



Life insurance as an asset class

– A modern approach

High net worth (HNW) Clients are seeking smarter ways to preserve wealth.

Recent research shows North American HNW investors now hold 47% of their wealth in “safe assets” — the highest allocation in decades. They’re prioritizing wealth preservation over growth, yet traditional safe assets offer diminishing returns and fail to address their most critical concerns¹.

What HNW Clients tell us matters most

High net worth Clients consistently rank four priorities² above all others — and they’re struggling to find solutions that address them all:

- **Protecting their money (66%):** Market downturns and volatility threaten the wealth they’ve worked decades to build.
- **Retirement income security (57%):** Low interest rates make it harder to generate reliable income without taking excessive risk.
- **Tax optimization (44%):** Investment taxes, capital gains, and estate taxes steadily erode net worth.
- **Leaving an inheritance (24%):** They want to ensure maximum value transfers to heirs.

The challenge? Traditional portfolios can address some of these — but not all simultaneously.

Permanent life insurance can offer a solution.

¹ CapGemini World Wealth Report 2025 Sail the great wealth transfer, 2025.

² Sun Life-sponsored Ipsos Reid survey of 500 high net worth Canadians, 2016.

Why life insurance as an asset class changes the conversation

The updated Life insurance as an asset class (LIAAC) strategy repositions permanent insurance from pure estate planning into strategic portfolio optimization.

By reallocating portions of both fixed income and equities into participating whole life (Par) and universal life (UL), can help clients to:

Reduce portfolio volatility while maintaining comparable returns.

Eliminate taxation on growth and death benefits.

Enhance estate values significantly over traditional approaches.

Maintain meaningful liquidity through collateral lending strategies.

This isn't a theory, it's proven through decades of empirical research and real-world application.

A complete solution

We've made it easier than ever to analyze, illustrate, and implement LIAAC strategies.

Key Resources

Piece	Description	How to use it
White paper	Demonstrates technical benefits with academic rigor.	Share with Clients and COIs to build credibility; use as leave-behind for serious prospects.
Excel tool	All new Excel tool to run powerful comparisons.	Import Sun Life illustrations and model Client scenarios; compare traditional portfolio vs. LIAAC optimized approach across three key metrics: capital preservation, estate value and liquidity.
Video & more	Coming soon	Coming soon

Why this matters now

Clients face unprecedented challenges:

- Sustained low interest rates on traditional safe assets, coupled with inflation fears.
- Elevated equity and real estate valuations increasing downside risk.
- Rising tax burdens on investment income and estates.
- Longevity risk requiring sustainable 30+ year investment strategies

Life insurance as an asset class addresses all these simultaneously.

Next steps: Experience the LIAAC approach

The tool and supporting resources make it simple to explore LIAAC strategies for Client situations.

Three ways to get started:

- 1. Review the white paper** to understand the academic foundation and methodology.
- 2. Access the Excel tool** to model Client scenarios with actual illustrations.
- 3. Connect with your Sun Life relationship manager** to discuss implementation strategies.

Questions?

We're here to help. Contact your Sun Life Relationship Manager to see how life insurance as an asset class could benefit you today, and in the years to come.