



A \$20,000,000 tax bill is coming. The land shouldn't pay for it.

Two brothers own \$70,000,000 of Prairie farmland headed to a relative who doesn't qualify for the farm rollover. Insurance funds the first \$10,000,000 of the tax for **\$1,400,000 less** than the next-best option.

\$7,232,712

BEST COST WITHOUT
INSURANCE

Investing corporate cash for 20+ years; selling land or borrowing costs \$13,500,000 or more

\$5,814,546

COST WITH UNITY'S PLAN

A \$5,000,000 permanent policy on each brother, paid from corporate cash flow

\$1,418,000+

ESTIMATED SAVINGS

With the full \$10,000,000 guaranteed from day one, at any age of death

THE SITUATION AT A GLANCE

The clients	Peter & Henry Wiebe (names changed), brothers in their early 60s, \$70,000,000 of farmland in Alberta and Saskatchewan
The obstacle	The farm is headed to a relative who doesn't qualify for the farm rollover; their accountants estimate roughly \$10,000,000 of tax each at death
The clock	At 4% annual land growth, each bill grows to roughly \$25,000,000 by life expectancy
The recommendation	\$5,000,000 of corporately owned permanent insurance on each brother as the first phase of funding

WHY IT WORKS

The tax comes due the day each brother dies. Insurance pays in full that same day, whether that is next year or in thirty.

Growth inside the policies is tax-exempt, and the Capital Dividend Account credit carries the benefit out of the corporations tax-free. The next generation inherits land, not debt.

THE SITUATION

Decades of growth in land values, and smart tax planning along the way, have deferred an enormous capital gain. Because the brothers' successor doesn't qualify for the intergenerational farm rollover, that gain is realized at each death: roughly \$10,000,000 of tax each today, and roughly \$25,000,000 each by life expectancy if land keeps growing at 4%. There is currently no plan in place to fund it.

WHY INSURANCE FITS

Permanent life insurance times the payout to the moment the tax is due. Growth inside the policy is tax-exempt, the Capital Dividend Account credit lets the estate receive all or most of the death benefit tax-free, and insurers earn returns on assets retail investors can't access. The comparison below models the first \$5,000,000 of coverage on each brother.

FOUR WAYS TO FUND THE FIRST \$10,000,000

SELECTED			
OPTION 1 Sell land at death \$14,925,374 • Farmland leaves the family permanently • Tax on the sale means selling almost \$15,000,000 to net \$10,000,000	OPTION 2 Bank financing \$13,586,796 • A decade of repayment falls on the next generation • Interest rate and credit uncertainty	OPTION 3 Invest corporate cash \$7,232,712 • ~\$330,000 invested annually for two decades • Growth taxed every year; shortfall if death comes early	OPTION 4 Life insurance \$5,814,546 • \$5,000,000 on each brother, guaranteed from day one • Premiums paid from corporate cash flow

WHAT UNITY DID

1. FACT-FINDING

Worked with the brothers' accountants to quantify the tax at each death

2. ACTUARIAL MODELING

Our in-house actuary costed all four options for each brother separately

3. PLAN DESIGN

Structured a policy per brother, sized to grow with the liability over time

4. UNDERWRITING

Coordinated medicals and insurer selection across two large cases at once

5. EDUCATION

Presented product designs and features proven with clients in similar situations