



GLOBAL PACIFIC  
FINANCIAL SERVICES LTD.

## Don't be Incapacitated by Incapacity

Submitted by Krishan on November 13, 2025 - 10:36am

Over 770,000 Canadians are presently living with Dementia. By 2030, that number will rise to over 1 Million.

For client's 85 or older, they have a 1:4 chance of being mentally incapacitated.

On top of that more than 50% of Canadians do not have a will and 13% say their Will is out of date.

If your client does not have a Will in place, the government will decide who gets the assets according to Provincial law, meaning your client's wishes may never be considered.

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One of the most common Segregated Fund cases that cross 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 **allows** 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 MER
- 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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