



RBC INSURANCE LAUNCHES INNOVATIVE VARIABLE ANNUITY

New product combines tax benefits with unique liquidity features

KANSAS CITY, Mo., July 21, 2004 – The challenge of finding long-term investments that provide tax-advantaged growth without sacrificing liquidity has been met head-on with the launch of the Clarity 2+2 Variable Annuity (VA) from RBC Insurance.

Clarity 2+2 VA is a versatile retirement planning vehicle that combines the tax benefits of variable annuities with unique features designed to satisfy short and long-term financial needs.

“Our Clarity 2+2 Variable Annuity is an innovative four-year product that gives Americans three of the things they value most when investing for retirement: choice, control and flexibility,” said Mike Deardorff, senior vice-president of Variable and Fixed Products for Business Men's Assurance Company of America (BMA), a U.S. subsidiary of RBC Insurance.

In addition to tax-deferred growth through a wide range of investment options, Clarity 2+2 VA gives owners convenient access to their money during the early years of the contract. Owners can access their money free of withdrawal charges after four years. They can also take advantage of a unique provision that allows them to liquidate their annuity without incurring withdrawal charges during a 30-day period at the end of the second contract year.

“These flexible liquidity features make Clarity 2+2 VA suitable for many consumers, including older Americans entering into annuity contracts, because they provide options annuity owners may need to exercise in their lifetimes,” said Ron DeCicco, vice-president, Sales and Marketing, BMA.

In addition to its liquidity features, Clarity 2+2 VA includes a living benefit that automatically increases the value of the annuity when owners choose a lifetime income payment option. This benefit, entitled an “annuitization enhancement,” is available to contract owners who choose to begin receiving lifetime payments after the fifth contract year and is automatically included in most states at no additional charge.

Clarity 2+2 VA also has a guaranteed death benefit with an annual stepped-up feature that locks in market gains at the end of each year to protect the death benefit amount from market volatility.

“This unique built-in protection is one way Clarity 2+2 VA can significantly enhance the amount of accumulated assets available to beneficiaries,” added Deardorff.

Other key product features include:

- Tax-deferred asset growth through 23 variable investment portfolios plus one fixed rate option;
- A life event liquidity feature that allows access to money without withdrawal charges for certain unexpected life events;
- The ability to withdraw up to 10 per cent of purchase payments once each year without incurring surrender charges;
- Asset allocation, rebalancing, dollar cost averaging and the ability to move interest earned in a fixed account into an investment option on a monthly or quarterly basis; and
- The flexibility to choose from multiple income payment options at the time of annuitization.

About RBC Insurance

RBC Insurance provides a wide range of creditor, life, health, travel, home, auto and reinsurance products to more than five million North American clients. Based in Greenville, South Carolina, the U.S. life insurance division of RBC Insurance, through its operating entities Liberty Life Insurance Company and Business Men's Assurance Company of America (BMA), offers life and health insurance, annuities and related personal financial security solutions to consumers through regional and independent broker dealers, national marketing organizations, RBC banking and investment channels, the Internet, other direct marketing channels and a field force of over 400 full-time sales agents. Liberty Life Insurance Company and BMA are wholly owned subsidiaries of Royal Bank of Canada (NYSE, TSX: RY). Additional information may be found at www.rbcinsurance.com/us.

In addition to insurance, other RBC Financial Group U.S. operations include: RBC Dain Rauscher, a full-service securities firm based in Minneapolis; RBC Centura Bank, a retail bank offering a full range of financial services to clients in North Carolina, South Carolina, Virginia, Georgia, and Florida; RBC Mortgage, one of the 10 largest retail mortgage lenders in the U.S. with branches in 23 states; RBC Capital Markets, with corporate and investment banking operations in New York, Minneapolis, San Francisco and other select U.S. locations; RBC Builder Finance, a Houston-based provider of construction loans with national reach; and Royal Bank of Canada Global Private Banking in New York and Miami.

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