

Participating life insurance:



The basics



When you need a flexible, tax-friendly way to protect what matters most, participating life insurance may be exactly what you're looking for.



It not only provides lifelong protection, but it's another way to grow your wealth through tax advantages and potential dividends.

The benefits of participating life insurance

First and foremost, it's life insurance

When you die, your family, business or a charity receives a payout (also called a death benefit).

Yours for life

Whatever amount of participating life insurance you buy is guaranteed for your lifetime¹ and premium payments for your guaranteed coverage won't go up, no matter your age.



Grow your wealth

Over time, your life insurance 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

¹ Assuming you make required premium payments.

² You may have to pay taxes on funds withdrawn or borrowed from your policy.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 payout, or in the case of a loan, if the loan plus interest becomes too large, the policy will end.

Potential dividends

When you buy participating life insurance, you share in the experience of the participating account with everyone else who owns a Canada Life™ participating policy. Each year, you may receive what's called a policyowner dividend. Dividends aren't guaranteed, but once they're credited to your policy, they're yours.

With these dividends, you can:

- Buy additional insurance coverage (which may increase your cash value)
- Reduce (or even stop) out-of-pocket premium payments
- Take your dividends as cash³

Tax advantages

Your policy's cash value grows tax-free while inside your policy and subject to government limits. When you die, people and/or organizations you've named receive the payout (death benefit) tax-free.⁴

Flexibility

We know everyone's situation is different. That's why with participating life insurance you get many options, which let you customize your policy based on your needs.

Loan

You can borrow, with interest, against your policy's cash value and eventually pay it back. If you don't pay it back, it'll come out of your payout.²

Cash out your policy

You might cancel some or all of your coverage in exchange for cash value associated with the cancelled coverage, adjusted for any loans or fees. You might be taxed if you receive cash in place of your cancelled coverage.

²You 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 payout, or in the case of a loan, if the loan plus interest becomes too large, the policy will end.

³You may have to pay tax on any dividends taken as cash.

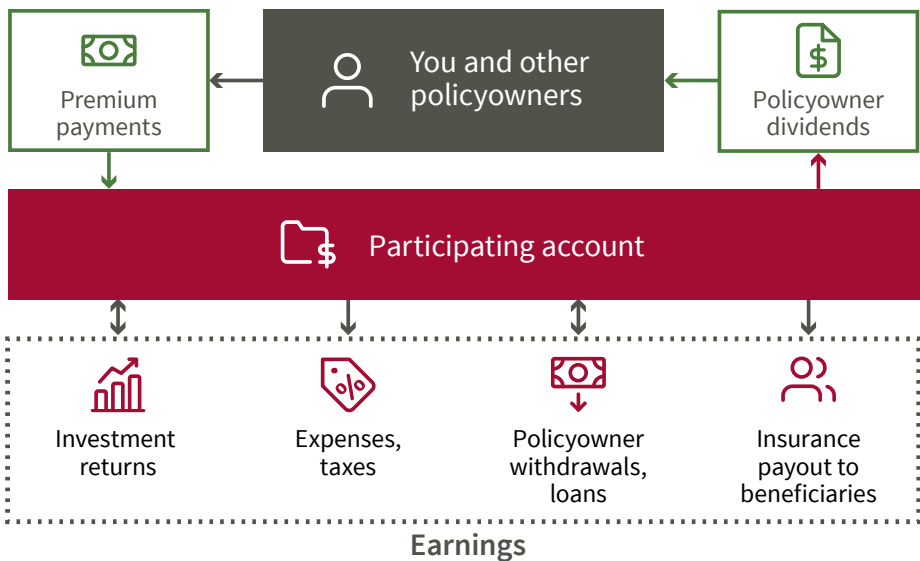
⁴Probate fees (estate administration tax), may apply on money paid to an estate.





The participating account

The participating account is the engine of participating life insurance. The potential dividends you may receive by your policy's participation in the account is what makes it unique and valuable.



How it works

1

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.



2

If actual performance is better than our assumptions when we developed our participating life insurance product, earnings arise in the **participating account**. Assumptions may include **investments, expenses and taxes, policyowner withdrawals and loans** and **insurance payouts**.

3

When **earnings** exceed what we need to meet guarantees and commitments, policyowners may share (or participate) in these earnings. We may distribute some of these earnings as **policyowner dividends**, although this isn't guaranteed.

Want more information?

Talk to your advisor and find out how participating life insurance can work for you.





For more information about the participating account, see the participating life insurance section on **canadalife.com**.



Visit **canadalife.com**

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