



Millennium universal life insurance



Permanent protection that can change with you



Millennium universal life insurance

Over the years, you've worked hard to build the lifestyle you enjoy today. You've made decisions that meet your investment style and financial objectives.

At Canada Life™, we haven't forgotten the whole point of financial planning: to provide you and your family with the security to enjoy life to the fullest. Canada Life's *Millennium universal life insurance* combines permanent life insurance protection with the opportunity to accumulate tax-advantaged savings for you and your beneficiaries. In fact, it may be the only insurance policy you'll ever need.



Do I really need life insurance?

Most people do.

Life insurance helps to create security for you and your family.

When you die, life insurance can:

- Pay final expenses and any debts you may have
- Provide an income for your family
- Ensure your family has the resources to maintain a comfortable standard of living
- Pay taxes owing on your estate, so more of your estate is transferred to your children and grandchildren
- Leave a legacy to your favourite charity

While you are still living, it can:

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

However you look at it, *Millennium universal life insurance* is a valuable part of your financial plan.

Permanent protection that can change with you

Flexibility

Millennium may be the only life insurance policy you will ever need. As your family, business and individual needs change, it has the flexibility to change with you.

It offers versatile, permanent life insurance protection with a tax-advantaged savings component. Because it's flexible, it allows you to customize your insurance coverage to fit your lifestyle, budget and financial goals.

Tax-advantaged savings

The total account value in your *Millennium* policy grows on a tax-advantaged basis. In addition to this, you can enjoy the advantages of the Millennium Accumulator option, which can be used to maintain your life insurance coverage while maximizing tax-advantaged savings.

The insurance proceeds paid to your beneficiary upon your death are tax-free and may include the total account value you have been accumulating over the years.

Choose your style of interest options

Choose *Millennium* with client bonus or without:

- *Millennium* with client bonus enhances the interest crediting rate, based on the amount of money you invest in the second policy year, and regardless of funding levels beginning in the 10th policy year.
- *Millennium* without client bonus has lower interest option fees associated with the interest options. For a comparison of *Millennium* interest option fees, see the *Millennium universal life* daily, monthly and historical returns report on www.Canadalife.com

You can also use Canada Life's *Millennium universal life insurance risk profile questionnaire* to help you select interest options that match your risk and return goals. You can create a mix of interest options individual to you or use one of our five profile options to give you the level of risk and diversification you are seeking, without the need for daily management.



Cost of your protection

Part of the premium you pay into your *Millennium* 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 an individual's age. *Millennium* allows you to manage this increase with five cost of insurance options.

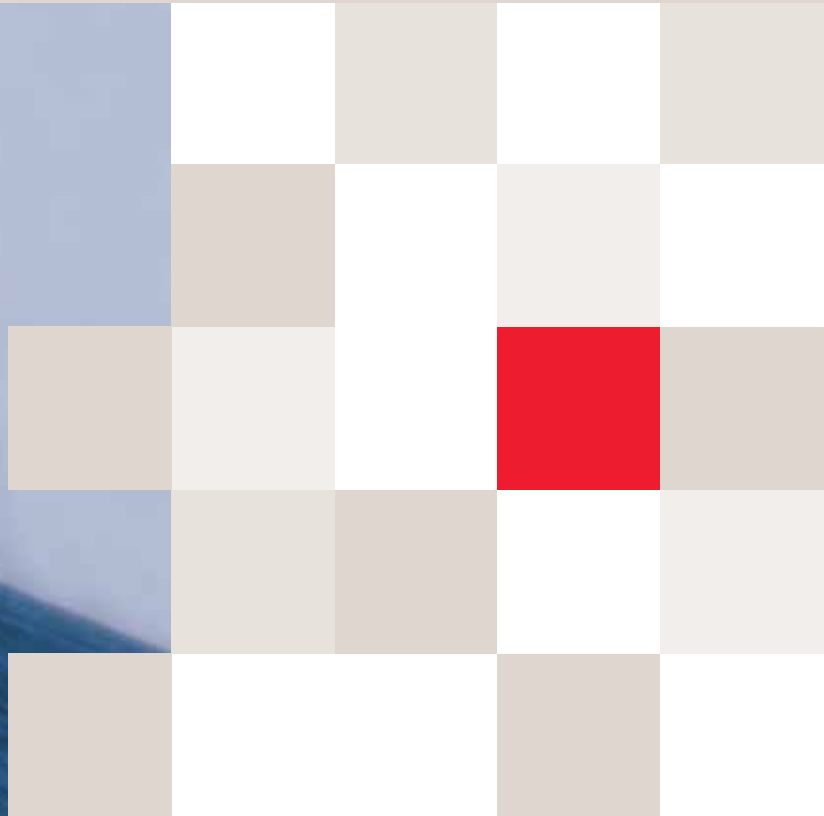
Limited-pay cost of insurance

The limited-pay cost of insurance rate offers a set cost of insurance period (10, 15 or 20 years), guaranteed for the duration of the coverage. It provides guaranteed cash values starting at the fifth coverage anniversary. This coverage, and therefore the guaranteed cash value, can be reduced to the level appropriate for your coverage amount and duration.

As long as you pay the required charges during the required period (10, 15 or 20 years), the associated death benefit amount is guaranteed. If you pay additional premiums over the required charges or after your pay period has ended, your death benefit includes the guaranteed death benefit and the total account value.

Annually increasing cost of insurance

The annually increasing cost of insurance increases as your age increases, but the rate schedule is guaranteed for the duration of the coverage. It starts out lower in the early years, allowing you to accumulate more of your premium in your chosen interest options and to accelerate the growth in your total account value in the early years.



Level cost of insurance

The guaranteed level cost of insurance rate is locked in for the duration of the coverage. It allows you to spread your insurance costs evenly over the life of the policy.

Change cost of insurance options

Changing from annually increasing cost of insurance or level cost of insurance to limited-pay cost of insurance

- You can switch your cost of insurance option from annually increasing or level to limited-pay whenever you want, subject to the rules and limits in your contract.

Changing from annually increasing cost of insurance to level cost of insurance

- You can switch your cost of insurance option from annually increasing to level whenever you want, subject to the rules and limits in your contract, to level out your insurance costs. At the time of the switch, then current rates for the insured's attained age apply.

Your advisor can help you select the cost of insurance option or combination of options that best suits your needs.

Millennium offers a choice of two types of protection

Level death benefit

The level death benefit pays your beneficiary either the insurance face amount or the total account value, whichever is larger. In both cases, the payment is reduced by any indebtedness to Canada Life (e.g., under a policy loan). As your total account value increases, that value becomes a larger portion of your death benefit, reducing the insurance component and, therefore, the cost of your insurance coverage. If at any time your total account value decreases, due to a decrease in the mutual funds used as an index, your insurance coverage increases, as does the associated cost, to maintain your level death benefit. This benefit is ideal if your insurance needs aren't likely to increase. It's also flexible if you want to maximize your total account value in the early years and either reduce the cost of insurance or plan to change to the coverage plus death benefit option and level cost of insurance in the future.

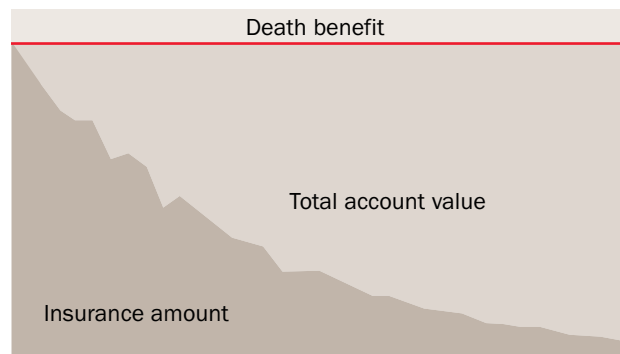
Coverage plus death benefit

The coverage plus death benefit pays your beneficiary the insurance amount plus the total account value. The payment is reduced by any indebtedness to Canada Life (e.g., under a policy loan). As your total account value grows, it's added to your life insurance coverage, rather than reducing your insurance cost,

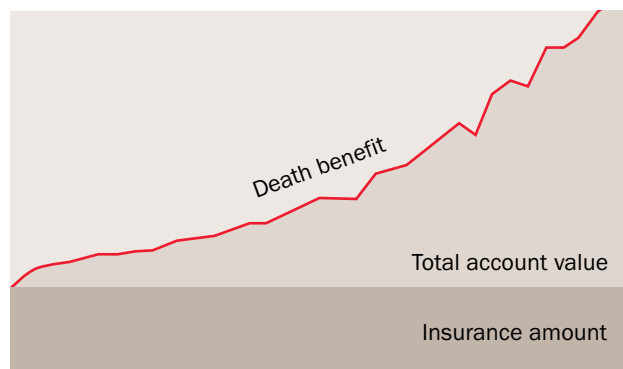
resulting in a death benefit that grows over time. Although your coverage can increase, there is no change in how your cost of insurance charges are determined. Consider this option when your insurance needs are likely to increase, or if your objective is to accumulate tax-advantaged savings and you plan to use level or limited-pay cost of insurance.

A comparison

Level death benefit



Coverage plus death benefit



Adjust your protection as your needs change

Millennium lets you change 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 to the coverage plus death benefit
- Adding a benefit or rider

Insure more than one individual

Multiple lives benefit

You can insure up to five additional lives under your *Millennium* policy, each with its own permanent life insurance coverage and the possibility of a separate beneficiary. You can remove one or more of these lives and add new lives in their place (with evidence of insurability) at any time. You can structure your multiple lives coverage in a way that is most appropriate to your situation.

Joint coverages

The following assumes two lives jointly insured. More than two lives may be possible, subject to additional underwriting.

Joint first-to-die

This coverage covers two people and provides a death benefit on the first death of the lives insured. The survivor has the option to purchase insurance in an equal amount, based on his or her attained age at that time, without evidence

of insurability. Consider this coverage when insuring a debt such as a mortgage or a loan, or for providing income replacement.

Joint last-to-die

This coverage covers two people and provides a death benefit on the last death of the lives insured. It's often used for estate preservation, such as providing cash to cover the taxes on capital gains and other taxes that arise at death on RRSPs, RRIFs and property. For eligible joint last-to-die coverages, Canada Life also offers a benefit on first death option, which allows a beneficiary to receive a portion of the policy's existing total account value upon the first death of the lives insured.

Change from joint first-to-die to joint last-to-die

You have the option to change your joint first-to-die policy to joint last-to-die for annually increasing and level cost of insurance options. In addition, at the time you change your coverage to a joint last-to-die policy, you may elect a percentage of your total account value to be paid on the first death of an insured. Alternatively you can change your joint first-to-die coverage to two single life coverages, each for 50 per cent of the net amount at risk. As your needs change, from covering debts and providing income protection to estate planning, your insurance coverage can change too. It's easy and it can be very cost effective.



Survivor benefit for joint first-to die

Millennium's survivor benefit option allows the surviving life insured on a joint first-to-die coverage to purchase a new *Millennium* policy within 60 days at attained age, without evidence of insurability. This benefit also automatically provides temporary coverage on the life of the survivor, equal to the net amount at risk of the coverage, for up to 60 days.

Exchange a joint first-to-die policy to two single life policies

Without providing evidence of insurability, two lives under a joint first-to-die policy (annually increasing or level cost of insurance) have the option to exchange to two new single life policies. Each insured can keep up to half the joint coverage amount (net amount at risk) of the original joint coverage. The exchange can be made for any reason before year five, after which exchanges are allowed within 60 days of legal separation or partnership dissolution. The new single life coverage can be added to an existing policy or to a new non-par permanent policy offered at the time the exchange is completed.



Expense charges and fees

A guaranteed expense charge of \$10 is deducted from your policy each month. If you chose to invest in a variable interest option, an interest option fee is also deducted from the returns of the variable interest options. The \$10 expense charge ends when the cost of insurance charges for the guaranteed cost of insurance duration chosen for the limited-pay cost of insurance (10, 15 or 20 years), or to age nearest 100 for annually increasing or level cost of insurance options, have been paid on the base coverage for the primary insured.

Premiums

Millennium allows you to choose the amount of premium you wish to pay, within the minimum and maximum premium defined in the contract. The maximum premium is set to keep the policy exempt from taxation. It changes from year to year. The minimum premium is set based on your age, gender and smoking status. As your total account value accumulates, you may have the flexibility to reduce or suspend out-of-pocket premium payments without jeopardizing your insurance coverage. However, in the future, depending on the interest earned and the level of the total account value in your policy, you may be required to resume out-of-pocket premium payments.

Premium tax

Provincial premium tax is deducted from each premium and lump-sum payment before the payment is credited to the policy's total account value. While premium tax is not deducted from funds credited to the Millennium Account, it is deducted from transfers from the Millennium Account to the policy. This tax varies by province.

Premium allocation

After the applicable provincial premium tax is deducted, your premium is allocated to the interest options you select, according to percentages you stipulate. You may also make lump-sum premium payments into your policy at any time. There are no other charges applied to the premium before it is allocated to your chosen interest option.

The cost of insurance, premiums for riders and other benefits, and the monthly expense charge are drawn every month from your total account value, in accordance with the withdrawal provisions of your policy and the administrative processing order. For withdrawals from a similar group of accounts, our current practice is to make withdrawals on a pro-rated basis, according to the current dollar value of each interest option. This means that if the value of one of your interest options declines in a particular month, the proportion of the deduction from that option decreases as well. Your policy has specific provisions covering what happens should the total account value be insufficient to cover the required monthly deductions.

Premium paying period

Premiums can be paid for the entire life of the policy. The limited-pay cost of insurance option guarantees the amount of the cost of insurance charges for the chosen period, as long as the investment option chosen is a guaranteed interest option. If the premium paying period isn't monthly, and the investment option chosen is variable, and returns are negative, you may need to pay additional premiums to fund the cost of insurance charges. During the limited-pay cost of insurance period, you have the option to pay premiums in excess of the amount required for the limited-pay cost of insurance. After the cost of insurance period ends, you have the option to continue to pay premiums. Both of these actions enhance the tax-advantaged cash accumulation in the investment component and, therefore, increase the death benefit under the coverage plus death benefit option.

Millennium Account

Canada Life may monitor your premium payments as part of its overall efforts to help ensure that your policy remains exempt from accrual taxation. If you wish to pay a premium in excess of the maximum premium allowable for your policy, and if Canada Life is aware that the premium is in excess, Canada Life deposits this excess directly into the Millennium Account, a premium account that is separate from your insurance policy and provided under a separate contract.

The funds in your Millennium Account can be invested at a daily interest or five-year guaranteed interest rate. Since the Millennium Account is separate from the insurance policy, any interest income generated by these investments is fully taxable. Canada Life transfers funds from your Millennium Account to your policy to accelerate the growth of your tax-advantaged total account value, provided these payments do not cause the maximum premium allowable for your policy to be exceeded, based on the current tax legislation and its rules for exemption from accrual taxation.

Millennium Accumulator – additional tax advantages

Millennium is designed to ensure that any growth of the policy's total account value remains exempt from accrual taxation under current legislation. If you wish to maximize your tax-advantaged savings, you can add the Millennium Accumulator option. This provides for adjustments to your insurance amount that allow you to enhance the tax-advantaged accumulation within your life insurance policy. The Millennium Accumulator may automatically increase your policy's insurance component by as much as eight per cent each year to maintain your policy's tax-exempt status. You can elect to have it also decrease your insurance amount, when appropriate, to reduce the cost of insurance charges and enhance the accumulation in your total account value.

Client bonus

Millennium is available with client bonus and without. Policyowners who select *Millennium* 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. This can begin as early as policy year two, if you are making significant premium payments to your policy, or if your total account value exceeds certain minimum thresholds.

The dollar amount of the guaranteed and funding bonuses is not guaranteed, as your policy total account value will fluctuate. The client bonuses do not apply to funds held in the Millennium Account.

Your advisor can help you decide which version of *Millennium* you should choose – with client bonus or without. *Millennium* without client bonus has lower interest option fees.



Interest options

Millennium offers you a diverse selection of interest options. You can develop an interest option mix to suit your investment objectives and your risk tolerance. When selecting your interest options, you should consider the volatility of each interest option. Choose from the following interest options currently available with *Millennium*.

Daily interest option

This earns daily interest that is credited monthly.

Guaranteed interest options

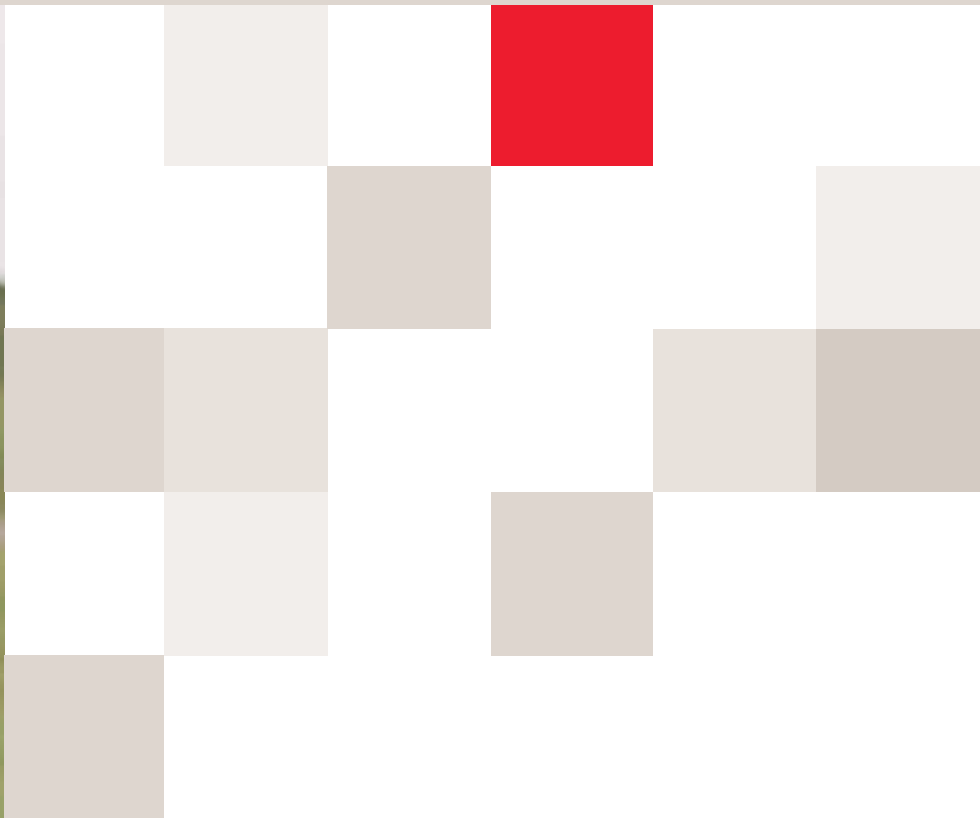
Compound interest guaranteed interest option.

The balance in the guaranteed interest option earns at least the annual guaranteed interest rate until the end of the term. Interest is credited daily. The compound interest guaranteed interest option 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. When the guaranteed interest option matures, the principal and interest are reinvested automatically in the same guaranteed interest option type and duration.

The minimum amount required to establish a guaranteed interest option is \$25.

Current minimum interest rate guarantees can be found at www.canadalife.com under universal life insurance rates and values.



Market value adjustment

A market value adjustment may apply on any cash withdrawal or surrender from the policy. Market value adjustments apply only when the guaranteed interest option has been elected and current interest rates for similar terms have increased. Transfers from the guaranteed interest option made by Canada Life to pay the cost of insurance charges and plan fees or to maintain the tax-exempt status of your policy, are not subject to a market value adjustment.

Variable interest options

Returns credited on variable interest options 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

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

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.

Profile options

Complete Canada Life's *Millennium universal life insurance risk profile questionnaire*, which asks about the amount of investment risk you're comfortable with and helps balance it with your financial objectives and circumstances. Based on your responses,

it suggests a *Millennium* profile option, ranging from conservative to aggressive, designed to help you achieve your goals.

For more information on *Millennium's* interest options, refer to Canada Life's *Millennium universal life interest options* folder or www.Canadalife.com under universal life insurance rates and values.

Adjust your interest options as your needs change

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

Access 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 policy loans. If you have more than one interest option, you must give Canada Life 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 decreases by the amount of the total account 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 policy gain that you have to report may arise 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 to cover any applicable surrender charges. When the limited-pay cost of insurance option is selected, and there is a guaranteed cash value, policy loans are available on that guaranteed cash value, if the total account value has been used up. The minimum policy loan is \$500. The loan is subject to a loan interest rate, which is set each policy anniversary by Canada Life.

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, Canada Life limits the amount in your variable interest options available for loan to 75 per cent of the value in these options. All or a portion of a policy loan may be taxable, depending on the adjusted cost basis of the policy when the loan is taken. Policy loan amounts that were taxed when taken may be deductible when repaid. Policy loan repayments may be made at any time.

Surrender

If you choose to surrender your *Millennium* policy, Canada Life deducts a market value adjustment (if applicable) and any outstanding loan balances from your total account value. For level cost of insurance, if you surrender your policy in the first nine policy years, Canada Life deducts a surrender charge as defined in the contract. You then receive the balance, known as the cash surrender value. A taxable policy gain may be reported for the year of surrender. For annual increasing cost of insurance, this applies if you surrender your policy in the first seven years.

No surrender charges apply for the limited-pay cost of insurance option.

Customize your coverage with benefits and riders

Millennium is flexible permanent insurance protection. It offers a broad range of benefits that can be added or removed as your needs change.

Disability lump-sum benefit

If you become totally disabled, as defined in the contract, this benefit is paid from a portion of the unloaned cash surrender value excluding guaranteed cash values minus six monthly deductions. This provision applies only to the primary or joint life insureds named in the policy. There are no cost of insurance charges for this benefit.

Simply Preferred[™] term life insurance riders

The *Simply Preferred term life insurance* riders provide low-cost additional term insurance protection to age 85. Premiums renew automatically every 10 or 20 years. Term 10 and term 20 riders may be converted to a permanent plan, up to the later of age nearest 70 or two years after the coverage issue date. These riders offer preferred risk rates for face amounts of \$250,000 and greater if you qualify. You save the policy fee and you increase the tax-advantaged amount within the whole policy.

Child's term life insurance rider

The Child's term life insurance rider provides term insurance protection on the children in your immediate family for a set annual premium. The amount of this coverage increases four per cent every year, and additional children are automatically insured 15 days after their birth. The coverage may be converted to a permanent or term plan for up to \$250,000 coverage for each child when he or she reaches a specified age.

LifeAdvance[™] and Child *LifeAdvance*[™] critical illness riders

The *LifeAdvance*[™] critical illness rider and the Child *LifeAdvance*[™] critical illness riders provide a lump-sum payment after the diagnosis by a doctor of any one of several conditions defined in the contract.



Automatic payment benefit on disability

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

If the insured is a minor, and the automatic payment benefit on disability is on the parent, a specified amount is deposited into the policy until the insured child's 25th birthday.

Automatic payment benefit on death

The automatic payment benefit on death provides that Canada Life pays a specified amount into your policy, determined at the time of application, if a joint insured or premium payor dies.

If the insured is a minor, and the automatic payment benefit on death is on the parent, a specified amount is deposited into the policy until the insured child's 25th birthday.

Accidental death benefit

The accidental death benefit provides that the beneficiary receives an additional death benefit in addition to the original base insurance amount, if the death of the covered insured 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. You (depending on issue age) can get up to \$1,200,000 additional coverage in the future without providing medical evidence.

Business growth protection rider (10 or 15 years)

The business growth protection rider gives business owners the option to purchase additional life insurance coverage at attained age to protect their business, without providing additional medical evidence of insurability.

This rider is designed to make it easier for business owners to increase their insurance when the value of their business grows.

Track your policy's progress

Canada Life sends 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 is performing. The total account value of your life insurance policy is also detailed in your annual statement, along with a summary of your insurance coverage.

Your advisor can help you review your coverage requirements and mix of interest options on a regular basis to ensure that *Millennium* continues to meet your long-term goals and changing circumstances.

Glossary of insurance terms

Adjusted cost base (ACB)

The total of the premiums you have paid, less the cumulative cost of pure insurance over the years, less all monthly charges for additional benefits and riders that are not for life insurance, less any charges for substandard ratings, less any policy loans taken in the past, less any withdrawals taken in the past, plus any policy gains in the past.

Beneficiary

The persons named by the policyowner to receive the death benefit when a life insured dies.

Cash surrender value

Your total account value minus any applicable surrender charges, indebtedness (e.g., a policy loan) and market value adjustments. This is the amount you receive if you cancel your policy.

Cost of insurance (COI)

The cost of insuring a particular individual for a certain coverage. It's based on the amount of coverage, the underwriting class, age, gender and tobacco consumption of that individual, as well as the type of cost of insurance chosen.

Death benefit

The total amount paid tax-free to the beneficiary on the death of a life insured.

The death benefit may include the investment component that you have been accumulating.

Evidence of insurability

Evidence submitted to Canada Life that is used to determine whether an individual is eligible for the insurance coverage applied for on 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.

Interest option

One of several accounts to which your premiums may be credited within your life insurance policy.

Life insured

The persons insured under the terms of the life insurance policy.

Policy

The contract document issued to you by Canada Life 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, obtain a policy loan, assign the policy to a financial institution as collateral for a loan, withdraw funds or surrender the policy for its cash surrender value.

Premium

The amount that you pay into the policy to maintain your insurance coverage and your investments.

Total account value

The sum of all the balances credited to the interest options in your policy, including interest. It doesn't include any guaranteed cash value from a limited-pay cost of insurance coverage.

Who should I call for service?

Your advisor. As your insurance and investment needs change over time, regular reviews of your coverage with your financial advisor help keep your *Millennium* policy on track with your objectives. You may want to keep this guide with your policy as a handy reference. You can also call Canada Life directly at **1-888-CLA-1847**. A client service representative will answer your questions and resolve any service issues you might have.

Why Canada Life?

The Canada Life Assurance Company provides insurance and wealth management products and services. Founded in 1847, Canada Life was Canada's first domestic life insurance company.

Twenty years prior to Confederation, Canada Life began serving the needs of the people that inhabited the land that would become Canada. More than 160 years later, through offices from coast to coast, Canada's first domestic life insurance company continues to provide Canadians and their families with financial protection. Canada Life is a subsidiary of The Great-West Life Assurance Company and a member of the Power Financial Corporation group of companies. Visit our website at www.canadalife.com.



In Quebec, advisor refers to a financial security advisor for individual insurance and segregated fund policies; and to an advisor in group insurance/annuity plans for group products.

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 CONTRACT WILL PREVAIL.

Helping people achieve more™