

INDIVIDUAL
LIFE INSURANCE

Permanent life insurance

Matching your needs with
the right solution



You have choice

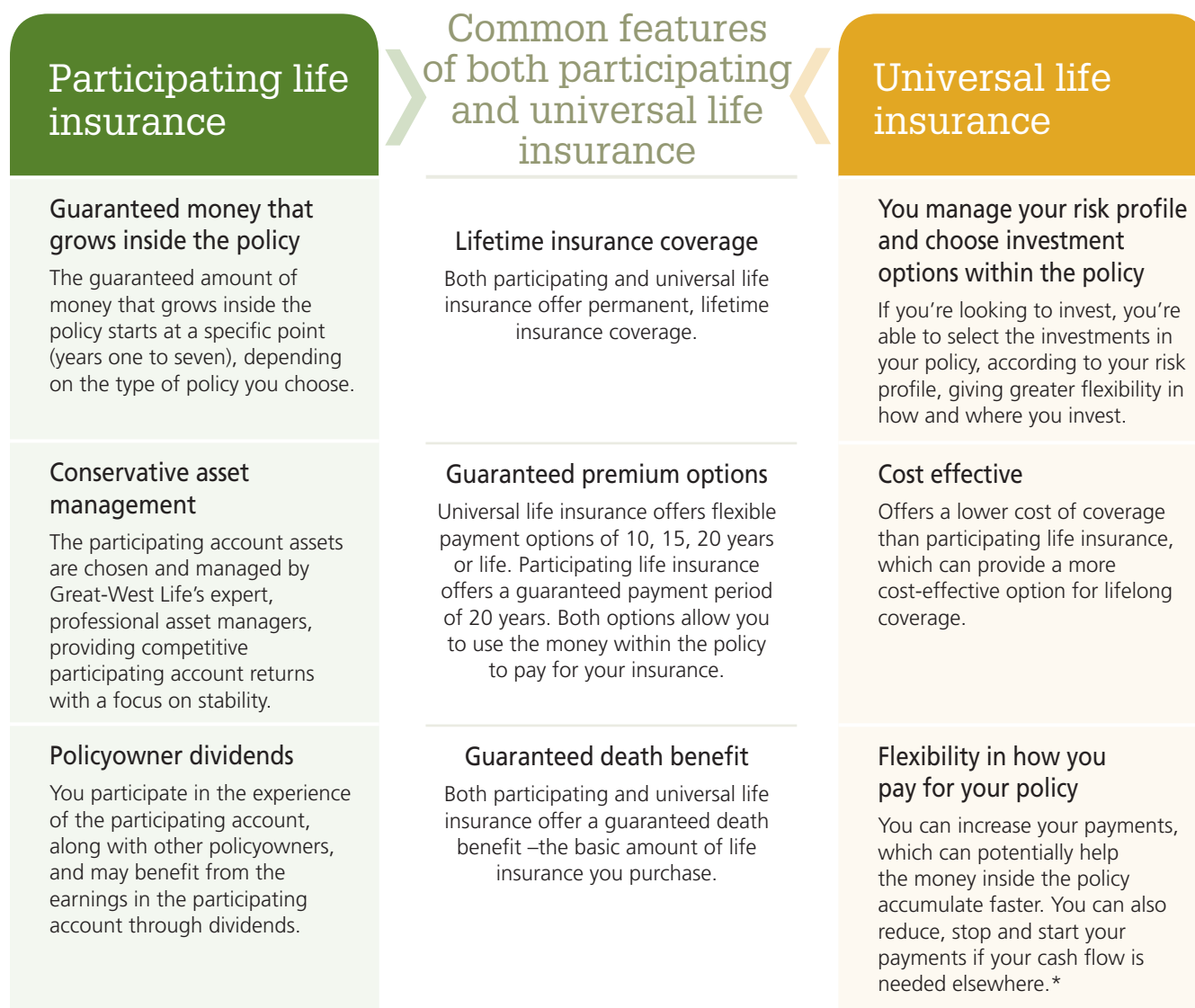
THE
Great-West Life
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Permanent life insurance – matching your needs with the right solution

Permanent life insurance can be a great addition to your financial security portfolio. However, insurance isn't a one-size-fits-all solution. There are different product options to consider before making a decision.

Two types of permanent life insurance are universal life insurance and participating life insurance. Both offer lifetime coverage and tax-advantaged cash growth opportunity, but they're structured differently. Knowing what these differences are, and how they could affect your portfolio, are important considerations so you can choose which one best suits your needs, risk profile and comfort level.

To help you find which option is best for you, let's first consider what you're looking for with permanent life insurance.



* The ability to reduce or stop payments isn't guaranteed and is dependent on there being sufficient cash value in the policy to pay for policy charges. Insufficient cash value in the policy to pay for policy charges will cause the policy coverage to end.

Life insurance that suits you

Here are some key questions to help determine which option may best suit your needs.

What's my monthly cash flow?

- If you have a consistent income, participating life insurance provides a guaranteed premium that's easy to budget for.
- If your income is cyclical, universal life insurance provides you with flexible payment options. You can pay more up front to compensate for times when your money may be tied up elsewhere.

How quickly can I pay for my coverage?

- With participating life insurance, the earliest guaranteed point you can have your policy paid for is in year 20. There's also the option to have dividends directed to pay for your insurance, which can offset the amount you pay out of pocket. This means you may be able to pay for your policy earlier, though the year this could happen can vary.
- With universal life insurance, you can choose to have your policy guaranteed to be paid up at year 10, year 15, or year 20, and never be required to pay again. In some scenarios, you can also pay the policy in full, as early as year seven, depending on the investments within the policy.

How much do I want to know about my insurance?

- Although the management of participating life insurance is transparent, you don't see the day-to-day performance. Participating account performance is reported quarterly. Costs in the policy are also bundled together.
- With universal life insurance you see everything. You know where your payments go – administration fees, how much you pay for each dollar of insurance and any fixed expenses. You also see interactions because they're managed day-to-day.

How much control do I want to take in choosing my investments?

- With participating life insurance, investment managers from the company manage the participating account. You prefer letting the experts continue to manage the investments in the account. They select and manage the investments to a stable, conservative performance.
- With universal life insurance, returns are based on the investments you choose from the options under the policy. If you're more comfortable choosing how your money is managed, universal life insurance may be ideal for you. You can customize how and where your funds are directed.

How comfortable am I with ups and downs in my portfolio?

- Participating life insurance is like a fixed income type of asset. The investments in the participating account are invested to an approximate weighting of 20 per cent equities and 80 per cent fixed income, providing stable returns.
- Universal life insurance has the option to have more of the account returns based on equities (stocks), since you choose how your universal life insurance account value is managed. If you're comfortable with more variability in your returns, because of the potential upside in returns, you can be more equity-based in your choices. You can also choose a conservative or balanced weighting - the choice is yours.



Participating life insurance



Universal life insurance

Make an informed decision

Now that you have a general understanding of both participating life insurance and universal life insurance, talk with a financial security advisor about permanent life insurance so they can help you determine which option best suits your unique situation.



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