

Your Guide to BMO Insurance Whole Life



Simple.



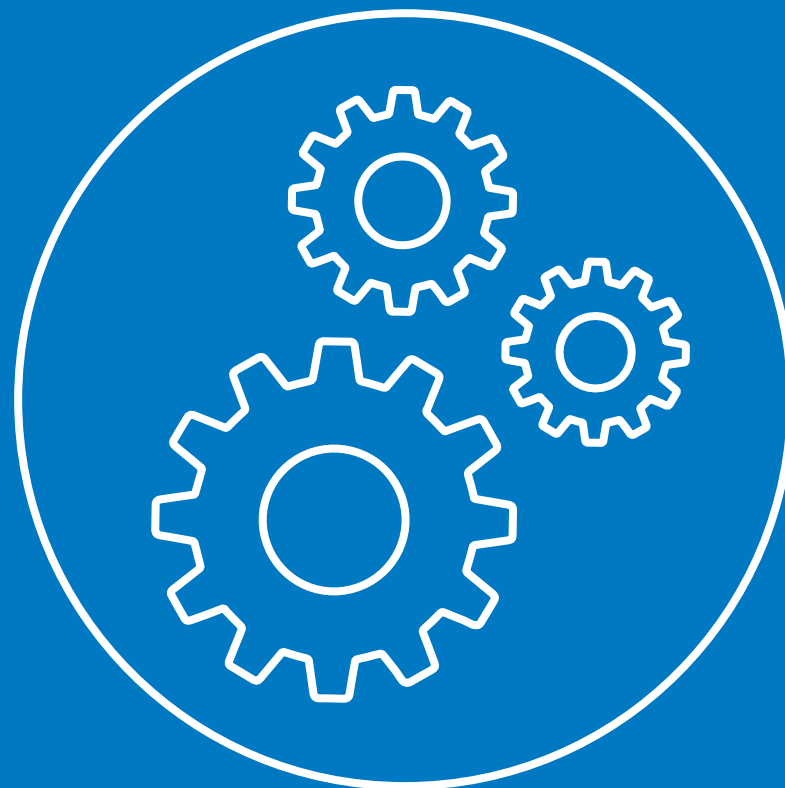
Flexible.

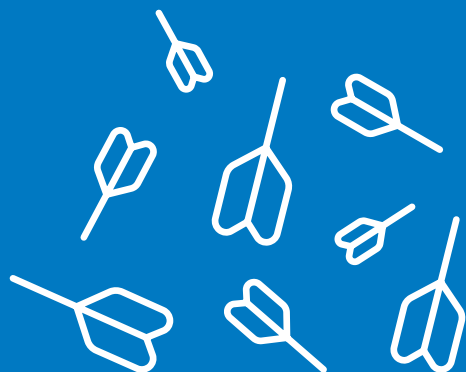


Guaranteed.

How it Works

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Life's unpredictable. Whole life insurance doesn't have to be.

That's why we designed **BMO Insurance Whole Life**.
It's simple, flexible and guaranteed.



Simple.

The plan has a straightforward design.



Flexible.

You have multiple options to adjust your coverage, if your financial situation changes.



Guaranteed.

The plan has several guarantees to help give you more financial confidence.

Plan Overview



It's simple and straightforward

BMO Insurance Whole Life offers permanent life insurance protection. It can be ideal for individuals who want guaranteed level premiums, a guaranteed death benefit and a guaranteed cash value that increases over time. Premiums are payable for 10 years, 20 years or until age 100 of the life insured.

Each year, you are eligible to receive a Performance Bonus that is used to automatically add paid-up insurance (or Paid-Up Additions) to your policy. This, in turn, increases the death benefit and cash value.



BMO Insurance Whole Life

Discover how BMO Insurance Whole Life works by watching this short video.

[Watch now](#)



Flexibility – just in case

The following options are available, just in case your circumstances change:

- **Additional Payment Option** maximizes the tax-deferred growth of the cash value and can also help pay-up the policy sooner.
- **Premium Switch Option** allows you to lower your premiums and extend how long you pay premiums, without affecting the amount of your basic coverage.
- **Reduced Paid-Up Insurance Option** allows you to stop paying premiums by having the death benefit reduced.
- **Policy loans** offer you the flexibility of using the policy's cash value to pay premiums (an Automatic Premium Loan) or access funds for lifestyle purposes.
- **Premium Offset** allows you to stop paying premiums and have the amounts deducted from the cash value of your policy.



Guarantees – for more predictability

Having strong guarantees in your life insurance policy can provide you with more assured outcomes. BMO Insurance Whole Life policies includes the following:

- **Three guaranteed premium options:** 10 Pay, 20 Pay and Pay to Age 100.
- **Guaranteed cash value** that increases over time.
- **Guaranteed death benefit** equal to the initial amount of your coverage.
- **Performance Bonus** that automatically adds paid-up insurance to the policy. The Performance Bonus Rate used to calculate this bonus is guaranteed to never be negative.

BMO Insurance Health Advocate™ Plan

With BMO Insurance Whole Life, you also have access to the **BMO Insurance Health Advocate Plan**, an industry leading comprehensive assistance service – at no additional cost¹.

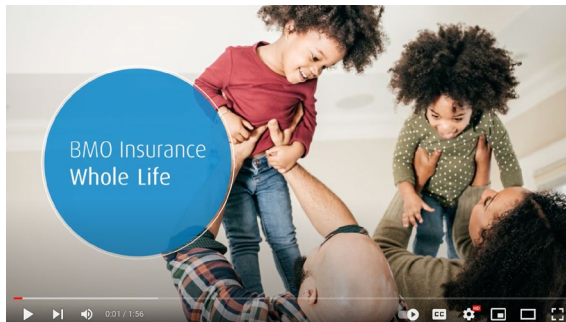


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Plan Options

BMO Insurance Whole Life has two plans:

- **BMO Insurance Whole Life Estate Protector** offers long-term cash values and death benefit growth, which can be a great fit for estate planning scenarios.
- **BMO Insurance Whole Life Wealth Accelerator** offers a higher cash value in the early years, which can be ideal if you need more upfront liquidity from your life insurance policy.



[Watch now](#)

¹Beyond premiums for the basic coverage. Ask your insurance advisor for complete details.

Performance Bonus

Each year, you are eligible to receive a Performance Bonus that automatically adds “paid-up” insurance coverage to your policy. This increases the death benefit and cash value at no additional cost above the premiums due for the basic coverage.

How the Performance Bonus is calculated

The **Performance Bonus** is calculated on each policy anniversary using a Performance Bonus Rate that’s declared annually. This Performance Bonus Rate can change from year-to-year but will never be negative.

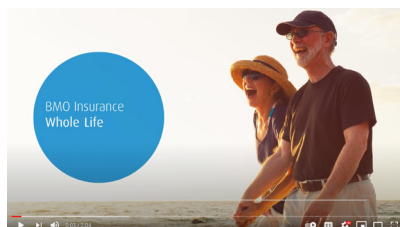
Performance Bonus =

$$\begin{array}{ccc}
 \text{Performance Bonus Rate} & \times & \text{Guaranteed Cash Value} \\
 \text{+ Additional Payment Balance, if any}
 \end{array}$$

The Guaranteed Cash Value is stated in your policy contract and the Additional Payment Balance depends on the amount of the Additional Payments you’ve decided to make.



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[Watch now](#)

Eligibility

All BMO Insurance Whole Life policyowners are eligible to receive a Performance Bonus every 12 months from the date that their policy was issued (also known as a “policy anniversary”).

Factors that don’t impact the Performance Bonus

Unlike other plans available in the marketplace, the Bonus does not depend on how many claims we pay, expenses we incur or lapses we experience (i.e. the number of people that cash-in their policies). These factors are already accounted for and are guaranteed not to impact the Performance Bonus that you’re eligible to receive.



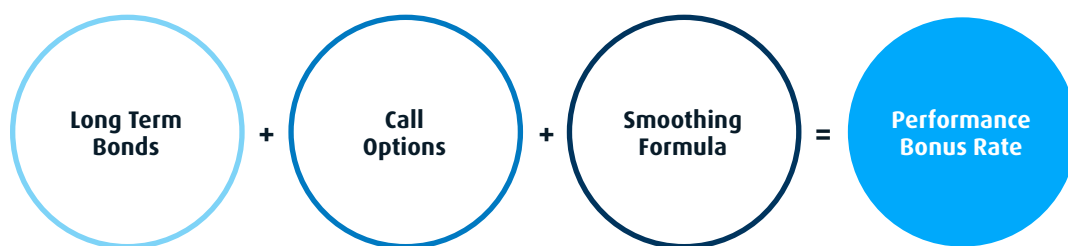
The Performance Bonus may vary from year-to-year, but will never be negative.

[Contact Us](#)

Performance Bonus Rate

How we determine the Performance Bonus Rate

The Performance Bonus Rate takes into account the rate of return of a portfolio² of fixed income investments and enhanced equity investments designed to target higher overall portfolio yields. To reduce the year-to-year fluctuations (i.e., volatility) of the Performance Bonus Rate, BMO Insurance uses a smoothing formula with a goal of generating more stable, long-term returns.

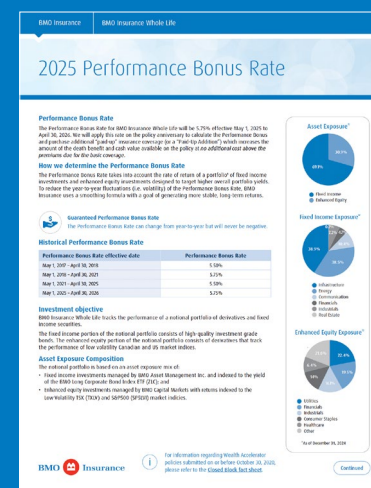


Performance Bonus Rate (May 1, 2025 to April 30, 2026)

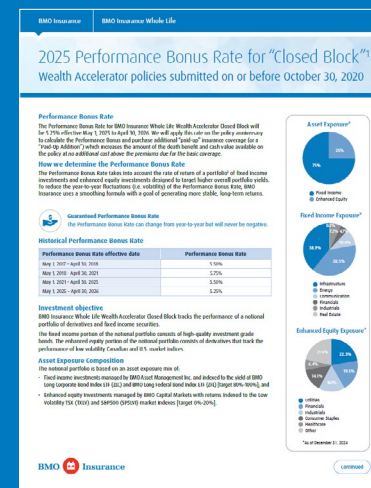
The Performance Bonus Rate for BMO Insurance Whole Life will be 5.75% effective May 1, 2025 to April 30, 2026. We will apply this rate on the policy anniversary to calculate the Performance Bonus and purchase additional “paid-up” insurance coverage (or a “Paid-Up Addition”) which increases the amount of the death benefit and cash value available on the policy at no additional cost above the premiums due for the basic coverage.

Historical Performance Bonus Rate

May 1, 2017 – April 30, 2018	5.50%
May 1, 2018 – April 30, 2021	5.75%
May 1, 2021 – April 30, 2025	5.50%
May 1, 2025 – April 30, 2026	5.75%



[Learn more](#)



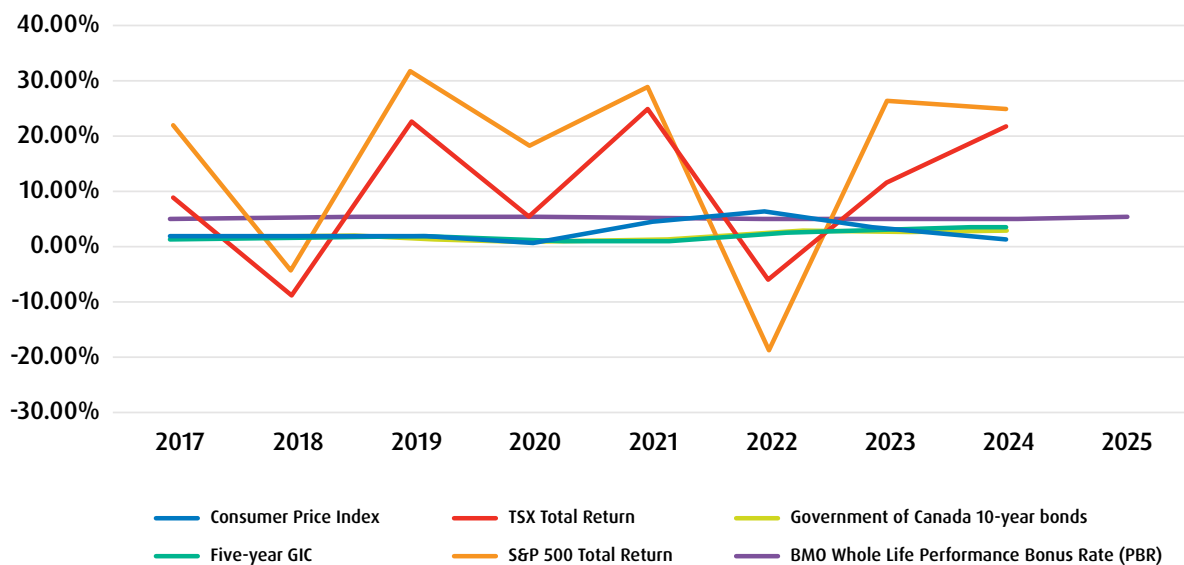
[Learn more](#)

For information regarding Wealth Accelerator policies submitted on or before October 30, 2020, please refer to the Closed Block fact sheet.

² As part of a BMO Life Assurance Company policy you do not own a legal interest in any security or fund.
For more information, please visit bmoinsurance.com.

Historical Returns and Stability

The chart below illustrates historical stability of the BMO Insurance Whole Life Performance Bonus Rate (PBR) compared to several key financial indicators.



Performance data is provided for illustrative purposes only. It represents past performance, which is not predictive of future performance.

Sources:

Government of Canada 10-year bonds, June 6, 2025, Bank of Canada.

S&P 500

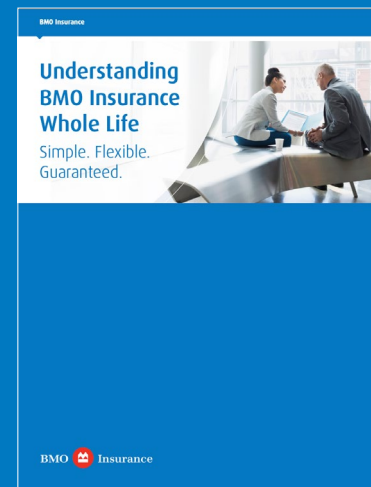
S&P/TSX Composite Index total return.

Five-year guaranteed investment certificate (GIC) returns are based on nominal yields to maturity.

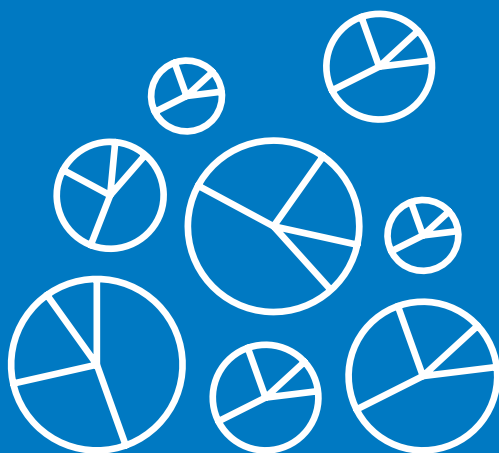
Source: Financial market statistics, Bank of Canada. Table: 10-10-0145-01.

Consumer Price Index information is taken from [Statistics Canada](#), January 1914-May 2025.

For more information, please visit bmoinsurance.com.



➤ For full details on historical returns and stability, please refer to the **Understanding BMO Insurance Whole Life 1065E** PDF.

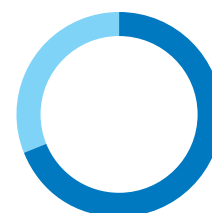


Investment Strategy

The investments supporting BMO Insurance Whole Life policies form part of the company's general assets and include two main components: fixed income exposure and enhanced equity exposure.

The fixed income exposure uses a buy and hold strategy; market fluctuations are not reflected in credited returns. Investments are in long-term corporate/investment grade bonds (AAA to BBB) with returns based on the portfolio yield.

The enhanced equity exposure returns combine call options with returns that are linked to the performance of low volatility indexes. For diversification, the performance of these low volatility indexes is linked to both the Canadian and US markets.



Asset Exposure³

Fixed Income	69.1%
Enhanced Equity	30.9%

³As of December 31, 2024.

For more information, please visit bmoinsurance.com.

Fixed Income Exposure

The fixed income assets are part of our general account. We use a buy and hold strategy, so market value fluctuations are not reflected in credited returns.

Investments are in corporate/investment grade bonds (AAA to BBB) with credited returns based on bond coupons (portfolio yield) which generally increase with interest rates.

The BMO Long Term Corporate Bond ETF Yield to Maturity (YTM) provides you with a benchmark for estimating returns.

Enhanced Equity Exposure

Call Options

We purchase **long-term call options** which provide greater equity market exposure at a lower cost (compared to shorter term options). By selecting these longer period options, we seek to optimize returns and balance risk alongside the cost of these options.

Also, by using call options, we offer downside protection when markets are weak. We believe this approach is better than investing into actual assets since it limits potential losses to the option cost itself.

Low Volatility Indexes

The complementary component of our investment strategy is to tie the options to **low volatility indices**.

These low volatility indices measure the performance of a basket of the least volatile stocks that make up the given indices. Individual stocks are weighted relative

to the inverse of their corresponding volatility, with the least volatile stocks receiving the highest weights. They are usually re-balanced every calendar quarter – allowing them to respond quicker to changing market conditions. Furthermore, the use of the low volatility indices provides lower call option costs which allow for higher participation in these markets.

Diversification

For **diversification**, the asset exposure on BMO Insurance Whole Life policies currently covers both the **Canadian and US markets** with returns indexed to the Low Volatility TSX (TXLV) and S&P 500 (SP5LVI) market indices.

Historically, these low volatility indices have outperformed their underlying broad market benchmarks on both an absolute and a risk-adjusted basis⁴. This has resulted in higher returns with less volatility than their parent benchmarks⁵.

We believe that this approach will result in better value for our policy owners, a higher participation in the equity markets at a lower cost with the added benefit of downside protection.

⁴Smita Chirputkar, Tianyin Cheng, Izzy Wang, Hamish Preston, Phillip Brzenk, S&P 500® Low Volatility Index: Five Decades of History (January 2020), accessed August 31, 2020.

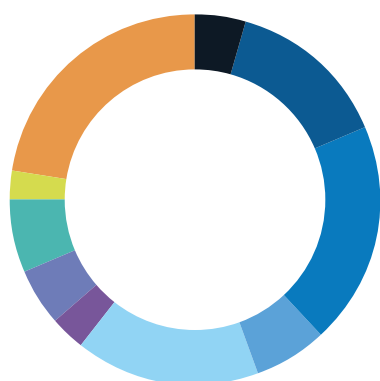
⁵Past performance is not an indication of future performance.

Asset Exposure Composition

The notional portfolio is based on an asset exposure mix of:

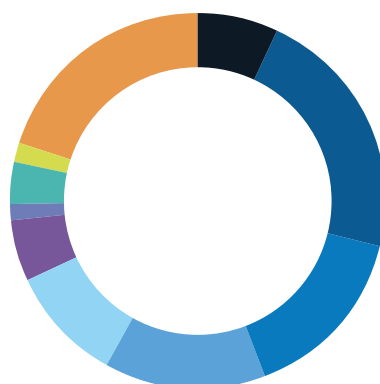
- **Fixed income investments** managed by BMO Asset Management Inc. and indexed to the yield of the BMO Long Corporate Bond Index ETF (ZLC); and
- **Enhanced equity investments** managed by BMO Capital Markets with returns indexed to the Low Volatility TSX (TXLV) and S&P500 (SP5LVI) market indexes

Enhanced Equity Exposure (TXLV and SP5LVI) Sector Allocation



December 31, 2024

Consumer Discretionary	4.7%
Consumer Staples	14.0%
Financials	19.5%
Health Care	6.4%
Industrials	16.1%
Information Technology	3.0%
Materials	5.1%
Real Estate	6.4%
Telecommunications	2.4%
Utilities	22.4%



June 30, 2024

Consumer Discretionary	7.0%
Consumer Staples	22.0%
Financials	15.3%
Health Care	13.8%
Industrials	9.9%
Information Technology	5.5%
Materials	1.2%
Real Estate	3.7%
Telecommunications	1.4%
Utilities	20.1%



By using these low volatility indexes which are usually re-balanced every calendar quarter – we can respond quicker to changing market conditions.

Who We Are

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Our Expertise

As a member of BMO Financial Group, BMO Insurance is founded on a legacy that extends back to 1817. This proven history of financial strength lets us stand behind our insurance products by offering flexible coverage options, comprehensive benefits and competitive prices. A.M. Best Company gives us a Financial Strength Insurer Rating of A⁶, recognizing our excellent ability to meet our obligations.

As a member of BMO Financial Group and its Wealth Management operating group, BMO Insurance brings to you the financial strength and stability that comes from one of the most respected brands in Canada. Our insurance business has a solid history and reputation for being a trusted insurance provider for thousands of Canadians, including their families and businesses. Backed by the financial strength of BMO Financial Group and the legacy of our predecessor companies, BMO Insurance is confident that we can meet the financial obligations we make to all our policyholders.



AM Best Rating
A (Excellent)⁶



Important

The assets held for BMO Insurance Whole Life policies form part of the general assets of BMO Insurance and are managed in partnership with BMO Asset Management Inc.⁷ and BMO Capital Markets.

BMO Asset Management Inc., BMO Capital Markets and BMO Insurance are members of BMO Financial Group, one of the largest diversified financial services providers in North America with \$1.41 trillion in total assets as at October 31, 2024.

⁶Rating as of January 9, 2025. Subject to change. After a comprehensive quantitative and qualitative review of the company's balance sheet, operating performance and business profile, A.M. Best Company awarded BMO Life Insurance Company a Financial Strength Rating – Insurer of A, indicating our excellent ability to meet our ongoing insurance policy and contract obligations. For more information, see the Guide to Best's Financial Strength Rating – Insurer at [Ambest.com](https://www.ambest.com).

⁷BMO Global Asset Management is the brand name for various affiliated entities of BMO Financial Group that provide investment management, retirement, and trust and custody services. BMO Global Asset Management comprises BMO Asset Management Inc., BMO Investments Inc., BMO Asset Management Corp., BMO Asset Management Limited and BMO's specialized investment management firms.

For more information, please visit bmoinsurance.com.

Our Partners

BM0 Asset Management Inc.

BM0 Global Asset Management is a brand name under which BM0 Asset Management Inc. and BM0 Investments Inc. operate.

BM0 Asset Management Inc. is one of Canada's largest ETF providers with assets under management (AUM) of over \$110 billion in Canadian dollars.⁸

BM0 Capital Markets

BM0 Capital Markets is a leading, full-service financial services provider. They offer corporate and investment banking, treasury management, as well as research and advisory services to clients around the world.

BM0 Capital Markets Global employs approximately 2,700 professionals in 33 locations around the world, including 18 offices in North America.⁹

Their top-ranked equity, economic and corporate debt research is widely recognized for its high quality and independence.



Partnering with BM0 Asset Management Inc. and BM0 Capital Markets, BM0 Insurance provides clients with equity exposure that is combined with a strategy to help reduce any downside risk when markets are weak.

⁸ Source: bmogam.com/ca-en/products/exchange-traded-funds/

⁹ Source: capitalmarkets.bmo.com/en/about-us/



Our Commitment to You

BMO Life Assurance Company, a part of BMO Financial Group, appreciates the opportunity to help you meet your financial needs. We are committed to respecting and protecting your privacy and confidentiality of the personal information you have entrusted to us. It is important for you to understand what information we will collect, how we will use it, and who may see it.

To view our full privacy policy, please visit the privacy section at bmoinsurance.com

For more information about BMO Insurance or our products, please consult with your insurance advisor or contact us at:



1-877-742-5244



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The information in this publication is intended as a summary of our products and/or services. Please consult the appropriate policy contract for details on the terms, conditions, benefits, guarantees, exclusions and limitations. The actual policy issued governs. Each policyholder's financial circumstances are unique and they must obtain and rely upon independent tax, accounting, legal and other advice concerning the structure of their insurance, as they deem appropriate for their particular circumstances. BMO Life Assurance Company does not provide any such advice to the policyholder or to the insurance advisor.

Commissions, management fees and expenses all may be associated with investments in exchange traded funds. Please read the ETF Facts or simplified prospectus of the BMO ETFs before investing. Exchange traded funds are not guaranteed, their values change frequently and past performance may not be repeated.

For a summary of the risks of an investment in the BMO ETFs, please see the specific risks set out in the BMO ETF's simplified prospectus. BMO ETFs trade like stocks, fluctuate in market value and may trade at a discount to their net asset value, which may increase the risk of loss. Distributions are not guaranteed and are subject to change and/or elimination.

BMO ETFs are managed by BMO Asset Management Inc., which is an investment fund manager and a portfolio manager, and a separate legal entity from Bank of Montreal.

Insurer: BMO Life Assurance Company

942E (2025/10/01)