

Don't be Incapacitated by Incapacity

Submitted by Krishan on November 13, 2025 - 9:36am

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One of the most common Segregated Fund case that crosses my desk are children of a mentally incapacitated parent looking for a Segregated Fund to bypass probate and expedite estate transfer. Once a parent is incapacitated, the law prohibits their POA from designating a beneficiary on a new Segregated Fund contract.

There are two exceptions that BMO Insurance is presently proud to support:

If you?d like to discuss this further, please click here: Book Meeting with Me

The Minimum Fund Contract:

If your client opens a segregated fund contract with named beneficiaries, even with just \$500, BMO
Insurance presently allows the POA to deposit additional funds into the contract should the client face
incapacity in the future

 BMO Insurance presently allows POAs to make additional contributions even if they are named as a beneficiary of the policy

How do I implement this?

 We encourage you to review your book for client?s that are 60 and older to discuss just opening a Seg Fund contract with named beneficiaries, even with just \$500.

 If your clients are unwilling to have the estate planning discussion, we encourage opening the contract to guard against future incapacity

Contract Replacement:

What is Contract Replacement?

 Available for POAs for incapacitated clients on an exception basis and even clients who are of sound mind

• Transfer your existing Seg fund contract to BMO Insurance and we will mirror the current beneficiaries

This<u>allows</u> a POA to open a Seg fund contract with named beneficiaries since we are mirroring an
existing Seg fund contract

Why Consider Contract Replacement?

 BMO Insurance can potentially provide a similar or improved contract for up to 100bps lower cost in MFR

Clients or POAs looking to make an additional deposit into a closed contract

Clients or POAs looking to increase the Death or Maturity benefit for contracts or offer addition resets

BMO Market Commentary:

This Week With Sadiq: Click Here

• Equity markets pulled back this week with valuation concerns overhanging the tech space.

• The S&P 500 slipped 1.6%, with technology giving back more than 4%.

• The TSX slumped 1.2% as technology fell almost 10% on the week, offsetting gains in consumer stocks, gold and utilities

BMO ETF Portfolio Monthly Commentary: Click Here

BMO House View: Click Here

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