

Navigate Uncertainty

Everyone has a role to play to help others through this pandemic. Ours is providing insights and strategies to guide you and your business to move forward.



CORPORATE-OWNED LIFE INSURANCE: Primer for Professionals

By Kerry Smith, CPA, CA

Life insurance is an essential tool in traditional estate planning. It provides liquidity at the time of an individual's death and offers peace of mind knowing their family is taken care of in case something should happen to them.

But did you know life insurance isn't just for emergencies? Structured properly, life insurance can also be an essential tax planning tool and provide significant benefits today – not just after your death.

TYPES OF INSURANCE

Life insurance generally falls into two categories – term and permanent.

Term Insurance

Term insurance is just that: insurance for a fixed period; typically 5, 10 or 20 years. Every year of the term has a set premium, with a fixed amount of insurance available during that time. When the term ends, the policy and insurance coverage expire. Due to its time-bound and fixed nature, term insurance tends to be inexpensive.

Permanent Insurance

Permanent insurance provides guaranteed coverage for life. The policy pays out the death benefit, regardless of your age or changes to your health, assuming you pay your premiums. In addition to the underlying insurance, permanent insurance policies include an investment component.

Although permanent insurance policies require premium payments for life, they are generally structured so the investment component of the policy funds the premium payments after a fixed term. This means you might only need to make premium payments for 10, 15, or 20 years. This is similar to a term insurance policy; however, the coverage continues for life. The self-funding nature of these policies makes them a solid method of creating wealth in the long term.

TAX BENEFITS OF CORPORATE-OWNED LIFE INSURANCE

Cost to Acquire Policy

Using a corporation to purchase insurance allows for faster accumulation of wealth. By using corporate dollars instead of personal funds to pay for the policy, the same level of income can purchase significantly more insurance. If you were to buy insurance personally, you would need to pay personal tax on the money you're taking out of the corporation and would therefore have less cash available to put towards the insurance policy.

Tax Free Accumulation

Structured properly, most permanent life insurance policies in Canada are known as "exempt policies." Any investment income earned inside these policies grows tax free.

Also, investments within an insurance policy tend to outperform those within a standard investment account on an after-tax basis because of the personal and corporate tax rates on investment income.

Tax Efficient Distributions

When the insured individual dies, the corporation receives the tax-free death benefit – including both the base amount and any accumulated growth in the policy's investment component.

The amount by which the death benefit exceeds the adjusted cost basis of the policy is added to the corporation's capital dividend account. The corporation can pay this out to the remaining shareholders or estate tax free, creating an extremely tax-efficient outcome.

Leveraged Insurance Options

If you were to cancel an insurance policy at any time, the insurer returns an amount of cash to you. This is known as the cash surrender value (CSV). Most policies include a guaranteed CSV and a variable component based on the growth in the investment part of the policy.

Since the CSV is a liquid and secure asset, financial institutions are typically happy to use the CSV as security for a loan. Some financial institutions will lend up to 100 percent of CSV. As the policy may be more than you intend to leave to your estate, you could access the value of the policy while you are alive by borrowing and using the policy as collateral.

With leveraging, you can access the wealth accumulated within an insurance policy during your lifetime, not just after your death.

There are several ways to structure the borrowings. The corporation can borrow against the policy to either reinvest the funds or make shareholder distributions. In some situations, and subject to addressing possible shareholder benefit issues arising from the use of a corporate asset to secure a personal loan, the individual shareholder may be able to borrow against the corporate-owned policy to either finance their lifestyle or investment needs. Depending on the use of the funds, interest on the borrowed money and a portion of the annual premium payments might even be tax deductible.

IS CORPORATE-OWNED LIFE INSURANCE RIGHT FOR YOU?

Corporate-owned life insurance is an incredibly effective estate, tax and liquidity planning tool if used properly. The type, amount and structure of insurance needed vary significantly depending on personal needs and circumstances. Contact an MNP Tax Advisor today to learn whether corporate-owned life insurance could help you reach your personal and professional goals.



Kerry Smith, CPA, CA, is a Partner within MNP's Professional Services team. For more information, contact Kerry at 604.685.8408 or kerry.smith@mnp.ca

Visit our COVID-19 Business Advice Centre  [MNP.ca/COVID-19](https://www.mnp.ca/COVID-19)

ACCOUNTING > CONSULTING > TAX

Wherever business takes you. 

RECOGNIZING HS

DO YOU RECOGNIZE PATIENTS WITH HIDRADENITIS SUPPURATIVA (HS)?



DR. NEIL SHEAR

Head of Dermatology, Sunnybrook Hospital

"People with HS come to the emergency room in severe pain and discomfort requiring assistance with the draining of the boils during a flare-up. It's not unusual for patients to go home undiagnosed."



DR. RALPH GEORGE

Associate Professor, University of Toronto,
Division of General Surgery

"There is currently no cure for HS. Early diagnosis and proper management is important for a patient's quality of life. The first step for those with HS is to speak to their dermatologist to get an accurate diagnosis."



DR. VU KIET TRAN

ER physician, University Health Network

"HS is a chronic, painful, inflammatory skin disease that affects 1-4% of the general adult population. It is characterized by boils usually occurring where certain sweat glands are located, such as under the breasts, buttocks, and inner thighs."

NEW

North American HS Guidelines NOW AVAILABLE

To learn more about HS from these specialists and the new guidelines, go to www.RecognizingHS.com/CJEM

WHEN YOU SEE THESE LESIONS, DO YOU SUSPECT HS? DO YOU ASK ABOUT RECURRENCE?



Photo compliments of Dr. Afsaneh Alavi.



Photo compliments of Dr. Marc Bourcier.

ASSESSING PATIENTS WITH RECURRENT BOILS

Most HS cases can be recognized with high reliability by the presence of 3 main features:¹⁻³

1. **Typical lesions:** nodules, sinus tracts, abscesses, scarring
2. **Typical anatomical location:** axilla, groin, genitals, under the breasts, others (perianal, neck, abdomen, buttocks)
3. **Relapses and chronicity:** ≥ 2 times per 6 months

Questions to ask your patients with suspected HS:²

1. Have you had outbreaks of boils during the last 6 months?
2. Where were the boils and how many did you have?

**To confirm an HS diagnosis,
please refer your patient to a dermatologist.**

References: 1. Zouboulis CC, et al. European S1 guideline for the treatment of hidradenitis suppurativa/acne inversa. *J EADV* 2015;29:619-44. 2. Lockwood SJ, et al. Diagnostic workup. In: Kimball AB, Jemec GBE, eds. *Hidradenitis Suppurativa: A Disease Primer*. Cham, Switzerland: Springer; 2016:27-37. 3. Poli F, et al. Clinical presentation. In: Jemec GBE, Revuz J, Leyden JJ, eds. *Hidradenitis Suppurativa*. Berlin, Germany: Springer; 2006:11-24.

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SUNNYBROOK EMERGENCY SERVICES

Sunnybrook Health Sciences Centre is now recruiting academic emergency physicians to join our Emergency Department (ED) team in 2021. Sunnybrook is a tertiary care hospital, fully affiliated with the University of Toronto, and a core training site for the Emergency Medicine Residency Program as well as many other Postgraduate and Fellowship Programs at the University of Toronto. Sunnybrook is Canada's largest Trauma Centre, as well as a regional centre for burn, stroke, cancer, and high-risk maternal/ neonatal care. It is also a primary referral site for interventional cardiology, neurosurgical, vascular and spine. We are fortunate to enjoy excellent and collaborative relationships with all departments in the hospital.

The ED has a census of 64,000 patients annually, with the highest acuity level and admission rate in Ontario. Sunnybrook Centre for Prehospital Medicine serves as the base hospital for Toronto EM services, and all ED physicians are also base hospital physicians. The ED is part of Sunnybrook's Integrated Community Program, and we are privileged to work with the nationally renowned ED One Team: a diverse group of allied health professionals who work in the ED every day to help ensure safe transitions for patients back to the community. We are also fortunate to have seven physician assistants and a large group of skilled and dedicated registered nurses on the ED team.

Sunnybrook ED is the lead site for point-of-care ultrasound (POCUS) for the University of Toronto Emergency Medicine Residency Training Program, with national leaders in POCUS within our group. The ED has six portable ultrasound machines, two dedicated completely for teaching. There are opportunities for teaching as well as Continuing Medical Education of advanced POCUS skills.

The Sunnybrook ED Simulation program provides the opportunity for interprofessional team-based clinically relevant simulation training. ED staff participates regularly in high fidelity, interprofessional, in-situ simulations that involve managing challenging and infrequent emergency presentations. The ED has well established programs in research and education, with faculty who are recognized leaders nationally and internationally in these domains. Other important areas of Departmental focus include quality improvement and patient safety, ED flow management, clinical informatics, trauma care and staff wellness. We are a collegial and innovative group of about 35 physicians, with a reputation for academic success and clinical excellence. We are looking to recruit strong academic clinicians for July 1, 2021 (exact start date negotiable). We are interested in candidates seeking academic job descriptions of: Clinician Scientist, Clinician Educator, Clinician Administrator, Clinician in Quality and Innovation, Clinician Investigator, or Clinician Teacher. If you are a FRCPC, CCFP-EM or DABEM certified in Emergency Medicine, have strong clinical and teaching skills and wanting to join Sunnybrook faculty with the goal of developing or continuing a career that contributes to both the University of Toronto and Sunnybrook's Strategic Plans, please contact us.

To apply, submit a CV, cover letter, one reference letter (must be from your most recent ED Chief or Program Director) and two additional referees by August 24, 2020 to Dr. Aikta Verma, Chief Department of Emergency Services (aikta.verma@sunnybrook.ca) AND Ms. Paola Tiveron (paola.tiveron@sunnybrook.ca). We will contact each of your referees. If you have any questions, or would like to discuss this opportunity further, we encourage you to email us to arrange a meeting, which can be done virtually.

Join the Society of Rural Physicians of Canada

Join us in advocating for excellent health care close to home for all rural Canadians by becoming a SRPC member today!

The Rural Road Map Implementation Committee, a collaboration between the SRPC and CFPC, works alongside other organizations to facilitate:

- improved rural patient transfers.
- development of a framework for medical education in Indigenous Health.
- national portable licensure.
- rural educational competencies.

The SRPC is actively working with the CFPC, RCPSC, SOGC and CAGS to sustain and promote rural surgical and operative delivery services in rural hospitals.

We are the Rural voice with multiple organizations including the CMF, CFPC, SOGC, CAEP and RCPSC.

The SRPC is a peer mentorship organization – we are your people!

For a full list of member benefits visit srpc.ca

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UNIFYING THE VOICE OF EMERGENCY MEDICINE



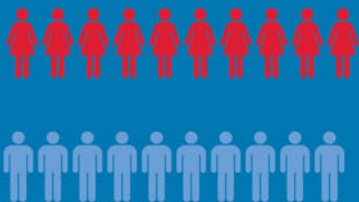
CAEP | ACMU

**OUR MEMBERS HAVE MADE ALL OF THIS POSSIBLE.
THANK YOU.**

SINCE COVID HIT CANADA:

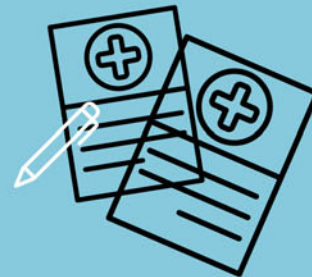
9 WEEKLY WITH 33 UNIQUE TOWN HALLS SPEAKERS

Keeping the EM community up to date on the latest COVID developments and best practices.



17 ADVOCACY STATEMENTS

Tackling hot topics related to COVID and advocating for system change.



45+ MEDIA HITS

CAEP is a trusted source for the media on COVID and emergency medicine.



17 OPEN ACCESS CJEM ARTICLES

Further assisting with COVID related EM practice.
More to come!

CJEM  *JCMU*

Statistics are as of May 25

caep.ca/membership



CAEP Online Learning

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WWW.CAEP.CA

2020/21 CAEP RESEARCH ACTIVITIES

CAEP 2021 ABSTRACT COMPETITION

CAEP 2021 will take place Sunday, June 13 - Wednesday, June 16, 2021 in Winnipeg, MB. For conference details visit: caepconference.ca.

The CAEP Abstract Competition will open on **Wednesday, October 28, 2020**, and will close on **Friday, December 11, 2020** (firm).

Competition details will be updated in the coming weeks. Visit: caep.ca/research/abstract-competition-2.

2021 GRANT COMPETITION

The CAEP Grant Competition dates have been moved to the Spring. The 2021 competition will open on **Monday, February 1, 2021** and will close on **Wednesday, March 17, 2021**.

Competition details will be updated in the Fall. Visit: caep.ca/research/grant-competition.

NCER 2021

NCER 2021 will take place **Tuesday, February 23 - Thursday, February 25, 2021** in Mont Tremblant, QC.

The Network of Canadian Emergency Researchers (NCER) enables emergency care researchers to conduct multi-center research or education studies, provides mentorship, creates knowledge through research, supports knowledge translation, and ultimately improves emergency patient care for all Canadians.

For more information about NCER meetings and the NCER endorsement process, visit: <https://ncer.ca>.

