

**Chartered Life Underwriter (CLU)
Qualifying Program Syllabus
November 17, 2003**

General Background

Levels of Competence

Students are expected to have a more extensive knowledge of some topics than others. One of four “levels of competence” is specified for each topic. The competence levels indicate the depth of knowledge that must be covered for the applicable topic within the module.

The required levels of competence are shown in brackets (1), (2), (3), (4) behind each topic throughout each module.

The levels of competence are:

Level 4 – Advanced application of mastery skills to practical situations (4)

The students should be able to demonstrate the ability to apply advanced mastery skills to practical applications. This involves the demonstration of **advanced comprehension, application, evaluation and synthesis of the topic into relevant situations.**

Level 3 – Mastery (3)

- attain an in-depth understanding of the concept and principle
- develop a sound conceptual and comprehensive technical knowledge of procedures
- become proficient in the application of knowledge to practice
- become proficient users of reference documents and sources for further study

The students should be able to demonstrate mastery of both the conceptual and technical aspects of a topic, including specific detail. Skills developed and examined at this level are **comprehension, application, analysis, synthesis, and evaluation.**

Level 2 – Comprehension (2)

- attain an understanding of concepts, principles and procedures
- develop a working knowledge of procedures
- identify common reference documents and source for further study

The students should be able to demonstrate an understanding of the conceptual aspects of a topic, and to apply technical skills. Skills developed and examined at this level are **comprehension and application.**

Level 1 – Background Knowledge (1)

- identify common reference documents and sources
- acquire a general knowledge of broad topic areas

The students should be able to demonstrate their general knowledge of a topic. They will not be required to answer in-depth questions. Skills developed and examined at this level are **recall and general knowledge.**

Program Detail

Advanced Taxation	Insurance Law	Estate Planning
<p>Module One – Product Taxation</p> <p>Taxation of life insurance policies (4) ACB calculation (4) Disposition (4) Pre-81 (3)</p> <p>Taxation of living benefits Income replacement (4) Overhead insurance (4) Buy-sell disability (4) Critical illness insurance (4) Long term care insurance (4) Taxation of annuities (4)</p> <p>Key dates and resulting issues relative to insurance products (2)</p> <p>Module Two – Corporate Taxation</p> <p>Calculation of corporate taxation Corporate tax return (2) Corporate tax liability (2) Key corporate forms (2) Associated company rules (2) Small business deduction (3) Taxation of distributions (3) Tax rates (3)</p> <p>Corporate reorganizations Section 85 (2) Section 86 (2) Section 51 (2)</p> <p>Shareholder taxation Taxation of corporate distributions (3)</p>	<p>Module Four</p> <p>Federal legislation of insurance companies Insurance Company Act Corporate organization (1) Regulations (1) Guidelines (1) Demutualization (1)</p> <p>Investments (1) Foreign and provincial companies (1)</p> <p>Life Insurance Company Laws Application of Uniform Life Insurance Act (Common law provinces) (2) Insurable interest (2)</p> <p>Individual Insurance Contract Application (3) Misrepresentation (3) Mistakes (3) Minors (3) Insurable interest (3) Incontestability (3) Effective date (3) Conditional agreements (3) Payment of premiums (3) Creditors (3) Claims Proof (3) Payment (3) Policy replacement (3) Rights of various parties Successor owner (2) Assignment (2) Creditors (2)</p> <p>Priority of rights Simultaneous death (2) Assignees and irrevocable beneficiaries (2)</p>	<p>Module Seven</p> <p>Estate planning process (4) (objectives, inventory, advisors, cycle for review)</p> <p>Will planning Purpose (4) Parties (3) Estate lawyer Executor Choices Estate liquidity (3) Life Insurance (3) Circumstances (3) Marriage Divorce Family planning (3) Division of property Income to survivors Life insurance Sell assets Sell shares in corporation</p> <p>Creditors (3) Special rules (3) Estate equalization (3) 1st marriages 2nd marriages Future marriages Children Step-children Non-custodial parents Child support Adult children Married children</p> <p>Spousal trusts (3) Intestate succession (4) Testamentary trusts (4) Single Multiple</p>

Advanced Taxation	Insurance Law	Estate Planning
<p>Dissolution of the business (3)</p> <p>Capital Dividend Account (4)</p> <p>RCA (2)</p> <p> Contributions (3)</p> <p> Taxation (3)</p> <p> Distributions (3)</p> <p>Business Valuation (3)</p> <p> Purpose (3)</p> <p> Asset Approach (2)</p> <p> Income Approach (2)</p> <p>Corporate attribution (3)</p> <p>Module Three</p> <p>Taxation of trusts and beneficiaries (3)</p> <p>Taxation of partnerships (3)</p> <p>Income splitting</p> <p> Purpose (3)</p> <p> Benefits (3)</p> <p> Kiddy tax (3)</p> <p> Attribution (3)</p> <p> Strategies (3)</p> <p>The stop-loss rules</p> <p> Rules (3)</p> <p> Grandfathering (3)</p> <p> Application (3)</p>	<p>Group Insurance</p> <p> Parties (2)</p> <p> Conversion (2)</p> <p> Premiums (2)</p> <p> Termination of contract (2)</p> <p> Termination of member's coverage (2)</p> <p>Module Five</p> <p>Beneficiary designations</p> <p> Legal definition (3)</p> <p> Coordinating with income tax rollovers</p> <p> Registered products (4)</p> <p> Non-registered products (4)</p> <p> Insurance products (4)</p> <p> Annuity products (4)</p> <p> Segregated Funds (4)</p> <p> Mutual Funds (4)</p> <p> Bank Products (4)</p> <p>Creditor protection of assets</p> <p> Process (3)</p> <p> Set-up (3)</p> <p> Loss of protection (3)</p> <p> Judicial review (3)</p> <p>Module Six</p> <p>Corporations</p> <p> Rights of shareholders (3)</p> <p> Share attributes (3)</p> <p> Shareholder agreements</p> <p> Components (3)</p> <p> Issues (3)</p> <p> Reviewing agreements (3)</p>	<p>Returns</p> <p>Succession/transition planning for business owners (4)</p> <p> Buy/Sell arrangements (4)</p> <p> (Subset of shareholder agreement)</p> <p> Methods (4)</p> <p> Criss-cross (4)</p> <p> Promissory note (4)</p> <p> Redemption (4)</p> <p> Triggering events (4)</p> <p> Tax issues (4)</p> <p>Module Eight</p> <p>Taxation at death (4)</p> <p> Income to date (4)</p> <p> Capital property (4)</p> <p> Eligible capital property (4)</p> <p> Rollover to spouse and spousal trust (vesting</p> <p> Indefeasibly, tainted, testamentary spousal</p> <p> trust) (4)</p> <p> Electing out of rollovers (4)</p> <p> Reserves in years of death (4)</p> <p> Stock options (3)</p> <p> Final return (4)</p> <p> Rights and things (4)</p> <p> Partnership/proprietorship (3)</p> <p> Personal credits (4)</p> <p>Estate</p> <p> Returns (3)</p> <p> Clearance certificates (3)</p> <p>Probate planning</p> <p> Assets in joint title (3)</p> <p> Naming beneficiaries (3)</p> <p> Separate wills for non-probate assets (3)</p>

Advanced Taxation	Insurance Law	Estate Planning
		<p>Post-mortem planning</p> <ul style="list-style-type: none"> Loss carry-back (3) Ownership (3) Control (3) Vesting (3) Affiliated (3) Arm's length (3) <p>Estate freeze</p> <ul style="list-style-type: none"> Purpose (3) Client profile (3) Issues (3) <p>Module Nine</p> <p>Charitable donation strategies (4)</p> <p>US Estate Tax</p> <ul style="list-style-type: none"> US situs assets (2) Non US situs (2) Mortgages on US situs property (2) Canada-US treaty (2) Calculation of US tax (2) <p>Planning with trusts</p> <ul style="list-style-type: none"> Implied and resulting trusts (2) Constructive trusts (2) Special trusts (2) Charitable trusts (2) Contents of trust deed (2) Deeds of appointment (2) Variations of trusts (2)