

iA Participating Life Insurance (iA PAR)

ENSURING THE GROWTH OF YOUR ESTATE



iA PAR

STRENGTH
DISCIPLINE
STABILITY

iA Participating Life Insurance (iA PAR)¹ is a permanent life insurance product that ensures the growth of your clients' estate in a tax-advantaged way. Combining growth, flexibility, and stability, our product includes many guaranteed values. Its main advantage are the dividends that clients receive and that they can use to grow their coverage amount and their policy total cash surrender value. As such, iA PAR not only protects and grows your clients' estate, but also allows them to have access to a source of liquidity and to diversify their investments.

Depending on your clients' financial objectives, you can offer them one of two available versions.

THE iA PAR ESTATE SOLUTION

The iA PAR Estate version maximizes your clients' estate by optimizing the long-term growth of the total cash surrender value and the total life insurance amount.

This version is designed to meet the following objectives:

- Maximize estate growth throughout the client's life
- Limit the tax impact for the estate at the time of the client's death
- Generate a source of long-term liquidity, to supplement retirement income, for example
- Provide a strong financial foundation for children or grandchildren and protect their future insurability

Thus, iA PAR Estate is a particularly interesting solution for affluent clients, including parents and grandparents, incorporated professionals and corporation shareholders looking to reach these objectives while fulfilling their insurance need.

THE iA PAR WEALTH SOLUTION

The iA PAR Wealth version optimizes short-term growth by maximizing the total cash surrender value within the first few years of the contract, while ensuring long-term growth of your clients' estate.

This version is designed to meet the following objectives:

- Access a source of short-term liquidity, to be reinvested in a corporation or in income-earning assets, for example
- Generate fast return on investment
- Strengthen a corporation's balance sheet by diversifying assets
- Guarantee the growth of wealth and net estate value throughout the client's lifetime

Thus, iA PAR Wealth is a particularly interesting solution for wealthy clients, including incorporated professionals and corporation shareholders looking to reach these objectives while fulfilling their or their corporation's insurance need.



iA FINANCIAL GROUP IN NUMBERS

A solid, trusted company since 1892. iA Financial Group is one of Canada's largest public companies.

Listed on the Toronto Stock Exchange under the ticker symbols IAG (common shares) and IAF (preferred shares) since February 3, 2000.

4 million +
clients

25,000 +
advisors

8,200 +
employees

\$830 million
net income attributed
to common shareholders

\$16.6 billion
premiums, premium
equivalents and deposits

IAG stock performance

819%

Growth of IAG share since iA Financial Group became a public company on February 3, 2000, compared to 139% for the S&P/TSX benchmark index of the Toronto Stock Exchange.

\$221.2 billion

assets under management (AUM)
and administration (AUA)

Solvency ratio

134%

Above the 110% – 116% target range

¹ iA Participating Life Insurance may also be promoted as iA PAR.

Data as at December 31, 2021, unless otherwise indicated.

AT iA FINANCIAL GROUP,

our history is one of growth and we are recognized for our strength, discipline and stability.

STRENGTH

Choosing iA PAR means allowing your clients to benefit from the strength of one of the largest insurance and wealth management groups in Canada with over a century of experience. Founded in 1892, iA Financial Group is also one of Canada's largest public companies and is listed on the Toronto Stock Exchange under the ticker symbols IAG (common shares) and IAF (preferred shares).

Our financial strength gives us the means for our ambitions.

DISCIPLINE

The Participating account is managed by iA Investment Management, a seasoned team with incomparable expertise in asset management:

- 180 people on the iAIM team
- 100 investment professionals
- 50 CFA charterholders

Solid management and tangible results

\$96B of the Group's assets under management are managed by iAIM and our management subsidiaries.

STABILITY

The Participating account benefits from a diversification of asset classes as well as a smoothing technique that weakens variations to favour long-term stability. Our team of portfolio managers at iA Investment Management employs a prudent, measured approach to maximize long-term returns.

A SEASONED INVESTMENT TEAM

iA Investment Management (iAIM) is a team with a proven track-record! Offering iA PAR means allowing your clients to benefit from our team's expertise. Our seasoned, disciplined team manages the Participating account to maximize investment growth, give clients a strong, well-planned financial future and offer them a source of asset diversification targeting superior long-term returns. With its long-term outlook and composition of multiple asset classes, our Participating account seeks to maximize returns, and therefore annual dividends, by proposing an optimal allocation of assets:

Target composition

Policy loans

10%

Government bonds

10%

Corporate bonds

10%

Commercial mortgages

15%

Private debt

10%

Preferred shares

5%

Common shares

10%

Real estate investments

15%

Private equity and infrastructure

15%

100%

Note that based on investment opportunities and associated risks, target composition may vary. The account will be actively managed to optimize return while limiting risk. For more information on the participating account, see document F13-1072A.

PREMIUM PAYMENT DURATION OPTIONS

iA PAR allows you to offer different payment duration options to meet the specific needs and expectations of your clients.

10-year or 20-year payment

Premiums are leveled and guaranteed. The contract is paid up after 10 or 20 years. Paying the premiums faster generally allows your clients to accumulate a higher value than the Payable to age 100 option.

Payable to age 100

Premiums are leveled and guaranteed. The contract is paid up when the insured reaches age 100.

A MAJOR ADVANTAGE: ANNUAL DIVIDENDS

Your clients may have access to annual dividends that can be used to maximize the growth of their estate or generate liquidity, depending on the dividend option selected. Each year, the Board of Directors will determine the amount of the dividend to be paid in accordance with the dividend policy. This policy governs the fair distribution of dividends to clients. The dividend amount is set according to the dividend scale, which varies based on investment return, lapse rate, mortality and expenses related to the participating policy block of business.

Dividends vary annually and are not guaranteed.

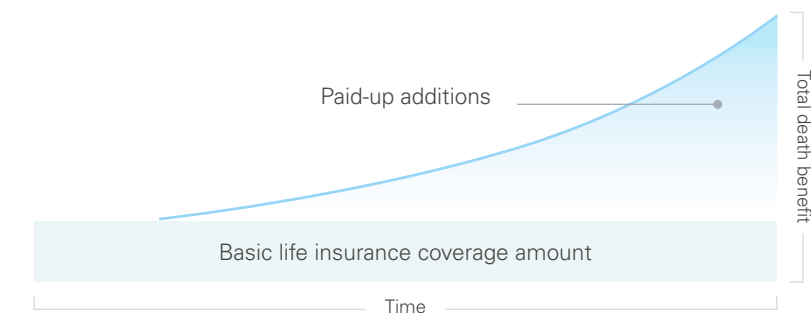
FOUR DIVIDEND OPTIONS FOR GREATER FLEXIBILITY

Use your clients' dividends to further grow their life insurance coverage and total cash value, or let them benefit from extra liquidity. Should their needs evolve, their benefit payment option can be changed at any time without having to fulfill medical requirements.

OPTION 1

Paid-up additions (PUA)

This option promotes estate growth by putting dividends toward the purchase of paid-up insurance coverage. It allows clients to benefit from maximized coverage, generating greater long-term value for heirs, as well as an increased total cash value. Clients that select this dividend payment option at contract issue can also take advantage of the Additional deposit option. In addition, if they are 18 years of age or older, the purchase of paid-up insurance coverage makes them eligible for a total disability guarantee.



How the account works



OPTION 2

Annual premium reduction

This option lets clients partially or fully pay their premium amount using dividends. This dividend option² can be used by clients who want to reduce their payment amount starting at a certain time, such as retirement, for example. Since dividends generally increase over time, the premium amount should decrease from year to year, leaving clients with more money for other projects.

OPTION 3

Payable in cash

This option lets clients receive annual dividend payments, providing them with an extra source of funds while maintaining their coverage amount. These clients may receive tax slips at the end of the year.

OPTION 4

Deposit with interest

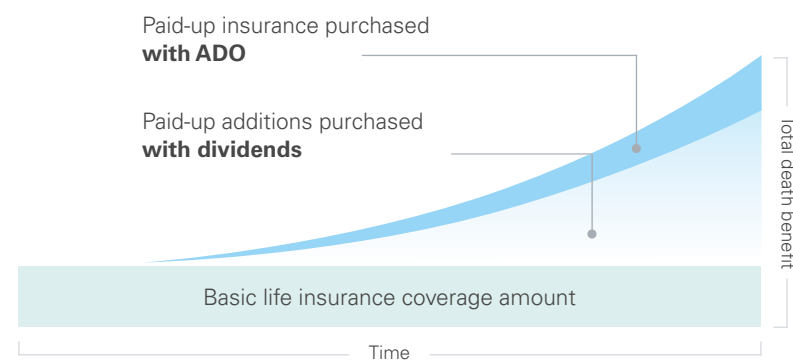
This option allows clients to receive dividends in a savings account managed by iA Financial Group with interest. Tax consequences may apply. The interest rate for this account is available in the rate schedule in the Advisor Centre.

² The annual premium reduction option is only offered when the premium is paid annually.

MANY ADVANTAGEOUS FEATURES

ADDITIONAL DEPOSIT OPTION

If your clients choose the PUA option, they can make additional deposits in their contract to get paid-up insurance coverage thanks to the Additional deposit option (ADO)³. This growth accelerator helps increase the life insurance amount and total cash value even faster. Once the contribution is paid in the first year, it becomes a vested right for subsequent years. As such, your clients are able to reduce the amount of the annual contribution and then increase it once again, up to this maximum amount, without having to fulfill medical requirements.



PREMIUM OFFSET

This concept allows you to target a date after which your clients can stop paying their premium. For your clients to benefit from a premium offset, you must request a dividend option change from PUA to annual premium reduction. This is therefore another option available to your clients that makes iA PAR a product adapted to their needs. This concept is not contractual and is not guaranteed. Clients can change their dividend option at any time. The different applications of the premium offset are detailed in the product guide.

REDUCED PAID-UP INSURANCE

Starting on the tenth policy anniversary, if clients want to reduce their premium or stop paying it altogether, it is possible to convert all or part of their basic coverage to reduced paid-up insurance. The conversion only reduces the insurance amount and cash surrender value of their basic coverage. It has no impact on paid-up insurance already acquired. The amount of reduced paid-up insurance eligible each year is specified in the contract and guaranteed. Like paid-up additions, reduced paid-up insurance is eligible for dividends.

ACCÈS AUX LIQUIDITÉS

iA PAR gives your clients access to liquidity thanks to a cash surrender value that can be available starting the first year if contributions are made to the Additional deposit option or if the PUA dividend option is selected. iA PAR also has a guaranteed cash value available starting the fifth year for the Estate version and the first year for the Wealth version. Your clients can access this source of liquidity through partial withdrawals, policy loans or loans with financial institutions.⁴

³ The Additional deposit option is not available with 10-year payment and must be included in the contract.

⁴ Certain conditions apply.



DISABILITY BENEFIT:

Peace of mind for your clients

iA PAR includes a disability guarantee that allows clients age 18 and over to access the cash value of their paid-up insurance coverage in the event of total disability. The funds available in the form of benefits can be used as income replacement during the disability and to cover health care costs. Under the *Income Tax Act* and its current regulations, the payment of these benefits is not taxable. Certain conditions apply.

ENHANCE YOUR CLIENTS' COVERAGE

with additional benefits and riders

- Renewable and convertible term life insurance:
 - T10 (R&C) and T20 (R&C)
 - Pick-A-Term: T25 and T30
- Critical Illness
- Critical Illness - Child
- Disability Credit
- Child Module
- Child Module PLUS
- Accidental death (AD)
- Accidental death and dismemberment (AD&D)
- Accidental fracture (AF)
- Waiver of premiums in the event of the applicant's disability (WPDIs)
- Waiver of premiums in the event of the insured's disability (WPIDis)
- Waiver of premiums in the event of death (WPD)

A FLEXIBLE SOLUTION TO BUILD WEALTH AND OPTIMIZE ESTATE VALUE

iA PAR Wealth

PROVIDE A STRONG FINANCIAL FOUNDATION FOR CHILDREN OR GRANDCHILDREN

Recommend that your clients let their children or grandchildren benefit from life insurance coverage that is paid up after 10 or 20 years and that continues to grow for life. As adults, they will have access to a source of liquidity thanks to their policy cash value. In addition, their insurability will be protected from an early age.



Elizabeth and Nicolas, ages 32 and 34, Engineers

"It's comforting to know our daughter's financial future is protected."

ACCELERATE THE GROWTH OF YOUR CLIENTS' WEALTH

Diversify their assets, generate rapid tax-sheltered growth for their wealth and protect their estate value. In addition, your clients will benefit from a fast return on their investment knowing that their policy cash value will exceed their cumulative premiums paid after just a few years. They will also benefit from the flexibility needed to put in place certain financial strategies as their needs evolve over time.



Lian, age 50
Professor

"A solution that allows me to combine growth and protection, and get a return on my investment in a short period of time."

SUPPLEMENT YOUR CLIENTS' RETIREMENT INCOME

Propose the insured retirement strategy to your clients to help them obtain additional liquidity at retirement. Thanks to the generous accumulated policy cash value, they can use their policy as collateral in exchange for a tax-free loan from a lender. You can also help them plan to eliminate their premium payments at an opportune time by changing their dividend payment option to annual premium reduction. In addition, it's always possible to choose the payable in cash dividend payment option for access to an additional source of liquidity.



Justin, age 35
Dentist

"Access to liquidity from my policy cash value gives me lots of possibilities in the medium and long term."

LEAVE A LARGER ESTATE

Protect the growth of your clients' wealth throughout their lifetime and increase their net estate value at the time of their death. When their heirs receive the tax-free death benefit, they will be able to easily pay the tax bill due and retain a higher estate.



Jacob, age 40
Physician

"Knowing that my estate is protected and that my loved ones will be able to receive a significant legacy in the event of my death is a great life accomplishment."

ACCUMULATION ▶

TIME ▶

A BENEFICIAL SOLUTION FOR CORPORATIONS

ACCESS TO LIQUIDITY TO FINANCE BUSINESS PROJECTS

Help your clients meet their corporation's insurance needs, finance a buy-sell agreement or insure a key person while maintaining access to liquidity to support their company's future growth. When the time comes, they can use the cash value of their policy as leverage to carry out specific investment projects

THE BENEFITS OF PERMANENT INSURANCE WITHOUT REDUCING AVAILABLE LIQUIDITY

Advise your clients that it's possible to deposit the maximum premium in the contract and immediately borrow an amount equal to the annual premium to reinvest in income-earning assets. They will benefit from the protection they need while preserving their company's liquidity to support development projects.

STRENGTHEN A COMPANY'S BALANCE SHEET

Let your clients benefit from permanent insurance that minimizes income taxes, maximizes net estate value with the capital dividend account and positively impacts their company's balance sheet. Their policy cash value can be recognized on their company's balance sheet as an asset and, after just a few years, its strong growth will strengthen their financial position and allow them to add a revenue to their income statement.

iA PAR
Wealth

iA PAR
Wealth



Catherine, age 45
Business owner

"iA PAR adjusts to the growth of my operations and will allow me to maximize my estate."



Thomas, age 55
Real estate developer

"The immediate financing arrangement gives me the protection I need without depriving my company of available liquidity to support its high ambitions."



Kate, age 40
Business owner

"It's a real added value for both my company and my family."



STREAMLINING INSURANCE WITH EVO

EVO will provide you with an unparalleled sales experience. The illustration tool is simple, intuitive and adapted to your work environment. At a glance, you have an overview of all the information you need and you can get a premium in just a few clicks. This allows you to focus on your clients, discuss their needs and build relationships of trust.

iA PAR combined with EVO will give you and your clients a unique sales experience including instant acceptance without even having to submit medical requirements⁵ for coverage up to \$2M!

iA Financial Group sets the standard for the quick purchase of participating life insurance!

EVO

Experience driven

Your innovative technological platform for insurance and savings products, offering a simplified experience tailored to your reality.

⁵ Medical requirements are not systematic for clients aged 18 to 50

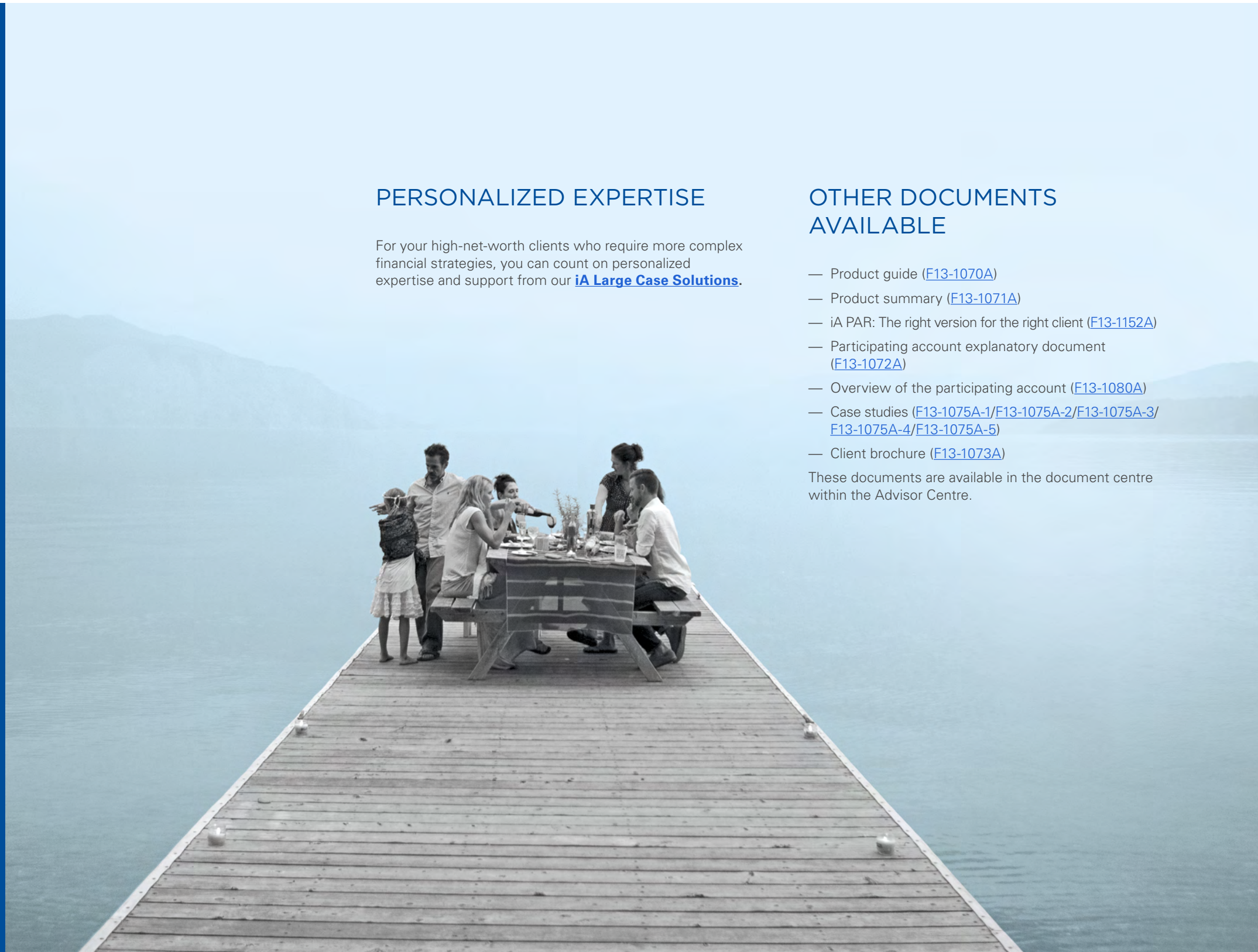
PERSONALIZED EXPERTISE

For your high-net-worth clients who require more complex financial strategies, you can count on personalized expertise and support from our [iA Large Case Solutions](#).

OTHER DOCUMENTS AVAILABLE

- Product guide ([F13-1070A](#))
- Product summary ([F13-1071A](#))
- iA PAR: The right version for the right client ([F13-1152A](#))
- Participating account explanatory document ([F13-1072A](#))
- Overview of the participating account ([F13-1080A](#))
- Case studies ([F13-1075A-1/F13-1075A-2/F13-1075A-3/F13-1075A-4/F13-1075A-5](#))
- Client brochure ([F13-1073A](#))

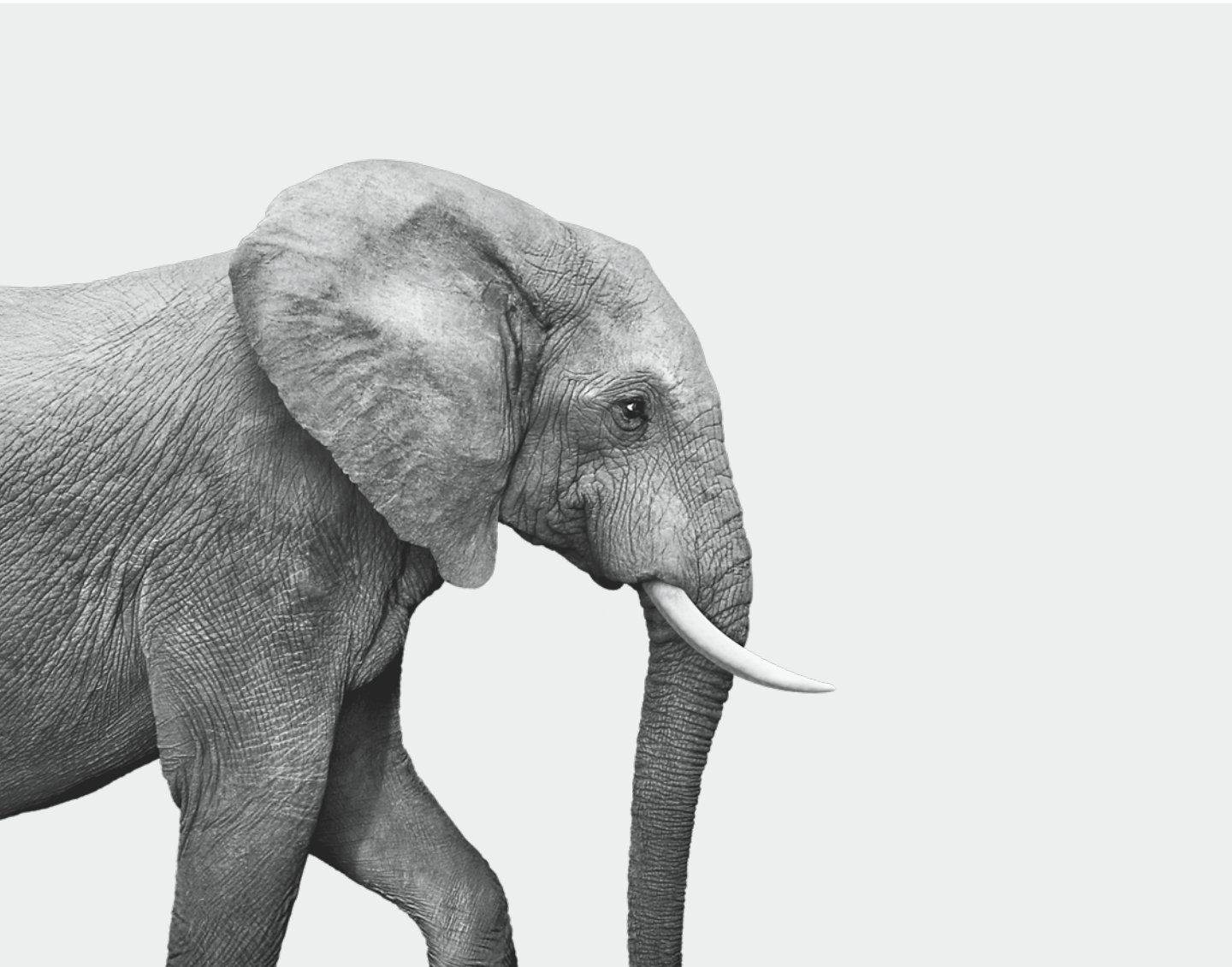
These documents are available in the document centre within the Advisor Centre.



iA Financial Group – A solid, trusted company

With over 125 years of history in the insurance and wealth management businesses, iA Financial Group is a name that inspires trust for its clients. Founded in 1892, iA has always succeeded in adapting its practices and product offering to changing market needs in order to meet the needs of clients.

Our mission is to ensure the financial wellbeing of our clients by offering them personal insurance coverage and investment solutions to help them achieve their personal goals.



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INVESTED IN YOU.

iA Financial Group is a business name and trademark of
Industrial Alliance Insurance and Financial Services Inc.

1-844-442-4636

ia.ca