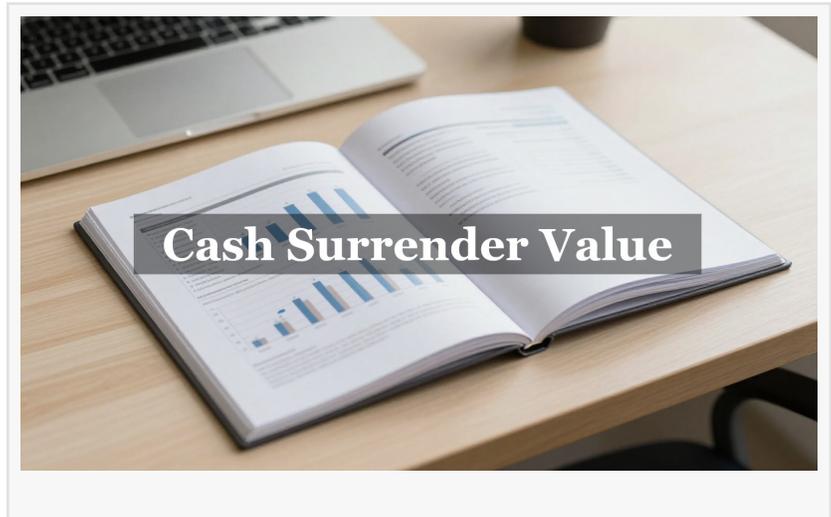


# Cash Surrender Value: New Data Reveals Gap in Policyholder Awareness

TORONTO, ONTARIO, CANADA, March 5, 2026 /EINPresswire.com/ -- A new analysis by IBC Financial has found that more than 80% of Canadian life insurance policyholders are unaware of strategies that allow them to access their policy's cash surrender value without terminating their coverage — a knowledge gap that may be costing families hundreds of thousands of dollars over time. To learn more about Cash Surrender Value go to <https://ibcfincial.com/financial-advisors/cash-surrender-value/>



With aggregate cash surrender values across North America now exceeding \$850 billion — and projected to surpass \$1 trillion within three years — the findings point to a significant and growing disconnect between the wealth policyholders have accumulated inside their life insurance policies and their understanding of how to use it.

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Our analysis reveals a third option exists: accessing your policy's cash value strategically while keeping your coverage intact and continuing to grow your wealth.”

*Jose Salloum*

“The data shows that most people view cash surrender value as an either-or proposition, either keep your policy or cash it out,” said Jose Salloum, CEO and Founder of IBC Financial and a recognized authority on life insurance optimization in North America. “What our analysis reveals is that a third option exists: accessing your policy's cash value strategically while keeping your coverage intact and

continuing to grow your wealth. The gap between those who know this and those who don't can exceed half a million dollars over 20 years.”

## What the Data Shows

Cash surrender value represents the savings component of permanent life insurance policies, including whole life, universal life, and variable universal life products. It grows over time through

premium payments, investment returns, and — in participating whole life policies — annual dividends.

IBC Financial's analysis of its own client portfolio found that families who implemented cash value optimization strategies over the past decade accumulated an average of \$247,000 more in total wealth compared to those who relied on traditional banking methods for major purchases and investments.

The firm also found that policyholders who surrendered policies for cash frequently received less than the full value of their asset. In a common scenario identified in the analysis, a policyholder would surrender a policy worth \$100,000 to access \$75,000 in cash — incurring tax on the gain and permanently forfeiting death benefit protection. By contrast, a policy loan would have provided up to \$90,000 tax-free while keeping the policy and its death benefit in place.

#### A Widespread and Costly Knowledge Gap

Industry data indicates that millions of life insurance policies lapse or are surrendered each year across North America — many by policyholders who are unaware that alternatives exist. IBC Financial says its advisors routinely work with clients who did not know they could borrow against their cash value at favorable rates, often below the policy's internal growth rate, creating a positive arbitrage while maintaining their asset base. Clients using this approach have averaged a 2.3% positive spread.

"We routinely see people surrender policies to access cash when a better option was available to them," said Salloum, whose firm says it has prevented thousands of unnecessary policy surrenders, preserving over \$2.3 billion in death benefit protection. "The awareness simply isn't there, and that's costing Canadian families real money."

Current economic conditions have heightened the urgency of the issue. With traditional lending tightening and interest rates remaining volatile, access to policy cash value offers families a stable, credit-independent funding source — one that many do not know they have.

#### About IBC Financial

IBC Financial is a Canadian financial advisory firm specializing in life insurance optimization and cash surrender value strategy. Led by Jose Salloum, the firm conducts policy audits, develops customized utilization strategies, and provides ongoing tax-efficiency and wealth transfer planning. IBC Financial's client retention rate exceeds 97%, with over 60% of new business coming from referrals.

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