



Par Plus & junior

PRODUCT BROCHURE



ParPlus & junior

ParPlus & ParPlus Junior

Assumption Life, one of the few remaining mutual life insurance companies in Canada, is proud to offer its latest participating life insurance products ParPlus & ParPlus Junior to consumers aged 0 to 75. These participating products are designed with enough flexibility to meet anyone's needs including young families, children, and even those looking to create or preserve their estate.

Life insurance that pays!

That's right! In addition to life insurance protection, with ParPlus you receive annual dividends. How you use that money is up to you!

Whether you select a life-long or a 20-year payment plan, you enjoy the same great benefits:

- Guaranteed premiums – meaning that your **premiums will never increase.**
- Guaranteed whole life insurance – meaning that your **basic life insurance amount is guaranteed for life.**
- Guaranteed cash values – meaning that **you will have cash accessibility.**

Experience why doing business with Assumption Life is easy with ParPlus accelerated issue* process: **get your policy faster with no medical exam*!**

*Restrictions apply (see product features section).
Please ask your advisor.

WHERE DO DIVIDENDS COME FROM?

Your ParPlus premiums are invested in a participating account a long with all the premiums paid by Assumption Life participating policyholders. The dividend scale used to calculate your dividend returns is based on long-term projections for investment returns, mortality and administration expenses.

If the actual experience within the participating account is more favorable than the anticipated results, a surplus is generated. Part of that surplus may then be paid to participating policyholders in the form of larger than projected dividends.

Since dividends are based on the participating account performance which is not guaranteed, actual dividends may be lower or higher than those shown in the sales illustration. Only participating policyholders will benefit from the surpluses generated by the participating account.



DIVIDEND OPTIONS

1. PAID IN CASH

Simply put, the Paid in Cash option is money in your pockets. You'll look forward to receiving your dividends paid to you on each policy anniversary. What you do with that money is up to you!

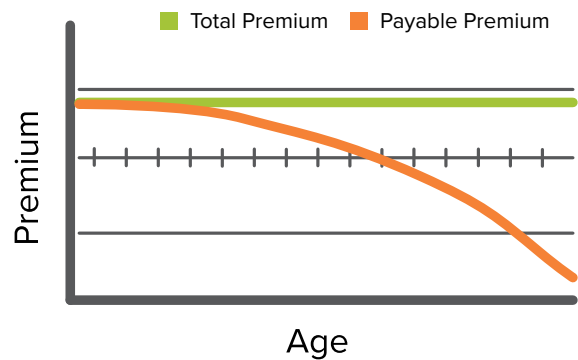
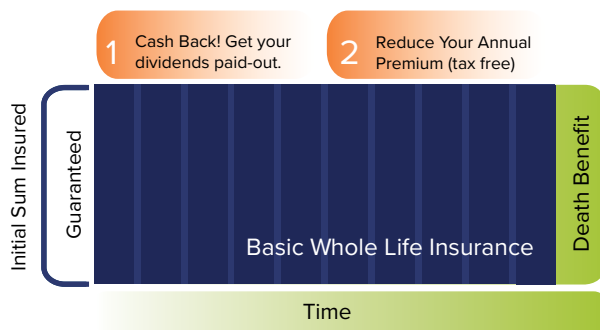
2. PREMIUM REDUCTION

Reduce your out-of-pocket cost all while maintaining your guaranteed amount of insurance. Each year your dividends are applied against your premiums, thus reducing your net premium. The higher your dividends get the less net premium you need to pay. If dividends are higher than your insurance premium, excess dividends can be paid in cash or left to accumulate in a dividend account.

Scenario

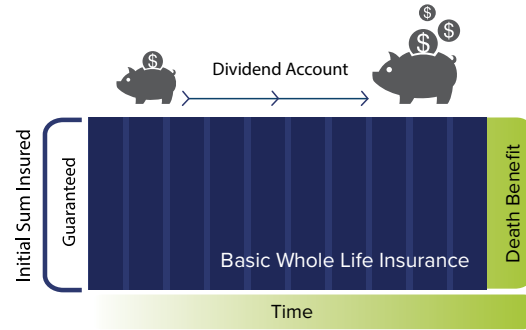
(Minimizing monthly expenses at retirement)

Mr. Smith is a 35-year-old male non-smoker. He takes a \$100,000 ParPlus life insurance coverage and chooses the "Premium Reduction" dividend option. Based on the projected dividend scale, by age 63, the dividends paid would be higher than the actual premium. Therefore, Mr. Smith's out-of-pocket expense for his permanent life insurance would be \$0, just in time for retirement.



3. ACCUMULATION

Combine the advantage of life insurance protection with the benefit of a savings account. With this option your dividends are held on deposit with Assumption Life and earn interest. You maintain access to accumulated dividends should you wish to withdraw your money. Any withdrawal will not impact your initial insurance protection. Upon death, any remaining accumulated dividends are added to your death benefit and are paid tax-free to your beneficiaries.



Scenario

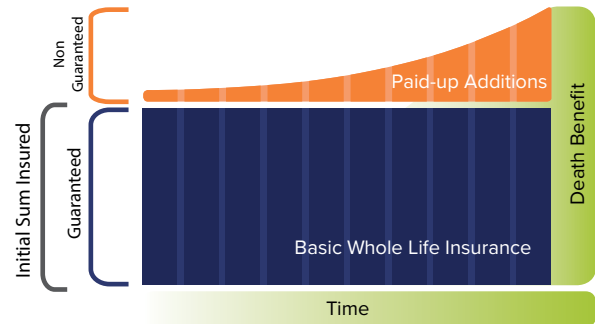
(Life insurance & cash accessibility for a loved one)

Mr. and Mrs. Parker are proud grandparents. They understand the importance of life insurance and wish to offer the gift of permanent life insurance to their 5-year-old granddaughter, Mary, with something extra. They purchase a ParPlus Junior which will be paid-up in 20 years. At that time, they plan on assigning the policy to Mary who, in addition to having a guaranteed lifetime insurance protection for which she doesn't need to pay, will have access to money that has accumulated over the years thanks to the "Accumulation" dividend option. She is free to withdraw part or all of that money or leave it in the dividend account. Better yet, Assumption Life will continue to pay dividends on an annual basis. Mary will have the option to receive those dividends to help in lowering her debts or start investing for a home, education, starting a business, retirement, or other goals she may have.

4. PAID-UP ADDITIONS

Interested in fully maximizing your insurance protection? With this option your life insurance protection increases – your premiums don't! Your annual dividends are used to purchase additional permanent insurance which is added to your initial insurance amount. Over time your initial insurance amount could eventually double, triple or grow even more!

Once the face amount increases it can never decrease regardless of changing market conditions. Not only will your guaranteed insurance amount grow, your guaranteed cash values will also increase. Your premiums stay level throughout the duration of your policy.



Scenario

(Covering increasing insurance needs)

Bob knows that he needs \$100,000 of life insurance to cover his final expenses. He would like to support his favorite charity and worries about taxes arising from capital gains upon the transfer of his assets to his adult children once he's passed away. Also, many of his assets gain value over time which results in the increasing tax bill that will be triggered upon his passing.

By choosing the paid-up addition dividend option, Bob knows his insurance protection will grow, addressing his worries about taxes and inflation. Best of all, his premiums stay the same and his life insurance benefit grows regardless of the evolution of his health status.

Also, the additional amounts of paid-up insurance generate additional guaranteed cash values. Therefore, should he need it, Bob can access more cash through a loan or partial surrender.

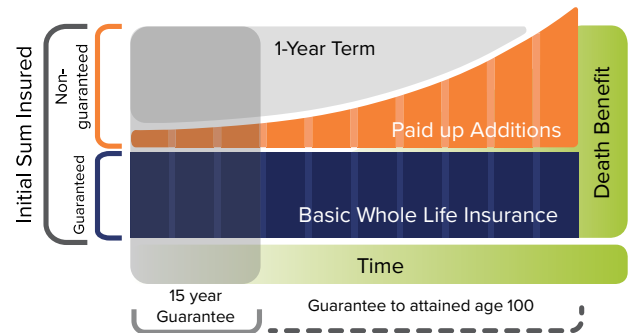
Finally, if the insurance amount reaches a point that Bob is comfortable with and no more increases are necessary, he can change his dividend option to benefit from the policy dividends in another way, such as receiving cash on an annual basis.

5. ENHANCED

Interested in lower premiums? The enhanced dividend option may be just what you are looking for! This option combines the long-term security of permanent life insurance with the initial cost advantages of one-year term insurance so that you get the best of both worlds. Dividends are used to purchase a combination of one-year term insurance and paid-up additions.

The death benefit (your coverage) is equal to the sum of the basic insurance amount, the paid-up additions and the one-year term insurance amount and is also guaranteed to be equal to the initial sum insured for the first 15 years of the insurance contract (or until the attained age 100 should you select this option).

As the cumulative insurance amount of paid-up additions increases, the need for one-year term insurance diminishes. Eventually, when the sum of your basic insurance amount and paid-up additions is equal to your initial death benefit, one-year term insurance is no longer needed so your dividends will be used to purchase paid-up additions only, thus increasing your total death benefit.



Scenario

(Insurance combination for a lower premium)

Melanie was looking for a permanent insurance solution in order to keep her premiums level for life. She was also interested in the idea of a life insurance that pays dividends, but was worried that the premiums would be too high for her budget.

Thanks to the enhanced option, she gets the best of both worlds. The combination of permanent and term insurance results in lower premiums that will never increase. Melanie has the insurance amount she needs at a price she can afford, all in one policy.

Since part of the dividends is used to purchase permanent paid-up addition, her total insurance amount could eventually surpass the initial coverage, at no extra cost.

CHANGING DIVIDEND OPTIONS

Options

ParPlus and ParPlus Junior products allow you the flexibility to change your dividend option freely at each policy anniversary. This allows you to adjust your dividend option to better meet your current and future needs. The table below indicates which options may be available to you should you wish to choose a different option in the future.

From \ To	Paid in Cash	Reduced Premiums	Accumulation	Paid-up Additions	Enhanced
Paid in Cash		✓	✓	✗	✗
Reduced Premiums	✓		✓	✗	✗
Accumulation	✓	✓		✗	✗
Paid-up Additions	✓	✓	✓		✗
Enhanced	✓	✓	✓	✗	

✗ Underwriting required

✓ No underwriting required

✗ Only available at purchase



TAXATION

Are dividends taxable?

It depends on which dividend option is chosen. Taxes can however be deferred in situations such as:

- **Paid-Up Additions and Enhanced Option**
If dividends are used to buy additional insurance through the “Paid-Up Additions” or “Enhanced” dividend options, they are not taxable.
- **Cash or Accumulation Option**
For the “Cash” and “Accumulation” options, if the dividend paid exceeds the policy’s adjusted cost basis (ACB), the excess amount will be taxable in the year it is paid. Also, for the “Accumulation” option, interest paid on the accumulated dividends is fully taxable. However, withdrawals made from the dividend account are not taxable.
- **Premium Reduction Option**
The portion of the dividend used to reduce the premium is not taxable. Any excess dividend paid to the policyholder will be taxable if it exceeds the policy’s ACB in the year it is paid.

Taxation on insurance disposition?

Surrender of part or all of your life insurance, and policy loans are considered as dispositions for income tax purposes. Both transactions may be subject to income tax. Talk to your financial advisor before going ahead with one of these options.

DISCLAIMER

ParPlus policyholders are entitled to dividends payable on the policy anniversary date. These dividends will be paid out as per the dividend option you select. It is important to remember that dividend amounts and interest rates are calculated on an annual basis and are not guaranteed. Dividend amounts are calculated based on interest rates, mortality rates, expenses levels, as well as other factors. ParPlus dividends may be higher or lower than the projected dividend scales depending on the factors aforementioned. When selecting the enhanced dividend option, it is important to note that a weak dividend return could eventually reduce your initial coverage amount (supplemental deposits are not permitted). However, your basic amount of insurance shall never decrease. Dividends are distributed exclusively to participating life insurance policyholders.

CASH ACCESSIBILITY

Part of the beauty of the ParPlus product resides in its flexibility and ability to free-up your cash flow. Here are some examples of ways you can access money from your policy when you need it:

Cash option

The Paid in cash dividend option is a simple way to use dividend to increase your cash-flow by directly having your dividends paid-out to you every year.

Dividends on deposit

The Accumulation dividend option allows you to withdraw all or a portion of your accumulated – on deposit - dividends as well as any accrued interest at any time.

Reduced Paid-up

If for any reason other financial obligations hamper your ability to pay your premium; the Reduced Paid-up feature allows you to maintain a portion of your insurance coverage without having to continue to pay premiums.

Policy loans

As of the 6th policy anniversary, you have the ability to take a loan against your cash values. The loan bears interest and must be reimbursed before the policy terminates. Interest rates on loans are revised annually and are only guaranteed for one year. It is important to note that if the insured dies and there is a policy loan outstanding, the death benefit payable to the beneficiaries will be reduced by the amount of the outstanding loan and accumulated interest owed.

Cash values withdrawal

In addition to life insurance protection, cash values build up in your ParPlus policy over the years. By surrendering part or all of your life insurance, the cash values linked to the surrendered portion of insurance will be paid to the policyowner. For example, if you choose ParPlus with the Paid-Up Additions dividend option, you could eventually withdraw part of the cash value by surrendering the Paid-Up Additions. However, your total cash value will be reduced by the amount withdrawn and your total life insurance protection will be reduced by the amount of insurance surrendered.

GAIN AN OWNERSHIP INTEREST IN OUR COMPANY!

As a mutual life insurance company, Assumption Life has no shareholders. Instead, participating life insurance policyholders have an ownership interest in our company, which means they can vote at our annual assembly and are eligible to receive annual dividends. Dividends are exclusively distributed amongst participating policyholders – no one else!

Assumption Life's mutual status allows the Company to carry on as an independent Canadian life insurer and helps to protect its stakeholders against a hostile or foreign takeover. In other words, Assumption Life cannot be bought or sold without the consent of its participating policyholders; this provides you with the extra peace of mind of knowing that the Company is focused on an enduring commitment.

PARPLUS

Features

- Ages 18-75
- Coverage \$5,000 to \$4M
- No medical exam¹
- Annual dividends with 5 options
- 20-year or life pay premium options
- Guaranteed level premiums
- Guaranteed whole life insurance
- Guaranteed cash values
- Tax-deferred growth²
- Joint first-to-die option

Riders

- FlexTerm – term insurance
- Youth Plus – child term insurance
- Waiver of Premium
- Accidental Fracture Plus
- Accidental Death
- Disability income
- Child Insurance Benefit

PARPLUS JUNIOR

Features

- Ages 0-17
- Coverage \$5,000 to \$4M
- No medical exam¹
- Annual dividends with 5 options
- 20-year payment plan
- Guaranteed level premiums
- Guaranteed whole life insurance
- Guaranteed cash values
- Tax-deferred growth²

Riders

- Youth Plus – child term insurance
- Waiver of premium
- Accidental Death and Dismemberment

¹ Accelerated underwriting is available for certain face amounts and ages, some restrictions apply.

- Ages 18 to 45, applying for coverage up to \$2 million.
- Ages 46 to 50, applying for coverage up to \$999,999.
- Ages 51 to 55, applying for coverage up to \$499,999.
- Ages 56 to 60, applying for coverage up to \$300,000.
- Ages 61 to 69, applying for coverage up to \$99,999.

All answers to medical and lifestyle questions must be in the negative. In the case of a positive answer or an MIB, Inc. report, some underwriting requirements may be required upon the underwriter's request after submission. Medical exams are required based on face amount and ages that fall outside the above-mentioned ranges.

² Restrictions apply. Consult your financial advisor.

ABOUT OUR COMPANY

Established in 1903, Assumption Mutual has stood the test of time and is now one of the largest mutual life insurance companies in Canada. We offer individual insurance, group insurance as well as financial service products across the country. Our clients have learned to rely on our financial stability, long-term focus and exceptional client care! Assumption Life is well capitalized and its proven stability has helped it steadily earn an "excellent" rating by A.M. Best®, one of the leading insurance rating agencies, over the past decades.



Assumption Life

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