



Financial security protection
tailored for your lifestyle



Great-West universal life insurance combines permanent life insurance protection with the opportunity to accumulate tax-advantaged savings.

Universal life insurance can be used to:

- ▶ Pay final expenses and any debts you may have
- ▶ Ensure your family has the resources to maintain a comfortable standard of living
- ▶ Pay any taxes owing on your estate so more of your estate is transferred to your children or grandchildren
- ▶ Leave a legacy in your community or with your favourite charity
- ▶ Provide your business with the funds necessary to fund a buy-sell agreement
- ▶ Protect your business against the loss of a key employee

During your lifetime, universal life insurance can:

- ▶ Build tax-advantaged savings that you can draw upon as needed for personal or business opportunities
- ▶ Supplement your retirement income
- ▶ Provide funds for long-term care or home care

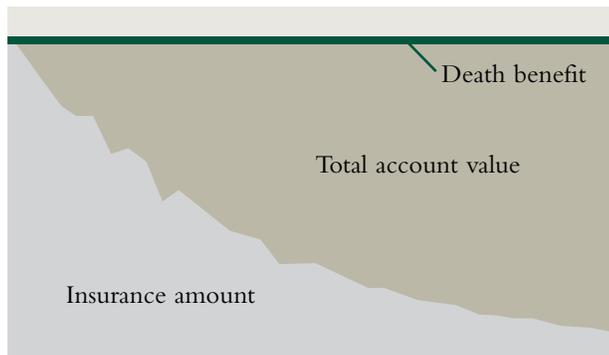
Let us introduce you to *Great-West universal life* and help you customize your financial security plan to meet your needs today and in the future.



Life insurance protection

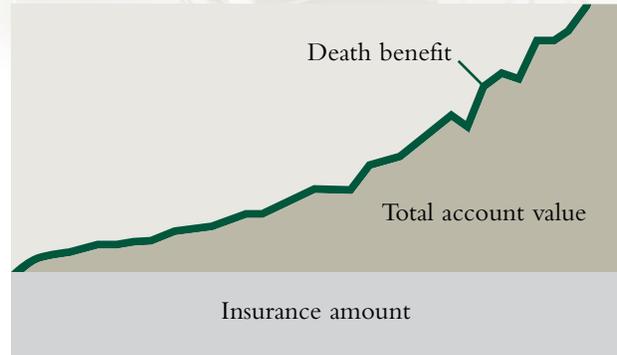
Choose between two types of life insurance protection

Level death benefit option



This option pays your beneficiary an insurance amount that includes the total account value. Because your total account value varies over time, the insurance amount will also change to keep the total death benefit level throughout the lifetime of the policy. If at any time your total account value is reduced due to a decrease in the value of the market indices or mutual funds used as an index, your insurance coverage increases to maintain your death benefit. This benefit is ideal if your insurance needs aren't likely to increase.

Coverage plus death benefit option



This option pays your beneficiary the insurance amount plus the total account value. As your total account value grows, it is added to your life insurance coverage, resulting in a death benefit that increases over time. This option should be considered when your insurance needs are likely to increase, or if your objective is to accumulate tax-advantaged savings.

Adjust your insurance protection as your needs change

Great-West universal life insurance allows you to tailor your coverage to reflect your changing needs. Some changes may require evidence of insurability, such as:

- ▮ Increasing your insurance amount
- ▮ Changing from the level death benefit option to the coverage plus death benefit option
- ▮ Adding a benefit or rider

Cost of your insurance protection

Part of the premium you pay into your policy covers the cost of the insurance protection. This includes the cost for the primary and additional lives insured, as well as any optional benefits you select. Life insurance costs generally increase with age. *Great-West universal life insurance* allows you to manage this increase with the following cost of insurance options:

- ▶ The annually increasing rate (AI) increases annually as your age increases, but the rate scale is guaranteed for the duration of the coverage. AI cost of insurance is lower in the early years, allowing you to accumulate more of your premium in your chosen interest options and accelerate the growth in your total account value in the early years.
- ▶ Limited-pay cost of insurance (10, 15 and 20 years)
 - Limited-pay cost of insurance allows you to purchase and pay for insurance for 10, 15 or 20 years with no further monthly cost of insurance charges. Once elected, the cost of insurance rate is guaranteed for the duration of the coverage, with guaranteed cash values begin after the fifth coverage anniversary and continuing for the duration of the coverage.
- ▶ The guaranteed level cost of insurance rate (level COI) is locked-in for the duration of the coverage, allowing you to spread your insurance costs evenly over the life of the policy.



Flexibility to change cost of insurance options

You have the flexibility to change the cost of insurance option from AI to level COI or limited-pay cost of insurance, subject to rules and limits specified in your contract.

Whatever your needs, *Great-West universal life insurance* has an insurance solution designed specifically for you. AI and level COI options are available for single-life, joint first-to-die and joint last-to-die coverage. Your financial security advisor can help you select the cost of insurance option or combination of options that best suits your needs.

Insurance coverage

Single-life coverage

Single-life coverage pays the death benefit on the death of the life insured.

Insure more than one individual

Insure up to five additional lives under your policy each with their own permanent life insurance coverage and separate beneficiaries. You can remove one or more of these lives and add new lives in their place (with evidence of insurability) at any time.

Joint life coverage

- ▶ **Joint first-to-die** – This coverage pays on two or more people and provides a death benefit on the first death of the lives insured. The survivor then has the option of purchasing insurance in an equal amount based on his or her attained age at that time, without evidence of insurability. Consider a joint first-to-die coverage when insuring a debt such as a mortgage or a loan or for providing income replacement to surviving family members. With special underwriting, the policy may provide joint coverage on more than two lives.

► **Joint last-to-die** – This coverage on two people provides a death benefit on the second death of the lives insured. Consider a joint last-to-die coverage for estate preservation needs such as providing cash to cover the cost of capital gains and other taxes owing on RRSPs, RRIFs and property. For eligible joint last-to-die coverages, Great-West also offers a benefit on the first death option that allows a beneficiary to receive a portion of the policy's existing total account value upon the first death of the lives insured.

Tax-advantaged savings

Choose from a variety of tax-advantaged interest options. You and your financial security advisor can develop an interest option mix to suit your investment objectives and your risk-tolerance level.

When selecting your interest options, it's important to consider the volatility of each interest option.

You can change your interest options mix or transfer funds within your policy as often as you choose (there are no fees provided the funds remain within the policy).

Flexibility and choice

As the policyowner, you decide how you want to invest your money. As your objectives change over time, you can change your interest options or transfer funds within your policy as often as you like. However, there may be a fee if funds are removed from the policy. A market value adjustment may apply to funds transferred out of a guaranteed interest option before the end of the guarantee period.

Your financial security advisor can help you review your coverage requirements and investment mix on a regular basis to ensure that your policy is still meeting your long-term goals and changing circumstances.

The following interest options are currently available:

- **Daily interest option (DIO)** – earns interest daily that is credited monthly. The minimum interest rate for the DIO is zero per cent.
- **Guaranteed compound interest options (GIOs)** – The compound interest GIO offers a choice of one-, three-, five- or 10-year terms, and the interest earned is reinvested within the account where it continues to compound at the guaranteed rate until the end of the term selected. At maturity, the principal and interest is automatically reinvested in a GIO of the same type for the same duration. The minimum amount required to establish a GIO is \$25.

The minimum interest rate for terms from one to 10 years is:

Term	Minimum interest rate
1-year	0.0%
3-year	0.0%
5-year	2.0%
10-year	2.5%

Market value adjustment

A market value adjustment may apply on any cash withdrawal or surrender from the policy. Market value adjustments apply only where the GIO is selected and current interest rates for similar terms have increased. If Great-West transfers from the GIO to pay the cost of insurance charges and plan fees, or to maintain the tax-exempt status of your policy, this isn't subject to a market value adjustment.

Variable interest options

The variable interest option (VIO) credits returns that follow the returns from widely recognized investment market indices and mutual funds. The index-linked and fund-linked variable interest options credit interest each business day at a rate based on daily changes to the underlying investment market index or the underlying mutual fund after deducting an interest option fee.

The interest credited on any day may be positive or negative. If the interest credited is negative, the balance in that interest option will be reduced.

It's important to remember that the performance of variable interest options with a foreign element, such as the Global Equity and American Equity options, are directly affected by the value of Canadian currency relative to the currencies measured in the indices.

A declining Canadian dollar enhances returns while an escalating dollar has the opposite effect.

Folio interest options

Investment markets and the economy are in a constant state of change. Various investments and asset classes react differently to these changes – some may increase in value, while others may decrease in value.

A key element in reducing investment risk is diversification. *Great-West universal life insurance* folio interest options achieve diversification by crediting interest at a rate based on the investment performance

of a number of well-recognized mutual funds that represent various asset classes (after deducting an administration fee). The interest credited for any day may be positive or negative. If the interest is negative, the balance in that folio interest option will be reduced.

To choose the interest option that's right for you, complete the *Great-West Life universal life insurance profile questionnaire*. It asks about the amount of investment risk you're comfortable with and helps balance your investment risk with your financial objectives and circumstances. Based on your responses, it suggests a risk profile ranging from conservative to aggressive, designed to help you achieve your goals.

For more information on the fund contained in the folio interest options, ask your financial security advisor for the *Great-West Life universal life interest options* brochure.

Choose the style of interest options

Choose between two styles of interest options – with or without client bonus. Interest options with client bonus have an enhanced interest crediting rate based on funding levels in the second policy year and beyond. As well, regardless of funding levels, all policies with our client bonus option will receive a bonus interest crediting rate beginning in policy year 10. *Great-West universal life insurance* without client bonus has lower interest option fees associated with the interest options. For a comparison of interest option fees, review the *Great-West universal life insurance interest options* brochure.

Accessing your policy account value

Withdrawals

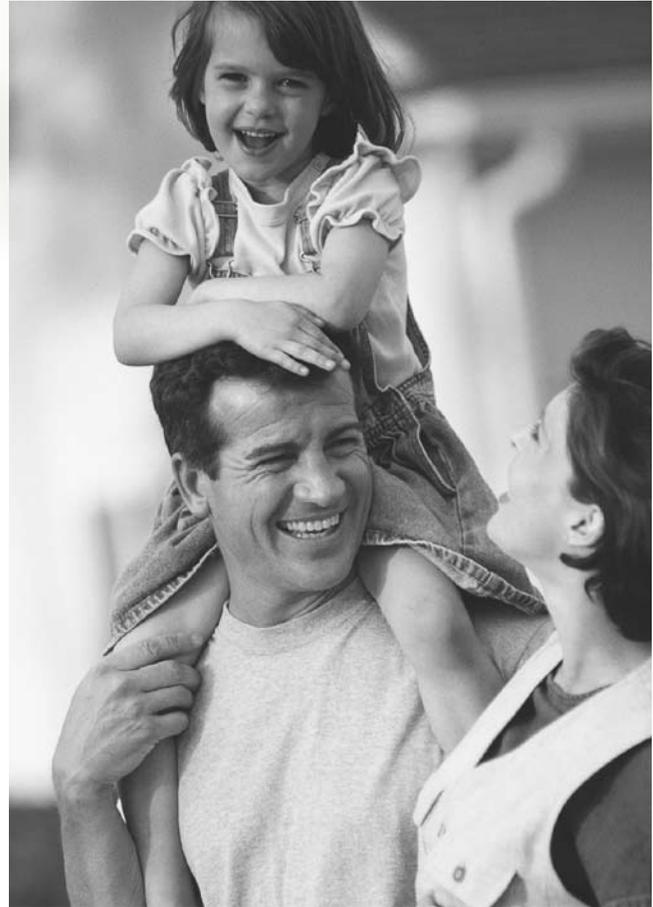
You may take a partial withdrawal of cash from your policy at any time providing sufficient funds remain in the cash surrender value to keep the policy in force and cover any applicable surrender charges and loans. If you have more than one interest option, you must give Great-West written direction for which account the withdrawal should be taken from. The minimum withdrawal is \$500. If you withdraw cash from a policy with a level death benefit option, your death benefit will decrease by the amount of cash value reduction. A market value adjustment may apply to funds withdrawn from a guaranteed interest option before the end of the interest guarantee period. A taxable gain may be reported for the year of withdrawal.

Policy loans

You may take a policy loan at any time, providing sufficient funds remain in the cash surrender value to keep the policy in force and cover any applicable surrender charges. The minimum loan is \$500. The loan is subject to a loan interest rate that is set each policy anniversary by Great-West. The loaned portion continues to earn interest based on the performance of the interest option from which the loan was taken. Because market fluctuations may adversely affect your policy's total account value, Great-West limits the amount of your variable interest options available for loan to 75 per cent of the value in these options. Policy loans may be taxable depending on the adjusted cost basis of the policy. Policy loan repayments may be made at any time.

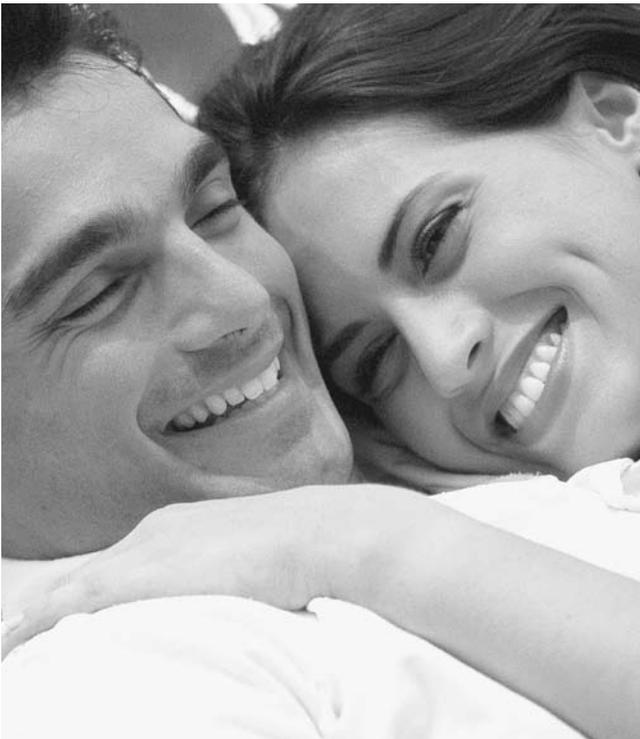
Surrender

If you surrender your policy during the policy's first nine years, Great-West deducts a surrender charge as defined in the contract. You then receive the balance, known as the cash surrender value. A taxable gain may be reported for the year of surrender.



Premiums

Choose the amount of premium you wish to pay within the minimum and the maximum premium defined in the contract. The maximum premium is set to keep the policy exempt from taxation. The minimum premium is set by Great-West based on your age, sex, smoking status and the cost of insurance option you choose. As your total account value accumulates,



you may choose to reduce or suspend out-of-pocket premium payments without jeopardizing your insurance coverage. Depending on the level and interest earned in the policy's total account value you may be required to resume premium payments in the future.

Premium allocation

After the applicable provincial premium tax is deducted (two per cent in most provinces), your payment will be allocated to the interest options you select according to percentages you stipulate. You may also make lump-sum payments into your policy at any time. There are no other charges applied to the payment before it's invested in your chosen interest options.

The cost of insurance, premium for riders and other benefits, and the monthly expense charge will be withdrawn every month from your total account value on a pro-rated basis and according to the dollar value of each interest option on that date. This means that if the value of one of your interest options has declined in a particular month, the proportion of the deduction from that interest option will decrease as well.

Based on your own personal preference, another option is to choose to have your cost of insurance and monthly deductions drawn from specific interest options.

Expense charges and fees

A guaranteed expense charge of \$10 will be deducted from your policy each month:

- ▶ If you chose to invest in a VIO, an interest option fee will be deducted from the returns realized by the VIO.
- ▶ The \$10 monthly expense charge for limited-pay cost of insurance option ceases at the end of the chosen premium paying period (10, 15 or 20 years).

Tax management features

Side Account

Great-West monitors your premium payments to ensure that your policy remains exempt from annual accrual taxation under current tax legislation. If you wish to deposit money in excess of the maximum premium allowable for your policy, Great-West will deposit this excess payment into the Side Account, an excess premium account that is separate from your insurance policy.

The funds in your Side Account can be applied to either a daily interest or five-year guaranteed interest rate option. Since the Side Account is separate from your insurance policy, any interest income generated by these accounts is fully taxable. On an annual basis, Great-West transfers funds from your Side Account to your insurance policy to accelerate the growth of your tax-advantaged total account value, provided these payments don't exceed the maximum premium allowable for your policy based on current tax legislation.

Value Maximizer – more tax advantages

Your policy is designed to ensure that any growth of the policy's total account value remains exempt from accrual taxation under current tax legislation. If you wish to maximize your tax-advantaged savings, you can add the Value Maximizer option. This feature provides for adjustments to your insurance amount that allows you to enhance the tax-advantaged accumulation within your universal life insurance policy. The Value Maximizer option automatically increases your policy's insurance component by as much as eight per cent to maintain your policy's tax-exempt status. It can also decrease your insurance amount when appropriate in order to reduce the cost of insurance charges deducted, maximizing the accumulation in your total account value.

Other features

Client bonus

Choose between *Great-West universal life insurance* with or without client bonus. Policyowners who choose *Great-West universal life insurance* with client bonus are eligible to receive two kinds of interest bonuses:

- ▶ **Guaranteed bonus** – Starting in policy year 10, a guaranteed bonus enhances your policy's interest crediting rate on the funds within the total account value. The annual bonus rate is 0.6 per cent from policy years 10 to 24 and 0.96 per cent every year thereafter. The bonus is guaranteed to be paid regardless of how your policy's interest options perform.
- ▶ **Funding bonus** – In addition to the guaranteed bonus, you may receive a funding bonus of up to 0.96 per cent of your total account value. The funding bonus begins in policy year two and continues for the life of the contract.

The dollar amount of the guaranteed and funding bonuses is a function of your policy's total account value, which will fluctuate. The client bonuses don't apply to funds invested in the Side Account.

Your financial security advisor can help you decide which version of *Great-West universal life insurance* you should choose – with client bonus or without client bonus, both with lower fees charged on the interest options.

Disability lump-sum benefit

Eligible policies provide for a disability lump-sum benefit. In the event that you become totally disabled, subject to the definitions in the contract, this benefit is paid from any unloaned portion of the policy's available total account value excluding any amounts invested in guaranteed interest options. This provision applies only to the primary or joint life insureds named in the policy.

Optional benefits

Great-West universal life insurance is flexible, permanent insurance protection. It offers a broad range of benefits that can be added or removed as your needs change.

Preferred term rider

The Great-West preferred single-life term rider offers low-cost additional term insurance protection to age 85. Premiums renew automatically every 10 or 20 years. You choose which renewal period best fits your needs. This additional insurance coverage may be converted to a permanent life insurance policy up to the later of age 65 or two years after purchase.

Child's life insurance rider

The child's life insurance rider offers term life insurance protection on all the children in your immediate family for one annual premium. The amount of this coverage increases by four per cent every year, and additional children are automatically insured 15 days after their birth.

The coverage may be converted to a permanent life insurance policy that covers five times the original coverage amount for each child when he or she reaches a specified age.

Automatic payment benefit on disability

The automatic payment benefit on disability provides a specified amount into your policy, determined at the time of application, if you become totally disabled as defined in the contract.

The automatic payment benefit on death provides that Great-West will pay a specified amount to be paid monthly into the policy in the event of the life insured's death or disability.

Accidental death benefit

The accidental death benefit provides that your beneficiary will receive an additional death benefit on top of the original base insurance amount if your death occurs by accidental means as defined in the contract.

Guaranteed insurability rider

The guaranteed insurability rider allows you to purchase additional amounts of permanent insurance, at specified option dates, without providing any medical evidence of insurability.



Glossary of common terms

Policy

The Great-West contract issued to you that stipulates the terms and conditions of your coverage.

Policyowner

The person who owns and holds all rights under the policy, including the power to name and change beneficiaries, make a policy loan, assign the policy to a financial institution as collateral for a loan, withdraw funds, add or make changes to coverages under the policy, or surrender the policy for its cash surrender value.

Life insured

The person (or persons) who is insured under the terms of the life insurance policy.

Beneficiary

The person (or persons) who has been named by the policyowner to receive the death benefit when the life insured dies.

Premium

The amount that you contribute to the policy to maintain your insurance coverage and accumulated tax-advantaged savings.

Interest option

One of several investment accounts in which your premiums may be deposited within your life insurance policy.

Total account value

The sum of all the interest options in your policy, including interest.

Cash surrender value

Your total account value minus any applicable surrender charges, policy loan and market value adjustments. This is the amount you will receive if you cancel your policy.

Guaranteed cash value

An amount generated under a limited-pay cost of insurance option. It's determined by the insured's rate class, sex, insurance age and amount of coverage starting on the fifth coverage anniversary and at each coverage anniversary thereafter.

Cost of insurance

The cost of insuring a particular individual under the policy. It's based on the amount of coverage, as well as the underwriting class, age, gender and tobacco consumption of that individual.

Expense charge

A fixed amount of \$10 deducted from the policy's total account value every month to cover administrative costs. This amount is guaranteed never to increase for the life of the policy.

Death benefit

The total amount paid tax-free to the beneficiary on the death of the life insured. The death benefit may include the investment component that you have been accumulating.

Evidence of insurability

Evidence submitted to Great-West that is used to determine whether an individual is eligible for the insurance coverage the individual has applied for.

Keeping you informed

Great-West will send you an annual statement detailing the status of your policy. This statement tells you what interest options your money is invested in and how it's performing. The total account value of your life insurance policy is also shown in your annual statement, along with a summary of your insurance coverage.

We suggest that you review your life insurance policies with your financial security advisor regularly to ensure your universal life insurance policy is still meeting your insurance needs and investment objectives.

Who do I call for service?

Contact your financial security advisor. As your insurance and investment needs change over time, regular reviews of your coverage with your financial security advisor will help keep your policy on track with your objectives. You may want to keep this guide with your policy as a handy reference. You can also contact Great-West directly at 1-800-665-0551. A client service representative will answer your questions and resolve any service issues you might have.

A solution to your financial security needs and goals

Great-West's history of strength

At Great-West, we take pride in our history of serving the financial security needs of Canadians. For more than 100 years, we have helped our clients develop their financial security plans.

Founded in Winnipeg in 1891, Great-West is a leading Canadian life and health insurer. Great-West's financial security advisors work with clients from coast to coast to help them secure their financial future. We provide a wide range of retirement savings and income plans, as well as life, disability and critical illness insurance for individuals and families.

At Great-West, personal service is the key to helping clients find the right solution for their financial security needs. We are committed to providing the highest quality service, backed by our history of strength and stability.



While every effort has been made to ensure the accuracy of the information in this guide at the date of printing, some errors and omissions may occur. In the event of a discrepancy, the terms of the *Great-West Life universal life* contract will prevail.

