DUNDAS WEALTH · FOR PROFESSIONAL ADVISORS

Recognize the Case: Six Client Files That Deserve a Second Look

The desk-reference checklist from "Life Insurance 101 for CPAs" — where corporate-owned insurance planning intersects the files already on your desk.

None of these means a client *needs* insurance. Each one means the insured structure is **worth pricing against what the client is doing now**. You'll recognize most of them in files you reviewed this quarter.

THE SIX TRIGGERS

1 Surplus retained earnings parked in passive investments

Cash, GICs or a portfolio well beyond operating needs. **Why:** passive income is taxed at ~50% annually; exempt-policy growth isn't, and the death benefit exits via the CDA.

2 AAII approaching or above $50,000

The SBD-grind conversation is already on your agenda. **Why:** exempt-policy growth is excluded from AAII (ss. 125(5.1)).

3 Pre-sale planning with a policy in the structure

An existing policy has to move before closing. **Why:** ss. 148(7) allows a tax-deferred rollover between related parties — only if someone plans it first.

4 A buy-sell with no funding behind it

The agreement obligates a purchase at death; nobody has asked where the money comes from. **Why:** corporate-owned coverage is the standard funding mechanism.

5 Estate equalization — one child gets the business

The others inherit… what, exactly? **Why:** a CDA-eligible death benefit creates the equalizing asset without forcing a sale.

6 A policy already on the books, structured wrong

Corporate-paid premiums with a personal beneficiary, or a policy nobody has ACB records for. **Why:** shareholder-benefit exposure, and nobody knows the real CDA credit.

THE REVIEW ONLY A CPA WILL DO

- ✕ **The 83(2) election never filed** — without Form T2054 the capital dividend is taxable.
- ✕ **The CDA balance never computed** — reconcile Schedule 89 before any election; an excess attracts Part III tax.

Neither requires selling anything. Both require noticing.

SPOTTED ONE? HOW A CASE WORKS

STEP 1 · 20 MIN

Case review

We walk the mechanics with you — ACB projection, CDA timeline — on the client's actual numbers.

STEP 2

Illustration

Built for the client's age, health and structure — delivered to you for review, not around you.

STEP 3

Implementation

Only with you and the client fully informed. We structure the insurance; you own the tax integration.

Our standing rule: *nothing proceeds without the client's own advisors fully informed. Your client stays your client.*