

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

It's life insurance

When you die, your family, business or a charity receives an insurance payout.

Yours for life

When you buy insurance, whatever amount you purchase is guaranteed for your lifetime and your insurance payments (called premiums) won't go up, no matter your age.¹

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 a few examples.²

Potential dividends

When you buy participating life insurance, you share in the experience of the participating account with everyone else who owns a Great-West 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 cash value)

- Reduce (or even stop) insurance payments
- Take your dividends as cash³

Tax advantages

Your policy's cash value grows tax-free, while inside the policy and subject to government limits. When you die, people and/or organizations you've named⁴ receive the insurance payout tax-free.

Flexibility

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

Loan

You may borrow, with interest, from your policy's cash value and eventually pay it back. Cash value continues to grow as if you hadn't taken out the money.²

Withdrawal

You can permanently withdraw funds from your policy's cash value. However, this decreases your policy's cash value as well as the size of your insurance payout, and you may have to pay taxes on what you withdraw.

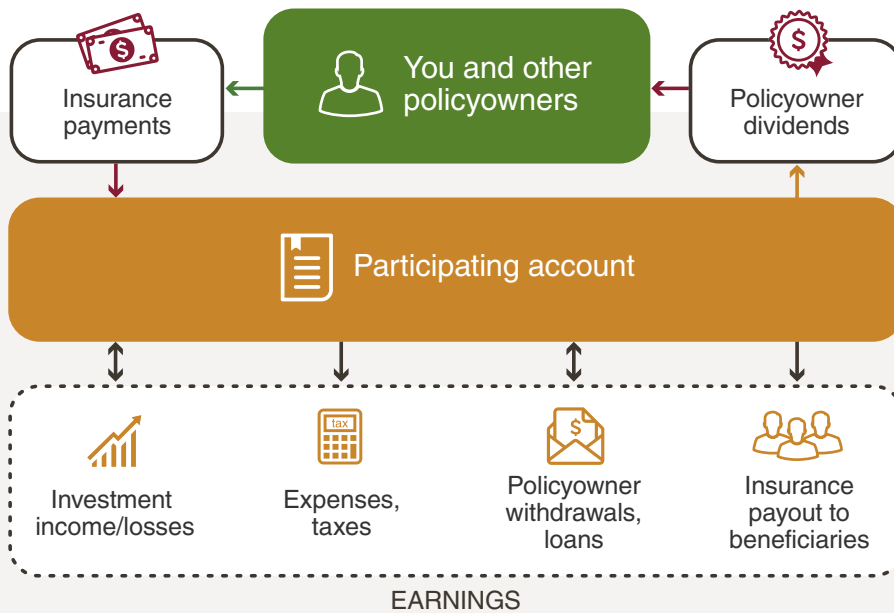
¹ Assuming you make required insurance payments (called premiums)

² You may have to pay taxes on funds withdrawn or borrowed from your policy. In addition, any withdrawals or loans will decrease the size of your insurance payout.

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

⁴ As long as you don't choose your estate. If you do, your estate will have to pay taxes.

The participating account



The participating account is the engine of participating life insurance. Participation in the account is what makes it unique and valuable.

How it works

1

Your **insurance payments**, together with the insurance payments from all other Great-West 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 at the time of pricing, which may include but aren't limited to **investments, expenses and taxes, policyowner withdrawals and loans** and **insurance payouts**, **earnings** are generated for the **participating account**.

3

When **earnings** exceed the amount needed to meet guarantees and commitments policyowners may be able to 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 financial security 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 greatwestlife.com.

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