategies North America Fund in December 2004 and is net of fees. The values shown for the Sanlam P2strategies North America Fund reflect the historical returns for the MSCI North America Index with the assumption of a P2strategies overlay. It is not intended to project or predict future investment returns. Past performance is no guarantee of future returns.

Sanlam P2strategies UL Market Indexed Accounts	Equity Exposure
North America Fund Class I	Invests in the Sanlam North American Equity Tracker Fund. <i>The Fund aims to replicate the performance of the North American equity markets by tracking the MSCI North American Index.</i>
Global Fund Class I	Invests in the SIM World Equity Tracker Fund. <i>The Fund aims to replicate the performance of the world equity markets by tracking the MSCI World Equity Index (Developed Markets) in US Dollars with income reinvested.</i>
UK Fund Class I	Invests in the Sanlam UK Equity Tracker Fund. <i>The Fund aims to replicate the performance of the UK equity markets by tracking the MSCI UK Daily Net Total Return Index.</i>
Europe (excluding UK) Fund Class I	Invests in the Sanlam Europe excluding UK Equity Tracker Fund. <i>The Fund aims to replicate the performance of the European (excluding the UK) equity markets by tracking the MSCI Europe excluding UK Index.</i>
Emerging Markets Fund Class I	Invests in the Sanlam Emerging Market Equity Tracker Fund. <i>The Fund aims to replicate the performance of the emerging equity markets by tracking the MSCI Emerging Markets Index.</i>

Life Dimensions UL Fees for Sanlam P2Strategies Funds:
2.00% for Low Fee and 3.25% for Bonus Plans

We're here to help.
Give us a call!



WESTERN CANADA SALES OFFICE

1-877-847-8160

ONTARIO REGIONAL SALES OFFICE

1-800-608-7303

**QUEBEC-ATLANTIC REGIONAL
SALES OFFICE**

1-866-217-0514

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Insurer: BMO Life Assurance Company.

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