

NOT FOR CLIENT USE

UNIVERSAL LIFE INSURANCE

Put clients in **THE DRIVER'S SEAT**

Flexible, cost-effective solutions –
wherever life takes them



THE
Great-West Life
ASSURANCE  COMPANY

Start here for solutions that fit

Start your engines

Drive your business with Great-West Life universal life insurance, our most cost-effective permanent life insurance option.

It's a great fit for clients who want permanent protection, flexible payment options and the ability to choose how their money is allocated to investments.

Use this quick reference to learn about:

Product features

Opportunities and advantages with Great-West Life universal life insurance

STEP 1: Payment options (also known as cost of insurance options), including **new annually increasing payments to age 85**

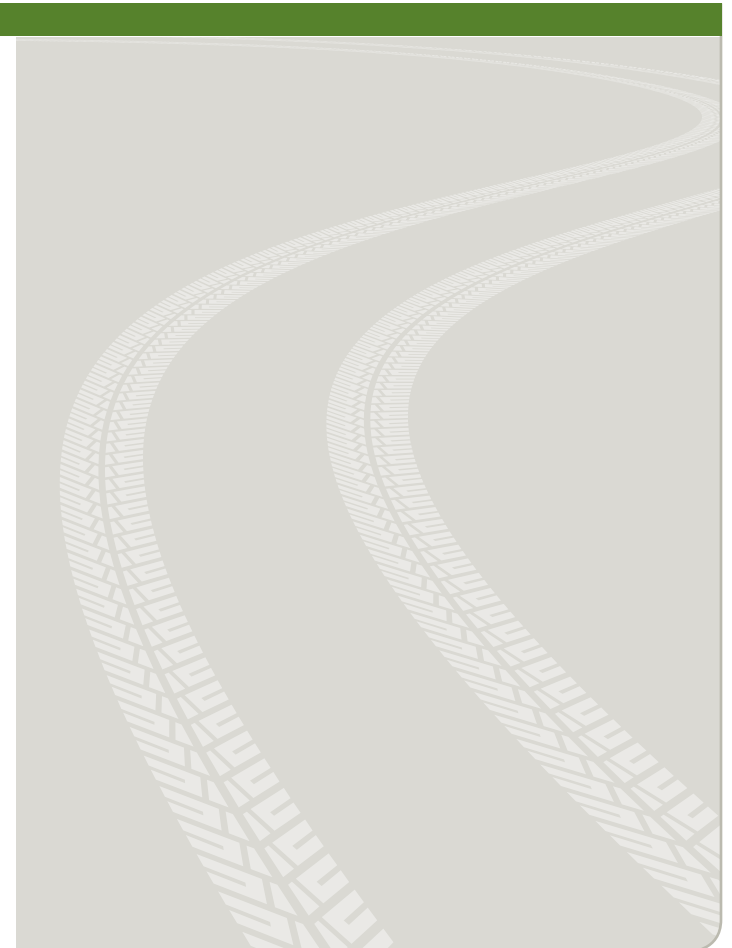
Advantage: Annually increasing payments to age 85

STEP 2: Payout options (also known as death benefit options)

STEP 3: Putting it together: Combining payout options and payment options to meet client priorities



SIMPLY SPEAKING We're committed to helping Canadians understand our products, so we've simplified how we talk about life insurance. You'll see new language in this quick reference that you can use with clients today.



Conversations with clients

Let's talk about Great-West Life universal life insurance



Product features

KEY BENEFITS

- **Permanent protection** – The policy stays active for life, as long as the required payments are made
- **Cost effective** – Generally costs less than other types of permanent life insurance
- **Flexible** – Increase, decrease or stop payments, based on cash flow and the policy's account value
- **Choice** – Choose how money inside the policy is allocated to investments, based on financial objectives and risk tolerance
- **Customizable** – Choose from multiple combinations of payment and payout options, plus opportunities to add riders and benefits, and switch payment options as needs change
- **Tax benefits** – The policy's account value can grow tax free while inside the policy, subject to government limits

FOR CLIENTS WHO...

- Want to convert term life insurance to a cost-effective permanent solution
- Have maxed out their registered retired savings plan (RRSP) and tax-free savings account (TFSA) contributions and want insurance protection with tax-advantaged alternatives to non-registered investments
- Want an active role in how their money is allocated to investments and can tolerate some financial market risk and volatility
- Need coverage that matches their needs now – and can change later, as their needs change
- Want to diversify their portfolio and optimize their net worth or legacy

Opportunities and advantages with Great-West Life universal life insurance



- Universal life insurance can change as client’s needs change, creating opportunities for you along the way.
- We’re one of the few companies to offer limited-pay in 10-, 15- and 20-year options.
- Clients can choose from a variety of investment options to suit their investment needs and risk tolerance.
- Clients can switch to a variety of payment options, not just one, like most other companies.
- If there’s a separation or divorce, each insured person listed under a joint first-to-die policy can get single-life coverage at their current age (with annually increasing payments to age 85 or level payments).

Make the switch: When needs change, offer flexibility

Clients starting with these payment options...		Can switch to these payment options, as long as risk does not increase
Annually increasing payments to age 85	▷	Level payment or limited-pay (10, 15 or 20 years)
Level payment	▷	Limited-pay (10, 15 or 20 years)



HELP CLIENTS CONVERT FROM TERM TO PERM

Show clients the benefits of converting to a permanent universal life insurance policy, now and in the future. Go to KeySource for the *Convert term life insurance for long-term planning tool*. It’s a great way to demonstrate how universal life insurance can change along with life’s priorities.

STEP 1

Payment options: Planning the journey

**NEW** Payment option **A** **Annually increasing payments to age 85****KEY BENEFITS**

- Required payments increase each year and stop at the policy anniversary closest to the client's age 86. Premium tax changes may also increase required payments.
- Lower required payments in the early years offer two benefits:
 - Clients wanting to pay more than the minimum can direct more money to their investment options in the early years. This can build account value tax free within the policy, subject to government limits, and offer access to cash sooner or the flexibility to reduce or stop payments.
 - Clients who can only afford the minimum payment in the early years get permanent insurance at a cost-effective price.
- Payments increase each year, so at some point, clients should consider switching to level payments to lock in a set rate.

FOR CLIENTS WHO...

- Are willing to accept some market risk and are comfortable actively managing their investments
- Are focused on short-term growth and maximizing the policy's account value in the early years
- Have maxed out their RRSP and TFSA contributions and are looking for tax-advantaged alternatives to non-registered investments
- Want to aggressively fund their payments in order to maximize the policy's account value
- Want permanent insurance protection, but can't afford the level payments or limited-pay options in the early years
- Want to build a cash reserve to supplement retirement income
- Have cyclical cash flows and want flexibility to increase or decrease payments

Advantage:

Annually increasing payments to age 85



The new payment option, annually increasing payments to age 85, is slightly different than the old annually increasing payments to age 100 option.

Here's how this new payment option compares:

- Required payments increase each year and stop at the policy anniversary closest to the client's age 86, instead of age 100, and the policy is paid up.
- Required payments are spread over fewer years, resulting in slightly higher required payments.
- Those who live beyond age 85 don't need to worry about making payments in their later years.



Payment option **B** Level payments

KEY BENEFITS

- Required payments remain the same over the life of the policy and are guaranteed not to increase. Premium tax changes may also increase required payments.
- Clients have flexibility to increase their payments to build their policy's account value.
- Over time, clients may have the flexibility to reduce or stop payments if the policy's account value grows large enough to pay for the coverage.

FOR CLIENTS WHO...

- Want consistent payments for the life of the policy
- Want simplicity and a guarantee that payments won't increase (premium tax changes may increase required payments)
- Aren't as concerned with maximizing growth of the policy's account value and coverage

Payment option **C** Limited-pay (10, 15 or 20 years)

KEY BENEFITS

- This payment option guarantees fixed required payments for 10, 15 or 20 years. Premium tax changes may also increase required payments.
- Clients have the flexibility to increase their payments, or extend them beyond the limited-pay period, to build account value (subject to government limits).
- The policy has a guaranteed cash value, starting at the end of year 5.
- There are no surrender charges.
- After the set payment schedule is complete, the policy is guaranteed to be paid up. If there is enough account value, clients have the flexibility to reduce or stop payments within the payment period.

FOR CLIENTS WHO...

- Want consistent payments for the specified premium period
- Want a guaranteed payment period and guaranteed cash value
- Are focused on maximizing coverage to build a legacy and can afford higher payments
- Want the option to make payments beyond the limited-pay period, to increase the policy's account value and tax advantages, subject to government limits
- Want a permanent policy paid-up in a short time period

STEP 2**Payout options:**
Reaching the destination**Payout option A Coverage Plus payout****KEY BENEFITS**

- On death, the policy pays out the coverage amount plus the policy's account value.
- Over time, the payout can grow if the policy's account value grows.
- If the account value decreases due to a decrease in investment returns or a cash withdrawal, the total payout also decreases.
- The coverage amount is guaranteed, as long as required payments are made. Growth of the policy's account value is not guaranteed.
- Over time, clients may have the flexibility to reduce or stop payments if the policy's account value grows large enough to pay for the coverage. The account value can grow if:
 - The investment options perform well
 - Clients make larger payments than the minimum required

FOR CLIENTS WHO...

- Want basic permanent protection for long-term needs
- Want to grow account value to maximize the amount they leave to their family, business or charity of choice
- Want to access the policy's account value in their lifetime
- Have maxed out their RRSP and TFSA contributions and are looking for tax-advantaged alternatives to non-registered investments
- Want to actively control the policy's investment options
- Expect their insurance needs to change and want flexibility

Payout option **B** Level payout

KEY BENEFITS

- Available only with annually increasing payments to age 85
- On death, the policy pays out the coverage amount or the total account value, whichever is greater.
- Required payments are based on the difference between the coverage amount and account value, which is known as the net amount at risk.
- If the policy's account value decreases (due to a decrease in investment returns, for example) the net amount of risk will increase. Coupled with yearly renewable term rates, this increases the cost to maintain a level payout.
- Over time, clients may have the flexibility to reduce or stop payments if the policy's account value grows large enough to pay for the coverage. The account value can grow if:
 - The investment options perform well
 - Clients make larger payments than the minimum required

FOR CLIENTS WHO...

- Want permanent protection for long-term needs
- Want to take advantage of lower cost of insurance charges in the early years to maximize the tax-advantaged growth in the policy, subject to government limits
- Want cost-effective coverage early on
- Don't expect their insurance needs to increase



STEP 3

Putting it together:

Creating a roadmap for each client journey

COMBINATION A Annually increasing payments to age 85 + Coverage Plus payout or level payout			
Client priority	Time-frame	Individual scenarios	Business owner scenarios
Grow account value short term	Short term	<ul style="list-style-type: none"> • Clients who can tolerate some risk and can afford the target-to-maximum payment today and want to access the policy’s account value for future expenses, such as a child’s post-secondary education or supplementing retirement income 	<ul style="list-style-type: none"> • Flexibility to withdraw cash or borrow against the policy to grow the business, or if something unexpected happens • Use account value within the policy to demonstrate an asset on the balance sheet to secure a loan, for example
Cost-effective payments in the early years	Short to mid-term	<ul style="list-style-type: none"> • Young family looking for cost-effective permanent insurance protection now, with flexibility to increase payments and switch to level or limited-pay payments as disposable income grows <p>> Learn more Read about Stephanie and Mark’s financial wellness strategy on Your Key Connection</p>	<ul style="list-style-type: none"> • Owners of a new business looking for cost-effective insurance protection today, with flexibility to increase payments as the business grows
Flexibility to increase, decrease or temporarily pause payments	Short to mid-term	<ul style="list-style-type: none"> • Individuals with fluctuating income wanting to make additional payments when income is higher, or make only minimum payments when income is lower 	<ul style="list-style-type: none"> • Businesses with cyclical cash flows wanting to make additional payments when cash flow is higher, or make only minimum payments when cash flow is lower <p>> Learn more Read about Natura Garden’s business strategy on Your Key Connection</p>
Tax-advantaged investment options NOTE: Using level payout typically provides more room for overfunding	Short to mid-term	<ul style="list-style-type: none"> • Affluent clients who have maxed out their RRSPs and TFSAs and are looking for a tax-advantaged alternative, and can afford to aggressively fund their policy 	<ul style="list-style-type: none"> • Owners of a successful business who want tax-advantaged growth and can afford to aggressively fund their policy
Long-term growth of policy’s account value (without a compressed payment period)	Long term	<ul style="list-style-type: none"> • Couple with a fixed insurance need who want to grow account value to supplement retirement 	<ul style="list-style-type: none"> • Flexibility to withdraw cash or borrow against the policy to grow the business, or if something unexpected happens

COMBINATION B Level payments + Coverage Plus payout			
Client priority	Time-frame	Individual scenarios	Business owner scenarios
<p>Build cash savings</p> <p>Access cash in the future</p>	Mid-term	<ul style="list-style-type: none"> Affluent clients with significant capital Withdraw cash to help pay for a major expense such as a child’s post-secondary education, a down payment on a house or a family cottage Borrow against the policy to cover unexpected expenses 	<ul style="list-style-type: none"> Flexibility to withdraw cash or borrow against the policy to grow the business, or if something unexpected happens Use account value within the policy to demonstrate an asset on the balance sheet to secure a loan, for example
<p>Low-risk permanent insurance protection with predictability and consistency</p>	Long term	<ul style="list-style-type: none"> Mature couple looking for simple permanent insurance to cover estate and capital gains taxes on investments Retirees on a fixed budget Young family looking for basic permanent protection with consistent payments for the life of the policy <p>> Learn more Read about Ajay and Munira’s strategy for basic permanent protection for their young family</p> <ul style="list-style-type: none"> Young family wanting to convert from term to permanent insurance <p>> Learn more Read about Stephanie and Mark’s financial wellness strategy on Your Key Connection</p>	<ul style="list-style-type: none"> Owners of a growing business looking for permanent insurance with guarantees Collateral for a long-term loan Professionals or business owners wanting to protect their business if a key person or partner leaves (buyout) or dies – income is steady, but expected to increase <p>> Learn more Read about Natura Garden’s business strategy on Your Key Connection</p>
<p>Grow coverage long term</p>	Long term	<ul style="list-style-type: none"> Asset transfer – Parents looking for a growing, low-maintenance asset to create a legacy for their adult children <p>> Learn more See how the <i>Asset transfer</i> + strategy can work for your clients. Also check out the <i>Value of insurance</i> strategy on KeySource.</p>	<ul style="list-style-type: none"> Grow the payout as the business grows Succession planning – Transfer business to children if owners die before retirement Estate equalization – Provide for children who aren’t involved in the business <p>> Learn more See how <i>Corporate asset transfer</i> + can work for your clients</p>

COMBINATION C Limited-pay (10, 15 or 20 years) + Coverage Plus payout			
Client priority	Time-frame	Individual scenarios	Business owner scenarios
<p>Pay up the policy as quickly as possible</p> <p>NOTE: Quick pay strategies under 8 years will require side-account activity</p>	Short and long term	<ul style="list-style-type: none"> • Mature couple nearing retirement that wants to pay off their policy before their cash flow is reduced • Children’s policies – Parent/grandparent wanting to contribute to the child’s future • Cascading strategy – Pay policy quickly and transfer assets to grandchildren tax free <p>> Learn more Read about Mary and Elliott’s strategy to contribute to their grandchildren’s future</p> <p>> Learn more Check out KeySource to see how the <i>Cascading insurance</i> strategy can work for your clients</p>	<ul style="list-style-type: none"> • Owners of an established practice or business wanting to protect their business if a key person or partner dies – income is high and steady <p>> Learn more See how the <i>Funding a buy/sell agreement</i> strategy (available on KeySource) can work for your clients</p>
<p>Low-risk permanent insurance protection with guaranteed account value</p>	Long term	<ul style="list-style-type: none"> • Affluent clients who can afford higher, condensed payments and want permanent insurance with a guaranteed account value • Simple, permanent insurance to cover estate and capital gains taxes 	<ul style="list-style-type: none"> • Owners of an established business who can afford higher, condensed payments, and want permanent insurance with a guaranteed account value
<p>Maximize death benefit</p>	Long term	<ul style="list-style-type: none"> • Affluent clients with significant capital looking to maximize their legacy or give to their favourite charity 	<ul style="list-style-type: none"> • Business owners looking for a tax-efficient way to manage significant capital