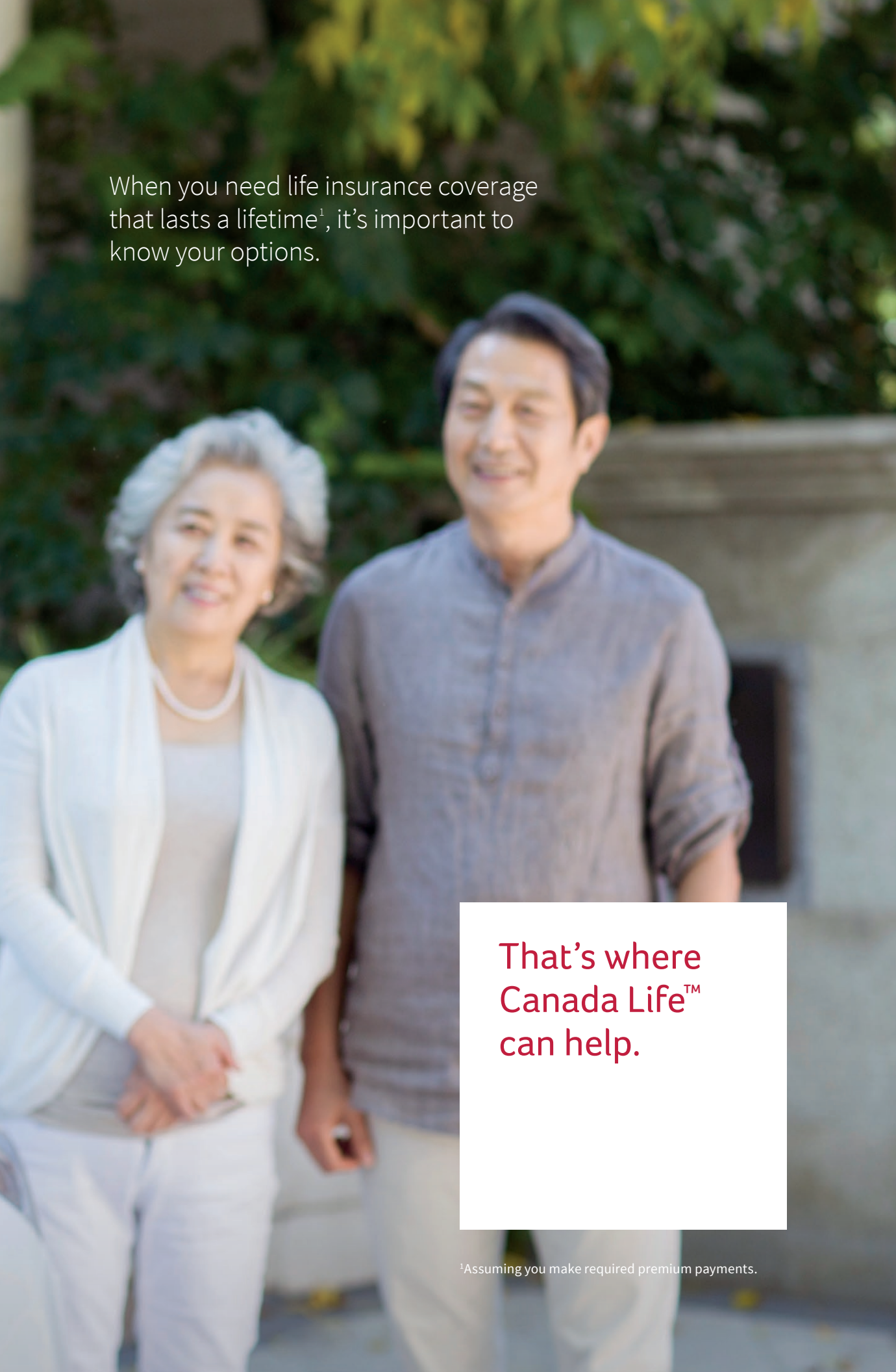
canada life™

Participating life insurance and universal life insurance

You have options



When you need life insurance coverage that lasts a lifetime[1], it's important to know your options.

That's where Canada Life™ can help.

[1]Assuming you make required premium payments.

We offer two types of permanent life insurance you can customize based on what you and your family need:

Participating life insurance

Lifelong protection with ways to grow your wealth through tax advantages and potential dividends. It's coverage built on a foundation of guarantees and Canada Life's expert professional asset management.

Universal life insurance

Affordable lifelong insurance coverage that includes investment options you can use to grow your wealth. It's coverage that puts you in the driver's seat.

Let's take a closer look.

Unique features: Participating life insurance

Premium payments

Basic participating life insurance coverage requires a series of equal premium payments for 10 years, 20 years or to age 100.

Participating account

The engine of participating life insurance. Your premium payments, together with payments from all other Canada Life participating policyowners, go into the participating account. We manage this account to meet the guarantees and commitments to all our participating life insurance policyowners, now and in the future.

Guaranteed cash value that grows inside the policy

Over time, your policy builds cash value. You have guaranteed access to these funds, which you can use while you're alive to cover emergency needs or fund a child's education, to list two examples.[2]

And you can choose how quickly this cash value grows:

- **Early value:** strong cash value growth in the policy's early years, meaning you have funds available for unexpected expenses or opportunities
- **Delayed value:** higher coverage and cash value in the policy's later years, which could help you leave a larger legacy for loved ones

Competitive, stable asset management

Canada Life's expert, professional asset managers carefully and deliberately choose and manage participating account assets.

For steady, long-term growth, we generally manage the participating account as a broadly diversified fixed-income account. Currently, the target asset mix is about 75% fixed-income investments and 25% equities.

Policyowner dividends

You share, or participate, in the experience of the participating account with everyone else who owns a Canada Life participating life insurance policy. That includes risks and potential rewards. Each year, you may receive what's called a policyowner dividend. Dividends aren't guaranteed, but once they're paid, they're yours. With these dividends, you can:

- Buy additional insurance coverage (which may increase your policy's cash value)
- Reduce or stop out-of-pocket premium payments
- Take them as cash[3]

Additional deposit option

This option allows you to increase your premium payment by the dollar amount you choose.[4] You can:

- Grow your coverage and your policy's cash value through additional deposits.
- Reduce or stop your additional deposits at any time or pause for up to three years and then start again.
- Move more money into your policy instead of keeping it in a taxable investment. Your cash value grows tax-free as long as it remains inside the policy (within government limits).
- Possibly stop out-of-pocket premium payments even sooner, since more coverage may increase dividends, which can speed up the time it takes for your policy to pay for itself.

Unique features: Universal life insurance

Affordable

Universal life insurance can be affordable lifelong insurance.

You choose how you invest and grow your wealth

You manage your investment options however you want – whatever works best for you.

You decide:

- Your investment style
- How much risk you're comfortable with
- How you want to invest your money – choose from a range of options

Over time, money may grow tax-free in your policy (while it remains inside your policy, subject to government limits).

Keep money in your policy and leave behind a bigger payout for your loved ones.[5]

Or use this money however you want while you're alive.

Payment flexibility

You choose:

How often you pay for your policy – Typically monthly or yearly but can vary based on your preferences.

How much and how long you pay

- Pay the minimum amount you need to cover regular cost of insurance payments.
- Or put extra money into your policy to increase its value.

If you have enough value inside your policy, you can take a break from out-of-pocket payments. However, you must keep enough money inside your policy to cover the cost of your insurance.

Cost of insurance

Rather than direct payments, we take money from your policy to cover its costs – called cost of insurance. However, in most cases you'll still need to regularly put money into your policy.

You choose from options that let you:

- Finish paying for your policy's insurance costs in 10, 15 or 20 years.
- Have your costs increase yearly until age 85. This cost starts out low, which means it's easier at the beginning to put more money into your policy than needed. This could help you grow your wealth faster. You don't have to pay cost of insurance charges after age 85.
- Have the same cost of insurance payments over the life of your policy, however you stop paying for your coverage at age 100.

[2] You may have to pay taxes on funds withdrawn or borrowed from your policy. In addition, any withdrawals or unpaid loans will decrease the size of your policy's payout, or in the case of a loan, if the loan plus interest becomes too large, the policy will end.

[3] You may have to pay taxes on any dividends taken as cash.

[4] There are minimum and maximum ADO amounts you can deposit in your policy. Government rules guide the maximum ADO allowed, based on the policy's coverage amount. If you go over that maximum, the policy will lose its exemption from accrual tax (tax on the 'build up' of value within the policy.)

[5] If you borrow or withdraw money from your policy, it will reduce the policy's cash value and how much money the person (or people) you've designated will receive (called a death benefit). Policy loans are subject to interest. You may have to pay income tax when you withdraw funds.

Common features of both participating and universal life insurance

Lifetime insurance coverage

Both offer permanent, lifetime insurance coverage.

And you choose your coverage amount based on your needs.

Guaranteed premium options

Both participating and universal life insurance offer flexible payment options of 10 and 20 years, or to age 100.

Both types of insurance allow you to use value within the policy to pay for your insurance.

Guaranteed payout

Both participating and universal life insurance offer a guaranteed payout (also called a death benefit).

Guaranteed cash value

Both participating life insurance and limited pay universal life insurance policies contain guaranteed cash values.

Life insurance for you

Ask yourself these key questions to figure out which option best suits your needs.

	Participating life insurance	Universal life insurance
How do I fit insurance into my budget?	Assuming you have a consistent income, it's easy to plan for participating life insurance costs. You pay the same amount each year. And there's an option with participating life insurance that allows you to use your dividends (if any) to cover some (or all) of your premium payments.[6] It's called premium offset. For added flexibility, with the additional deposit option, you could possibly stop out-of-pocket premium payments even sooner. See the additional deposit option under 'Unique features'.	You have a lot of choice with universal life insurance – including how much, how often and how long you pay for your policy. In most cases, you still need to make regular payments into your policy to cover the cost of your insurance. When you have extra money, you can pay more into your policy to compensate for times when your money may be tied up elsewhere.
What is the shortest payment option available?	For both participating life insurance and universal life insurance, 10 years is the earliest guaranteed point at which you can stop paying for your coverage. However, in some scenarios, you can reduce or even stop making out-of-pocket premium payments even sooner. Talk to your advisor for more details.	
How do I find out how my policy is performing?	Transparency is key to our life insurance management philosophy. If you want up-to-date information on your participating life insurance or universal life insurance policy, you can: • Check out your yearly policy statement • Contact our Client Services department (for example, to find out your policy's cash value)	
Do I want to choose my own investments?	Canada Life does it for you. Our investment managers select and manage the investments held by the participating account for stable performance.	Returns come from investment options you choose under the policy, meaning if you're more comfortable managing your money, universal life insurance may be ideal for you.
Am I comfortable with volatility (ups and downs) in my portfolio?	Canada Life's investment strategy helps stabilize the volatility in the investment returns. We generally manage our participating account as a broadly diversified fixed-income account, to provide strong, steady low-risk growth for your policy over the long-term. Currently, the target asset mix is about 75% fixed-income investments and 25% equities. The exact asset allocation at any time can vary, based on the participating account management policy. We also use what's called smoothing with our participating account. This means we bring investment gains and losses in over time, which reduces volatility.	Since you manage your options, you get to decide. If you prefer steady, low-risk growth, you can direct more toward guaranteed investment options. However, if you're comfortable with variability in your returns, picking more equity options may be your goal. You can also pick a balanced mix of fixed-income and equity options. The choice is yours.

[6] Dividends aren't guaranteed.

Ready to make a decision?
Do you need more information?

canada life™

Talk to your advisor. They can help you figure out which option best suits your unique situation.

Visit **canadalife.com**

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