Participating life insurance

Wealth Select and Estate Select

Advisor guide

For product issued on or after Jan. 1, 2020 and for ADO added after July 26, 2021

Information accurate as of January 1, 2023

Not for use with clients

Wealth Select and Estate Select Advisor guide

While reasonable effort has been made to ensure the accuracy of the information in this guide, some errors and omissions may occur. This guide is intended to provide a general overview for advisors' information and education purposes only. In the event of a discrepancy between this guide and the contract, the terms of the policy contract prevail.

Contents

Wealth Select and Estate Select Advisor guide

Participating life insurance

Participating life insurance is built on a foundation of guarantees plus the opportunity to receive participating policyowner dividends. Participating policy values can grow tax-free, if it remains in the policy (subject to government limits).

This guide helps you understand how participating life insurance works. It also provides technical details on the Estate Select and Wealth Select participating life insurance products issued Jan.1, 2020 or later by The Canada Life Assurance Company.

Understanding participating life insurance

Participating policyowner premiums go into a separate account called the participating account. The account's assets are invested in a diversified portfolio of bonds, mortgages, stocks and real estate, among others.

If actual performance is better than our assumptions when we developed our participating life insurance product, earnings arise in the participating account. Assumptions may include investments, expenses and taxes, policyowner withdrawals and loans and payouts (death benefit).

Each year, some of the earnings may be distributed as participating policyowner dividends, as approved by the board of directors. The distributed amount is influenced by considerations such as the need to retain earnings as surplus and to reduce short-term volatility in dividends. Surplus is held in the participating account for several reasons – for example, to help maintain the account's strength and stability.

At least once a year, we review the participating policyowner dividend scale and the participating account insurance contract liabilities. We determine whether the dividend scale is at an appropriate level and if it needs to change. This review may include items such as:

- One-year term life insurance rates
- Premium payments charged to purchase paid-up additional coverage
- Various crediting interest rates associated with the participating account

How we allocate dividends

In distributing participating policyowner dividends, we apply the contribution principle.

Any amount distributed from the participating account as policyowner dividends is divided among groupings of policies that share common attributes. The amount, if any, credited to each policy within a dividend grouping varies depending on the earnings considered to have been contributed by that grouping. A policy may not receive a dividend, for example, if its in a grouping of policies that made no contribution to participating account earnings.

Examples of how we determine groupings include:

- The year a policy was issued
- Time periods in which premium payments, guarantees or pricing assumptions were similar
- Plan types

- Base risk classifications, for example, male or female, smoker or non-smoker
- Issue ages

In following the contribution principle, several elements are considered. For example:

- Dividend groupings
- Generations of policies
- Legal and regulatory requirements
- Professional guidelines
- Industry practices

We distribute dividends to policies according to the terms of each policy and consider the base coverage amount and coverage from paid-up additional coverage. The premium payment due on the first policy anniversary must be paid before we credit a dividend.

Whether or not a policy receives a dividend doesn't affect the guaranteed cash values and basic payout payable under the contract. If a policy doesn't receive a dividend in any year this won't reduce the cash or payout values that accumulated up to that point, as long as premium payments continue to be paid when due and policy values haven't been used for any purpose as may be specified under the contract or elected by the policyowner.[1]

Before any participating policyowner dividends are declared, the appointed actuary must report to the board of directors on the fairness to participating policyowners of the proposed dividend scale and whether it's in accordance with the company's dividend policy.

Vesting

Starting at a policy's first anniversary, participating policyowners may receive dividends. Dividends credited to a policy have a cash value associated with them. This cash value, once credited to the policy, can't be reduced or used for any purpose other than as authorized by the policyowner, or as specified in the policy such as to make premium payments, or to preserve the policy's tax-exempt status.

Vesting is a key and attractive advantage of participating life insurance because policyowner dividends, once credited, aren't negatively affected by future adverse experience.

Canada Life products

Canada Life offers two participating life insurance products: Wealth Select and Estate Select.

---

[1] For policies with enhanced coverage, if the policy doesn't receive a dividend or the amount of the dividend is not sufficient to support the illustrated enhanced coverage amount, the policyowner may choose to pay an additional cash premium to buy sufficient one-year term insurance to maintain the enhanced coverage amount, otherwise, the enhanced coverage amount will be reduced.

Wealth Select and Estate Select Advisor guide

Canada Life participating life insurance – Wealth Select

The Wealth Select product provides higher early cash values than Estate Select, while still providing lifetime insurance protection. It provides a choice of level base premium payments payable for a maximum of 10 years, 20 years, or to age 100. The choice of premium-paying period affects the growth of values such as payout, cash value and potential dividend amounts.

The performance of Wealth Select is focused on early cash values.

Canada Life participating life insurance – Estate Select

The Estate Select product provides higher delayed cash value and payout than Wealth Select. It provides a choice of base level premium payments for a maximum of 10 years, 20 years or to age 100. The choice of premium payment period affects the growth of values such as the payout, cash value and potential dividend amounts.

The performance of Estate Select is focused on long-term policy value growth.

Choice of premium payment periods

The Wealth Select and Estate Select products have three guaranteed premium payment periods for the base coverage. The choice of premium payment periods affects values such as payout, cash value and potential dividend amounts.

- Max 10 - Level base premium payments for a guaranteed 10-year maximum
- Max 20 - Level base premium payments for a guaranteed 20-year maximum
- Pay to age 100 - Level base premium payments to a maximum of age 100 or for joint, until joint age 100

Policies may be eligible for premium offset before the end of the premium payment period depending on dividends declared, whether policy loans have been taken and other factors. Refer to the *Premium offset* section for more details.

Coverage options available

Single-life

The life of one individual is insured under the policy, with the payout on the death of the insured person.

Joint first-to-die

The lives of two individuals are insured jointly under the policy, with the payout on the first death of an insured person.

Joint last-to-die

- The lives of two individuals are insured jointly under the policy.
- The payout is on the last death of an insured person.

There are two types of joint last-to-die policies available. Premium payments to first death, and premium payments to last death.

Premium payments to first death

Base premium payments are payable up to the first death of an insured person or to the end of the contractual premium payment period, if earlier.

- Upon first death, future premium payments are waived for the remainder of the premium payment period.
- After the first death, no further additional deposit option premium payments will be accepted.
- After the first death, additional premium payments may be required to pay for enhanced coverage shortfall if the guarantee period is no longer in effect. For more information, see the *Enhanced coverage* section.

Premium payments to first death aren't available if one of the insured persons is declined. Canada Life reserves the right to not offer the premium payments to first death option when one or both of the joint applicants are deemed a substandard rating risk.

Premium payments to last death

Premium payments are payable to the last death of an insured person or to the end of the contractual premium payment period, if earlier.

Dividend options

Canada Life offers participating policyowners a choice of 3 dividend options. Dividend options can be changed at the policyowner's written request, subject to administrative rules at the time. A change in dividend option may result in taxable income to the policyowner and may require underwriting. Only one dividend option can be chosen at any given time.

Cash payment

Dividends may be credited to the policyowner each year, assuming dividends are declared by the board of directors. Policy cash values equal the contractually guaranteed cash values with this option and the payout remains level (less any policy indebtedness). Cash dividends reduce the policy's adjusted cost basis and are subject to tax once the policy's adjusted cost basis is zero.

Paid-up additional coverage

When this dividend option is in effect, we'll use your dividend to buy paid-up additional coverage at the single premium payment rate then in effect. Rates are subject to change.

Paid-up additional coverage premium payments vary by:

- Sex
- Smoking status
- Substandard rating
- Attained age

Key paid-up additional coverage features:

- For the same premium payments, it provides higher early cash value and lower initial payout when the client dies than the enhanced coverage. It also provides higher payout growth over the long term.
- Coverage increases annually without evidence of insurability. Dividends are immediately applied to purchase paid-up additional life insurance coverage on a pre-tax basis. That is, dividends immediately applied to purchase paid-up additional coverage within the same policy aren't subject to income tax.
- Paid-up additional coverage is considered in determining any dividend to be credited to the policy.
- Once paid-up additional coverage is purchased, their value is guaranteed. Note that the associated payout and cash value can be reduced if the policyowner requests to cancel any of their coverage in exchange for their cash value (for example premium offset or withdrawal). Paid-up additional coverage may also be cancelled to maintain the tax-exempt status of the policy.

Enhanced coverage

The enhanced coverage is provided through a combination of one-year term insurance and paid-up additional coverage. We first use a client's dividend to buy one-year term life insurance. If there's any dividend amount remaining, we buy paid-up additional coverage. Paid-up additional coverage provides permanent coverage. So, if, over time, the total coverage from paid-up additional coverage increases, then less term coverage is needed to provide the enhanced coverage amount. Eventually, if no term coverage is needed, your dividend option becomes paid-up additional coverage.

The enhanced coverage insurance amount is shown on the policy details pages, or in other documentation provided by Canada Life.

Enhanced coverage offers these key advantages:

- Enhanced coverage provides a higher initial payout for the same cost as the paid-up additional coverage dividend option. Within limits, the policyowner can choose the amount of enhanced coverage used to strike a balance between affordability and future growth in cash value and payout.
- Premium payments for the 1-year term coverage is paid by dividends using pre-tax dollars. Dividends that are immediately applied to pay the term cost within the policy aren't subject to income tax.
- Clients may convert term insurance that is part of their enhanced coverage to a new, permanent policy.

The enhanced coverage rates for one-year term vary by:

- Sex
- Smoking status
- Substandard rating
- Issue age and policy duration
- Enhanced coverage guarantee selected

One-year term and paid-up additional coverage premium payment rates aren't guaranteed and are subject to change.

Changes to the dividend scale will affect the rate at which the term insurance is replaced by paid-up additional coverage.

Wealth Select and Estate Select Advisor guide

Enhanced coverage guarantees

Enhanced coverage goes into effect with the guarantee period clients select:

- A 10-year guarantee period
- A lifetime guarantee period

During the guarantee period, if a client's dividend can't buy the full amount of term life insurance coverage needed to provide the enhanced coverage amount, then we'll provide enough additional term insurance ourselves, at no cost to clients, so that their policy provides the full enhanced coverage amount.

If clients selected enhanced coverage on their policy application, then the guarantee period begins on their policy date. Otherwise, it begins on the date specified in the amendment that adds enhanced coverage to the contract.

The guarantee period will end on the earliest of the following:

- If the lifetime guarantee is in effect, then the policy anniversary at which paid-up additional coverage equals or exceeds the enhanced coverage amount
- If the 10-year guarantee is in effect, then the earlier of:
  - The end of the 10th year from the start of the guarantee period
  - The date when paid-up additional coverage equals or exceeds the enhanced coverage amount
- The date your client uses a dividend for anything other than enhanced coverage (for example, premium offset)
- The date your client cancels some or all the client's paid-up additional coverage.

Cross-over and shortfall

Over time, the amount of the term portion of the enhanced coverage may be completely replaced by paid-up life insurance, at which time the payout at death will increase. This is commonly referred to as cross-over. When a policy crosses over, the dividend option is changed to paid-up additional coverage. The amount of dividends credited to a policy each year isn't guaranteed and may fluctuate from year to year. If the dividend scale increases year to year, the cross-over point may be earlier. If the dividend scale decreases, the cross-over point may be later.

A shortfall occurs when the declared dividend is insufficient to purchase the full enhanced coverage amount term amount, resulting in a term cost shortfall.

If the shortfall happens during your client's enhanced coverage guarantee period:

- We will provide enough additional term insurance ourselves, at no cost to them, so their policy provides the full enhanced coverage amount.

If the shortfall happens after your client's enhanced coverage guarantee period ends:

- We will tell your client how much you would need to pay to buy that additional term insurance. The additional premium payment will be due on the policy anniversary.

- If clients don't make the additional premium payment by its due date, we will keep the enhanced coverage amount in effect for a grace period that ends 31 calendar days after the due date, or when your client's policy ends, whichever is earlier. If the client doesn't make the additional premium payment by the end of its grace period, we will reduce the enhanced coverage amount to the amount supported by the dividend, if any. We will not use automatic policy loans to cover these overdue premium payments.

If the enhanced coverage dividend option is elected and an additional deposit option rider is added to the policy, the additional deposit premium payments buy paid-up additional coverage. Any paid-up additional coverage purchased by the additional deposit option rider forms part of the enhanced coverage insurance amount. A policy with the additional deposit option generally has an earlier cross-over point (where the paid-up additional coverage has replaced all the one-year term) than a policy without the additional deposit option.

On the cancellation of part or all your client's policy, a proportionate refund of the premium payment for the unused portion of the 1-year term life insurance is included in the surrender proceeds.

For more details, see *Using dividends for enhanced coverage* in the Wealth Select or Estate Select single life contract.

Product features

Cash values

Your policy can build up cash value over time which you can access in several ways, including a policy loan or by cancelling some or all your coverage.

The cash value of your policy equals:

- Its guaranteed cash value, described below,
- Plus the cash value of any coverage bought with dividends,
- Plus the cash value of any coverage bought under an additional benefit.

The amount of cash value we will pay you if you cancel your policy is its net cash value, described below.

Guaranteed cash value

Over time your policy will build up a guaranteed cash value, assuming all your premium payments are made. Your policy's guaranteed cash value is the cash value of the base coverage. It will grow as shown in the table of guaranteed values of your client's contract. Changes made to your policy after it's issued (for example, an improvement in health or rate class) may change its guaranteed cash value.

Net cash value

Your policy's net cash value is the amount of cash value we would pay you if you cancelled your policy. This is sometimes called the "cash surrender value." The net cash value equals:

- Your policy's cash value,
- Minus any amount owed on your policy, including any overdue payment, unpaid loan, or unpaid interest.

For more information, see *What can you do with your policy's cash value* under section 6 in the Wealth Select or Estate Select single life contract.

What clients can do with cash value

Policy loan: Borrow against their policy

They can borrow against their policy's cash value and pay it back over time with interest. This doesn't affect their coverage, cash value growth or any dividends your client may receive. However, clients aren't eligible to make additional deposit option (ADO) premium payments when a policy loan is active. If the loan isn't repaid, we deduct the balance, including interest, from the payout or any cash value when we pay them. Some of the borrowed amount might be taxable, and some of the interest might be deductible.

Cash out some or all their coverage

Your client might cancel some or all their coverage in exchange for any cash value associated with the cancelled coverage, adjusted for any amount owed on your policy. Any cash received in place of their cancelled coverage might be taxed.

Collateral loan: Use their policy as collateral for a third-party loan or line of credit

Banks and other third-party lenders might lend against the policy's cash value. Interest charges may apply to any loan taken. This isn't a contractual option and is subject to third-party approval.

For more information, see *Using your policy as collateral for a loan* under section 8 of the Wealth Select or Estate Select single life contract.

Premium offset

It's an arrangement where the policyowner is allowed to apply available dividends and/or existing values to pay part or all each premium payment due.

Premium offset availability depends on participating account performance and any dividends that may be credited from this account, which aren't guaranteed. If available dividends are not sufficient to cover the premium payment, premium offset could draw on built-up dividend values (if any), resulting in lowered net cash value and payout, compared to when premiums are paid out of pocket.

If a policy has the enhanced coverage dividend option, the one-year term cost will always be paid before dividends are applied for premium offset, and premium offset permanently forfeits enhanced coverage guarantee

Even after premium offset starts, changes in the dividend scale may mean a policy stops being eligible for premium offset. Out-of-pocket premium payments may need to resume.

Illustrations don't guarantee the availability or timing of premium offset. Actual dividends may be lower than what was originally illustrated.

If a policy is on premium offset, clients won't be able to make ADO payments. If premium offset is terminated, clients can resume your ADO payments.

Types of premium offset

The following types can be selected to the end of the premium payment duration, or for a temporary period. This election is subject to current and future dividend supportability.

Full premium offset

Full premium offset means all premium payments are covered by dividends. The full premium payment will first be paid by any current annual dividend and then, if necessary, by cancelling any existing paid-up additional coverage. The premium payment mode will be changed to yearly while on full premium offset.

Variable premium offset

Apply a percentage (between 5% and 100%) of the current annual dividend toward the premium payment owing. The client must pay the balance of the premium payment owing out-of-pocket. If the policy has enhanced coverage, the percentage of dividend applied toward premium payment owing is calculated after the client pays enhanced coverage term costs.

This can be done for yearly or monthly pre-authorized premium payments.

Existing dividend values won't decrease as a result of electing variable premium offset.

This election can occur earlier than level or full premium offset because it only uses the current annual dividend.

Level premium offset

Select a specific dollar amount to pay out of pocket, the balance of premium payments is paid from dividends.

This can be done for annual premiums or monthly pre-authorized premium payments.

The remaining premium owing will be first paid by the current annual dividend, and then, if necessary, by cancelling any existing paid-up additional coverage.

Premium offset eligibility

Canada Life determines a policy's eligibility for premium offset based on its current administrative rules at the time.

When determining the eligibility for premium offset, it's assumed no policy loan exists. A policy loan doesn't affect eligibility for premium offset. However, if a policy loan does exist, a policy on premium offset may require additional cash payments for loan interest to remain in force. Policies on premium offset are tested at each policy anniversary and each dividend scale change to ensure continuing eligibility.

There are several events affecting premium offset availability dates, such as:

- Increases or decreases in the dividend scale
- Cancelling of any paid-up additional coverage
- Changing a dividend option

- Adding, deleting or changing a rider (including additional deposit option) or supplementary benefit
- Changes to enhanced coverage term rates or paid-up additional coverage purchase rates

Premium offset on policies with enhanced coverage delays the cross-over point, and in some instances may result in a shortfall. As a reminder, premium offset terminates the enhanced coverage guarantee.

Downsize a policy to stop paying premiums

Clients may decide to make their policy paid-up with a lower coverage amount, so that no further premium payments are required. This is sometimes called “reduced paid-up.”

To do this, the client’s policy must have guaranteed cash value, and they must have paid all premium payments for their policy’s first year. The paid-up coverage amount will be based on their policy’s net cash value at the time of the change. All additional benefits will end.

Within 90 days of a required payment being overdue, a client may apply to make their policy paid-up. The paid-up coverage must meet our minimum coverage amount at the time.

After clients make this change:

- We will not require or allow any further premium payments for their paid-up coverage.
- Their policy will continue to be eligible for dividends.
- If the dividend option is enhanced coverage, and the dividend credited is not sufficient to pay for the term insurance, additional payments will be required to if the policyowner wants to maintain the enhanced coverage amount.
- If their policy contains any exclusion regarding an insured person, that exclusion will continue to apply while their policy is in effect.
- At some point, their policy may lose its tax-exempt status. A client may have to report taxable income each year.
- A client can’t undo this change to their policy.

Non-forfeiture option (Automatic policy loan to pay premiums)

When a premium payment and/or loan interest remains unpaid at the end of the grace period (31 days after the due date), a policy loan for the unpaid premium payment amount is automatically applied against the security of the policy’s cash value, if their policy’s cash value supports the loan. This allows the policy to remain in force on its original terms as long as there is cash value available to cover the premium payment and/or loan interest charged. An automatic premium payment loan can be repaid at any time. Automatic premium payment loans are also subject to interest charges.

For more information, see *Grace period and automatic policy loans to pay premium* under section 4 of the Wealth Select or Estate Select single life contract.

Exchange from joint to single life

Your client may exchange their joint policy to one or two new single-life policies, without having to provide evidence of insurability, including health, as described below. You may only exchange to a new policy on an insured person if their rate class under this policy is Standard. Once you exchange your policy, it ends.

For more information, see *Exchanging this policy for one or two new policies* under section 8 of the following contracts:

- Wealth Select or Estate Select joint first-to-die contract
- Wealth Select or Estate Select joint last-to-die contract

Continuing coverage for survivor

The survivor benefit is a provision in joint first-to-die policies that provides temporary coverage and an option to purchase permanent coverage after the death of the first insured person. The survivor's insurance age must be less than 71 to qualify for continuing coverage.

For more details, see *Continued coverage for the survivor* under section 8 of the Wealth Select or Estate Select joint first-to-die contract.

Tax advantages

Our policies are issued with the intent that they maintain a tax-exempt status. A tax-exempt status means a policy will not be subject to accrual taxation. It means your clients will not be required to report yearly growth in your policy's cash value as taxable income, while the growth remains inside their policy. A policy's tax-exempt status is subject to the provisions and regulations of the Income Tax Act (Canada) and the administrative rules of the Canada Revenue Agency. We determine a policy's tax-exempt status at each policy anniversary. A policy's tax-exempt status may change as a result of a choice your clients make regarding their policies (for example, making a policy paid-up with a lower coverage amount). It may also change as a result of other circumstances, such as a change in tax legislation or its interpretation. We may make or decline adjustments to a policy, in our sole discretion, with the intent to maintain the policy's tax-exempt status. (For example, we may cancel some paid-up additional coverage and pay its cash value to your clients.)

For more details, see *Tax considerations* under section 7 of the Wealth Select or Estate Select single life contract.

Product details

For more details, see the Participating life insurance product summary (70-0094).

Back-dating

The policy date may be backdated up to 11 months of underwriting approval if required to save age (subject to current administrative rules). Clients must pay all back-dated premium payments. No other transactions can be back-dated to before the date the policy takes effect.

Substandard ratings

Clients with substandard ratings may be accepted, and the substandard extra premium payments may be eligible for commissions. See Canada Life's commission schedule for details.

See the *Additional benefits* chart for availability.

Automatic substandard table reduction agreement (ASTRA)

To help ensure eligible clients receive the best offer on permanent life insurance, Canada Life may reduce their rating. This doesn't require any action by you or your clients.

During the underwriting process, an underwriter may determine that due to specific health or lifestyle issues, a client could be considered a higher risk. If, after the underwriting process, the underwriter's evaluation results in a substandard rating, ASTRA may apply. ASTRA isn't part of the underwriting process, nor is it provided as part of any contract. It's a separate pricing program to help clients get appropriate life insurance protection that's also cost-effective. The availability and application of this program aren't guaranteed and ASTRA is subject to change by Canada Life at any time.

This chart shows how ASTRA could be applied where available.

If a client is originally rated:	Then the rating is reduced by:	As a result, the client's reduced rating is:
Standard	N/A	N/A
125% 150% 175%	25%	Standard 125% 150%
200% 225%	50%	150% 175%
250% 275%	75%	175% 200%
300% 325%	100%	200% 225%
350% 375%	125%	225% 250%
400% 425%	150%	250% 275%
450% 475%	175%	275% 300%
500%	200%	300%

When ASTRA's available

Product type	Available at issue	Available at conversion
Participating life insurance		
Base coverage	Yes	N/A
Enhanced coverage	Yes	Yes*@
Simply Preferred™ term life insurance riders	No	Yes*

*To be eligible for ASTRA, inforce coverages must convert to either participating life insurance or universal life insurance.

@ASTRA on original enhanced coverage will apply to new policy at time of conversion, but rating won't be reduced further.

Non-smoker rates

Non-smoker rates are available for insured people aged 18 or older at the policy date provided they meet the then current underwriting requirements of a non-smoker. Insured people with issue ages under 18 receive a blended juvenile premium payment rate and can't be changed to non-smoker rates.

Policy fees

There are no policy fees for newly issued participating life insurance products.

Premium payment mode

Clients can make premium payments on a yearly or monthly (pre-authorized debit) basis. Paying monthly results in a higher total payment over the year, compared to paying once a year, to account for factors such as financing and administrative costs. These costs may change, which may affect the monthly payment amount.

Prepayment of premiums

Premium payments can be pre-paid by use of a premium deposit account. The premium deposit account is an agreement separate from the insurance contract. Money is deposited into the premium deposit account where it earns interest. Payments are made from this account until its balance is zero.

Interest is guaranteed at the schedule of rates in effect at the time a deposit is received. The schedule of rates isn't guaranteed in advance of the money being received. Interest earned in the premium deposit account is subject to income tax. The money in the premium deposit account doesn't have creditor protection, either before or after the insured person's death, even if the policy itself may be. The premium deposit account exists separately from the policy.

The premium deposit account can be withdrawn in full or in part at any time without canceling the life insurance policy. There is a surrender charge for any withdrawals. Premium deposit account amounts used to pay premium payments on the associated policy don’t incur a surrender charge. If the policy payout at death is paid, the gross balance of the premium deposit account is paid to the policyowner or policyowner’s estate and the surrender charge isn’t applied.

When we may determine your client’s policy is invalid

We may determine that all or part of your client’s policy is invalid, if there is a misstatement or omission of a material fact. If the misstatement or omission is deliberate, it is fraudulent.

For more information about situations when a client’s policy may be invalid, see *When we may determine your policy is invalid* under section 8 of the [Wealth Select or Estate Select single life contract].

Additional deposit option (ADO)

The additional deposit option (ADO) is a benefit which provides increased flexibility of a participating policy by allowing additional premium deposits to purchase paid-up additional (PUA) coverage. Clients must apply for ADO at either the time of purchase, or after issue, at which time an initial maximum yearly ADO premium payment amount will be established. While there is a maximum yearly ADO premium payment amount, there is no lifetime maximum number of ADO premium payments a client can make.

The ADO is available on both standard and substandard rated policies. The ADO isn’t available when:

- flat extra premium payments are involved

Clients can continue to make ADO premium payments until age 100, regardless of how long they pay for their base coverage. ADO premium payments aren’t waived under any benefit or paid by an automatic premium loan.

There are two possible payment options with ADO:

- **Single premium payment** involves a one-time purchase of paid-up additional coverage.
- **Scheduled premium payments** involve a regular premium payment (monthly or yearly) to purchase more paid-up additional coverage.

After the policy is issued, ADO may only be added on a policy anniversary, subject to limitations and underwriting.

Start-and-stop period

With a single premium payment ADO, clients can defer the payment for up to 11 months from the policy date. If the policy is back-dated to save age, the 11-month deferral period will be reduced by the length of time the policy is back-dated.

With scheduled premium payments, clients have flexibility in the ADO premium amount they can pay – but, total payments in any year cannot exceed their initial maximum yearly ADO premium payment. They have the freedom to stop, start, or reduce the amount they pay. However, there may be some limitations on the ADO premium amount they can pay; for example, when a payment is missed, a partial payment is made, a policy is on premium offset or a policy loan is present. See below for more information.

Wealth Select and Estate Select Advisor guide

Issue ages

- Pay to age 100: 0-85
- Max 10: 0-85
- Max 20: 0-80

Issue amounts

Minimum ADO premium payments

Single premium payment: $1,000

Scheduled premium payments: $1,000 if the client pays yearly. $90 if the client pays monthly. The premium payment mode for ADO must match the base policy.

There may be situations where the illustration allows you to select an amount that's below the posted minimum. For only those cases you can go below the posted minimum.

Maximum ADO premium payments

Issue maximums may vary by:

- Smoking status
- Substandard rating
- Sex
- Issue age
- Base policy
- Premium-paying period for the base policy (Max 10, Max 20 or pay to age 100)
- Single premium payment or scheduled with yearly or monthly
- Base coverage amount
- Policy duration when the benefit is added to an in-force policy

In the first three years after ADO is added to a policy, the yearly maximum is:

- The initial maximum yearly ADO premium for which the client was approved

If a client makes a partial premium payment, or misses a premium payment completely, we may limit the maximum ADO premium payment amount we'll accept in future ADO rider years.

At each ADO rider anniversary after the fourth rider year, we'll review the previous four-year period. From that review we'll determine the highest total ADO premium payment made over the course of any single rider year within that four-year period (whether made as single payment or as several payments over the course of the year).

Following our review, we'll determine the total maximum ADO premium amount we'll accept over the course of the current ADO rider year. We'll accept an amount up to the lesser of:

- The maximum yearly ADO premium amount, for which the client was underwritten
- The highest total ADO premium payment made over the course of a single rider year within the four rider years reviewed (see above), plus $100,000. If no ADO premium payments were made during the four rider years reviewed, the highest total ADO amount is $0 plus $100,000.

For a client who was underwritten for a maximum yearly ADO premium amount of $100,000 or less, our four-year reviews will not affect the ADO premium payments we'll accept. This is because the "lesser of" amount, as determined above, will never be less than the amount for which the client was underwritten.

Payments must be accepted and remain accepted by us to be considered valid.

Limitation rules may change in the future. Maintaining a policy's tax-exempt status or other factors may independently require us to limit the ADO premium payment amounts we'll accept.

Additionally, we won't accept ADO payments while there's an outstanding loan on a policy or a policy is on premium offset. ADO payments may be limited at any time in order to maintain a policy's tax-exempt status.

The yearly ADO maximum may be reset to the initial maximum yearly ADO premium amount, however, this depends on a number of factors including:

- The initial maximum yearly ADO premium
- The amount of ADO payment received
- The client's age when payments are stopped and re-started
- The rules in effect at the time

A client's initial maximum yearly premium payment is shown in their policy's section on *Your policy details* if this benefit is part of their policy when their policy is first issued. Otherwise, the initial maximum yearly premium payment is shown in the amendment that adds this benefit to their policy.

If clients don't pay the maximum yearly ADO premium payment in any given year, they may not carry forward the unpaid amount and add it to the maximum yearly payment of later policy years.

Example #1 – Initial maximum yearly ADO premium **amount $175,000 at issue, which is equal to max available for tax testing**

In this example, in the first 5 years the maximum yearly ADO premium remains unchanged. The available maximum yearly ADO premium for policy year 6 is limited to $100,000 based on missing the ADO payments in the previous 4 years (policy years 2-5). The maximum yearly ADO remains unchanged for policy year 12 since the maximum amount paid in the previous four-year period (years 8 -11) was $75,000 + $100,000.

Wealth Select and Estate Select Advisor guide

Policy year after adding ADO	ADO premium paid	NEXT YEAR'S allowable maximum yearly ADO premium amount	Allowable maximum ADO premium amount* (lesser of columns B&C)
1	$175,000	$175,000	
2	$0	$175,000	
3	$0	$175,000	
4	$0	$175,000	
5	$0	$100,000	Next year's maximum yearly ADO = the lesser of: • The initial maximum yearly ADO premium amount for which the client was approved **OR** • The maximum ADO premium amount paid over the previous four-year period plus $100,000 until they return to the ADO maximum for which they were approved
6	$100,000	$175,000	Next year's maximum yearly ADO = the lesser of: • The initial maximum yearly ADO premium amount for which the client was approved OR • The maximum ADO premium amount paid over the previous four-year period plus $100,000 until they return to the ADO maximum for which they were approved
7	$175,000	$175,000	
8	$75,000	$175,000	
9	$0	$175,000	
10	$0	$175,000	
11	$0	$175,000	Next year's maximum yearly ADO = the lesser of: • The initial maximum yearly ADO premium amount for which the client was approved **OR** • The maximum ADO premium amount paid over the previous four-year period plus $100,000 until they return to the ADO maximum for which they were approved

*The initial maximum yearly ADO premium amount may be decreased in any given year in an effort to maintain a policy's tax-exempt status.

The above examples are for illustrative purposes only. Situations will vary according to specific circumstances.

Illustrating ADO in Concourse Direct

The pre-set initial maximum yearly ADO premium in Concourse Direct™ assumes premium payments start immediately and continue to age 100. The maximum for the single premium ADO assumes an immediate payment.

Although clients can delay ADO indefinitely, you'll only be able to illustrate deferring an ADO payment for the first three years. The unlimited start-and-stop feature (following the first payment) won't be available in illustrations. For new sale large cases (with basic premiums of $25,000 or more), please contact your insurance wholesaling partner for a special illustration showing a longer deferral or variable ADO payment schedule.

Loans

We won't accept ADO payments while there's an outstanding loan on a policy. Clients can resume payments when the loan is repaid in full. The initial maximum yearly ADO premium that can be made in any year following the loan being fully repaid will be limited to our rules in effect when they pay their loan. Currently, the rule is the maximum ADO amount paid over the previous four-year period plus $100,000, until they return to the ADO maximum amount for which they were approved.

This applies to any new or in-force policies issued after Jan. 1, 2017, where ADO is added on or after July 26, 2021. This doesn't affect any policies issued before that date whose start-and-stop has expired under the previous three-year rule before July 1, 2021.

Notes

If ADO premiums stop and restart, no first-year commission (FYC) override is paid on the restarted payments unless underwriting is involved.

Underwriting requirements related to ADO risk are determined based on the amount of coverage illustrated to be purchased by three years of ADO premiums.

For more information, see *Scheduled premium payments* in the *Additional deposit option* contract pages.

Term conversions – attained age conversions

Maximum ADO limits for term life insurance conversions – without additional underwriting

When a stand-alone term policy or term rider is converted for the first time, the following ADO amount can be added without underwriting:

	First full or partial conversion	Subsequent conversions
Up to $2 million of coverage	100% of the maximum ADO illustrated without additional underwriting	Maximum net amount at risk (NAAR) process
Over $2 million of coverage	50% of the maximum ADO amount illustrated, or the maximum ADO amount available for $2 million (whichever is greater) as calculated in Concourse	NAAR process

In most cases, the enhancement gives the maximum ADO without underwriting. However, you can still request the NAAR process. For cases over $2 million, underwriting is required where clients want more ADO than the maximum outlined above and the net amount at risk is increasing.

Maximum ADO using the NAAR process

There are some circumstances where the NAAR process is required, including:

- For any remaining amount to be converted on a term policy that's been through a partial conversion
- For any term policy issued as a result of a conversion (full or partial) – for example, term 10 to term 20

If the NAAR process doesn't provide the desired ADO amount, evidence can be submitted for a higher amount.

For more information about the NAAR process, reach out to your insurance wholesaling partner.

ADO administrative fee

From each premium payment, we'll deduct an amount to cover expenses associated with this benefit (for example, premium tax). If your client's policy's payment schedule is monthly, we'll also deduct an amount to cover the related financing and administrative costs (this is sometimes called a "modal fee"). We'll buy the additional coverage using our rates at the time. Monthly ADO premium payments are equal to the annual ADO premium payment plus a modal fee.

Why are annual and monthly ADO premium rates different?

When the ADO is paid monthly, it results in lower paid-up additional coverage because:

- Monthly ADO premium payments buy paid-up additional coverage using purchase rates that are interpolated between the last and next policy anniversary. This means the purchase rates increase over the course of the year, which decreases paid-up additional coverage purchased each month. (This may result in actual paid-up additional coverage amounts that are different from those shown on the sales illustration. For monthly ADO payments, Concourse Direct uses the purchase rates at the next policy anniversary.)
- There are additional administration costs with monthly payments.

Term life insurance riders

The following base insured term riders are available on single life policies (not issued as part of the term conversion with reset feature on conversion to permanent policy):

- Simply Preferred™ term 10 life insurance rider
- Simply Preferred term 20 life insurance rider
- Simply Preferred term 30 life insurance rider

When the term conversion with reset feature is exercised, the following base insured term riders are issued on single life policies:

- Converted term 10 reset life insurance rider
- Converted term 20 reset life insurance rider
- Converted term 30 reset life insurance rider

Preferred underwriting

Preferred underwriting takes a closer look at smoking habits, build, blood pressure, cholesterol, personal and family health history, occupations, hobbies and driving habits. This enables Canada Life to reward good life insurance risks with lower premiums.

For more information, reference *Life insurance underwriting requirements* guide. The preferred term life insurance rider insured must be the same person as the base policy insured.

Issue ages

	Simply Preferred term 10	Simply Preferred term 20	Simply Preferred term 30
Non-smokers	18-75	18-65	18-55
Smokers	15-75	15-65	15-55

Term renewal

Simply Preferred term riders renew every 10, 20 or 30 years depending on the term of the rider without evidence of insurability. No renewal will take place if the expiry date has been reached (see below), and no renewal will extend coverage past the expiry date. Generally, term life insurance rider premium payments increase at each renewal anniversary and are determined according to the rates shown in the policy details page. Term life insurance renewals are automatic unless the policyowner notifies Canada Life the term life insurance rider shouldn't be renewed, or the rider is being converted at the renewal date.

Expiry date

Expiry date for term riders is the earlier of:

- When the client's base policy ends
- The policy anniversary nearest the 85th birthday of the insured person under the rider

Conversion options

While the rider is in force and all premium payments due have been paid, the policyowner may convert the coverage provided by the rider, without evidence of insurability up to the amount of the rider, to a new single life insurance policy insuring the same person as the rider. The policyowner may choose to convert to either a permanent or term policy. All conversions are subject to applicable policy minimums and then-current administrative rules.

Converting to a permanent policy

Clients with a conversion option in their term rider contract can convert some or all of the coverage under the term rider to any single-life permanent life insurance product offered by Canada Life at the time of conversion. All conversions are subject to applicable policy minimums and then-current administrative rules.

When converting to a permanent policy, the insured must be the same life as the rider, with a base coverage amount no greater than that of the term life insurance rider. The conversion privilege is available until the policy anniversary nearest the insured person's age 70. Premium payments will be based on the insured person's attained age at date of conversion (calculated on an age-nearest basis).

Term conversion with reset feature on conversion to a permanent policy

Term conversion with reset feature allows an eligible amount of term coverage to be converted to a term rider on a new permanent life insurance policy. The new term rider gets issue age pricing, just like the new permanent policy, at new issue rates without underwriting. The new term rider matches the issue age and issue date of the new permanent base policy.

- Conversion with term reset feature is available on existing term coverage issued Jan. 1, 2005 or later (in-force term policies, and par and universal life term riders from Canada Life, London Life or Great-West Life).
- Conversion with term reset feature is available on policies with a term length of 30 years or less.
- The term reset option is not available for original age conversions.
- The term reset option and term-to-term conversion are not available for term riders on permanent policies that originated from a prior term conversion with reset (cannot convert to a permanent policy with term reset feature or term to term again).
  - The term rider on the new permanent policy will be issued in the converted term rider series. These riders are like the Simply Preferred term riders, but with different conversion options available. See product eligibility for term conversion with reset (link below) and the converted term rider contract pages.
- Full or partial conversion with term reset feature is available. The product minimum for term riders applies to the reset feature.
- The term conversion with reset feature lets the client reset their term length. The term length for the new term rider must be equal to or greater than the original term policy.
- Clients can convert optional benefits in their current policy, as long as we still offer them and none of those benefit amounts are increasing.
- At least 40% of the total converted term coverage amount must be a new permanent base policy.
  - ADO is not part of the base par product when determining the 40% minimum requirement.
    If the enhanced coverage dividend option is chosen for par, the par base coverage + enhanced coverage + term rider cannot be greater than the converted amount. See example 3 below.

Example 1 – resetting term length

- If the client bought a Canada Life My Term™ policy, 10 years in length, at age 45 and converted it to a new par insurance policy with a term 10 reset rider at age 54, both the new permanent policy and the term rider would get rates and term lengths based on age 54. Because the client gets term rider issue age pricing based on their current age 54, the term is resetting. That is, the client gets to restart their term period so that their first term renewal will take place at age 64. This is instead of age 55, when it would have renewed under the originally purchased term policy.

Example 2 – term length for new rider

If the conversion was for a Canada Life My Term™ policy 12 years in length, it must be converted to a term reset rider for 20 or 30 years (subject to maximum age limits). Converting to a 10-year term rider is not an available option because 10 years is shorter than the original 12-year period on the Canada Life My Term policy.

Examples 3 – minimum 40% total converted coverage amount to new permanent base policy.

Full conversion

- John bought a $1 million Canada Life My Term™ policy with a 10-year term length at age 45.

- Now at age 54, John decides to exercise a full conversion with term reset to a permanent policy with 10-year term rider. Because John is converting $1 million, at least $400,000 must be applied to a new permanent base policy (40% of total converted coverage).
- John receives the rates for his new permanent policy with the term rider based on age 54, all without underwriting.
- John's first term rider renewal will be deferred to age 64. This is instead of age 55, when it would have renewed under the originally purchased term policy.

Partial conversion

- John bought a $1 million Canada Life My Term™ policy with a 10-year term length at age 45.
- Now at age 54, John decides to exercise a partial conversion with term reset to a permanent policy with a term rider. Since John is converting $500,000, at least $200,000 must be applied to a new permanent base policy (40% of $500,000 is $200,000 and John could choose a higher amount of permanent coverage if desired).
    - John converts $500,000 of the original policy to include $200,000 of permanent coverage, and $300,000 as a new rider that's either the same length or greater than the original policy. In this case 10, 20 or 30 years.

John can either choose to maintain the remaining $500,000 on the original term policy and convert at later date or choose to cancel.

Example 4 – Conversion to par with enhanced coverage dividend option

- John bought a $1 million Canada Life My Term policy with a 20-year term length at age 45.
- Now at age 54, John decides to exercise a partial conversion with term reset to a participating life insurance policy with a term rider. Since John is converting $750,000, at least $300,000 must be applied to the participating life insurance base policy (40% of $750,000 is $300,000 and John could choose a higher amount of participating life insurance coverage if desired). Remaining term coverage amount may be divided between enhanced coverage and the new term rider.
    - John converts $750,000 of the original policy to include $300,000 of participating life insurance coverage.
    - The remaining $450,000 may be divided between enhanced coverage and the new term rider (par base coverage + enhanced coverage + term rider cannot be greater than the total converted amount).
    - John decides on $250,000 as a new term rider that's either the same length or greater than the original policy. In this case 20 or 30 years.
    - John takes the remaining $200,000 as enhanced coverage, which brings the total coverage to $750,000.
- John can either choose to maintain the remaining $250,000 on the original term policy and convert at later date or choose to cancel.

Converting to a term policy

Clients with a conversion option in their term rider contract can convert some or all of the coverage under the rider to a longer-term term rider without insurability evidence.

Clients must request the conversion before the 7th policy anniversary or the specific maximum conversion issue age based on the term chosen (listed in the chart below), whichever is earlier. Conversions are also only permitted after the first anniversary. Term-to-term conversion may be available under the condition that the new term rider will be at least 10 years longer than the original rider's term length, if it's after the first policy anniversary and before the earliest of:

- The end of the initial term
- The seventh policy anniversary
- The policy anniversary closest to the date the insured person reaches the **maximum age eligible** for the new policy. Premiums at conversion are based on age nearest the new policy date.

Wealth Select and Estate Select Advisor guide

Original term conversion	Term to term available conversion options	Maximum conversion issue ages
Term 10	To term 20	Attained age 65
	To term 30	Attained age 55
Term 20	To term 30	Attained age 55
Term 30	No available option – not eligible to convert to a different term product	

For additional details on conversions, please refer to the Canada Life My Term Advisor guide.

Please refer to the following term life insurance rider contract pages:

- Wealth Select or Estate Select term 10 rider
- Wealth Select or Estate Select term 20 rider
- Wealth Select or Estate Select term 30 rider

Child's term life insurance rider

This benefit provides life insurance on the insured person's children, as described below. No matter how many children are insured under this benefit, your yearly premium for this benefit doesn't increase. Clients may convert an insured child's coverage under this benefit to a new, separate policy, with no need to provide evidence of their insurability, including health. The child's term life insurance rider isn't eligible for dividends and has no cash value or non-forfeiture benefits.

Availability

If the insured person is rated over 200% (pre-ASTRA rating), the rider isn't available.

If any child born to or adopted by the insured person at the time the rider is underwritten is rated over 200% (pre-ASTRA rating), that child is excluded from the rider. This doesn't apply to children born to or adopted by the insured person after the rider issue date.

Issue ages

Base insured person: 18-59

Children insured under rider: 15 days up to and including 17 years of age (on an age nearest basis)

Issue limits

- Minimum: $10,000
- Maximum: $25,000

Benefit

The beneficiary receives a payout, provided the death occurs before the earlier of:

- Rider anniversary nearest the insured child's 25th birthday
- Rider termination

Premium payments

The annual premium payment is level and isn't dependent on the number of insured children. Premium payments end when the benefit ends.

Expiry

The child's term life insurance rider expires at the policy anniversary nearest the policy insured person's 65th birthday. You can apply to extend this benefit's period of coverage if, immediately before the end date an insured child is less than 25 years old, and this benefit is in effect.

If the insured person dies while this benefit is in effect, any insured child's coverage under this benefit will continue and we'll waive future premium payments for that coverage. This benefit's new end date will be the first benefit anniversary on or after the 25th birthday of the youngest insured child who was living when the insured person died.

Converting coverage from this benefit to a separate policy

Your clients may convert an insured child's coverage under this benefit to a new, separate policy, with no need to provide evidence of their insurability, including health.

For more details, refer to the Wealth Select or Estate Select *Child's term life insurance rider* contract pages.

Accidental death benefit

We'll pay the payout under this benefit if the insured person dies as the result of an accident.

Availability

The accidental death benefit is available on single life policies at the time of issue if the insured person is rated 200% or less (pre-ASTRA rating).

Issue ages

- **Regular** 0 to 65
- **Non-smoker** 18 to 65

Issue limits

Minimum $1,000

Maximum elected amount is the lesser of:

- One times the base coverage, plus term rider coverage
- $400,000, including all accidental death benefit coverages in force or applied for on the insured person's at all life insurance companies

For more details, see the Wealth Select or Estate Select *Accidental death benefit* contract pages

Guaranteed insurability rider

This benefit gives your client the option to obtain new, permanent policies on the insured person, with no need to provide evidence of their insurability, including health. Clients may apply for these additional policies based on specific option dates.

Availability

This rider is only available on single life policies and is not available for substandard risks. The risk class must be standard before ASTRA is applied.

Issue age

0 - 45

Issue limits on new policies

Original policy issue age	Cumulative maximum of all options is the lesser of:
0-36	$1.2 million or 4X selected option amount
37-39	$900,000 or 3X selected option amount
40-44	$600,000 or 2X selected option amount
45	$300,000 or 1X selected option amount

Any exclusions on the policy are applied to the new policy.

The new policy must meet our product minimums and can be illustrated with Concourse Direct. If the coverage amount is below the allowable minimum, Estate Select must be selected and the advisor can contact Head Office Quote Support for an illustration.

For more details, see the Wealth Select or Estate Select *Guaranteed insurability rider* contract pages.

Wealth Select and Estate Select
Advisor guide

Business growth protection rider (10- or 15-year option period)

This benefit gives your client the option to obtain new, permanent policies on the insured person, with no need to provide evidence of their insurability, including health, if their share of the specified business grows in value.

Availability

The rider is available for:

- Single life policies – only one business growth protection rider is allowed per business per policy. If the applicant has more than one business, then a separate policy and business growth protection rider must be issued.
- Joint policies – the business growth protection rider is available on one of the lives insured.

Each rider can cover only one life and the insured person's interest in only one business. The one business can be a holding company that has ownership of subsidiaries.

The rider isn't available for substandard risks. The risk must be standard before ASTRA is applied.

Issue age

- 10-year option: 18 - 65
- 15-year option: 18 - 60

Option amount limits

- Issue minimum: $100,000
- Issue maximum: $2.5 million

Financial underwriting by Canada Life determines the value of the business for an option date, based on the financial statements provided from the last 3 fiscal years (and other information as is deemed necessary).

Cumulative maximum amount

The cumulative maximum amount of new insurance coverage that can be purchased under this rider is the lesser of:

- $10 million
- Four times the rider's option amount limit
- The insured person's ownership share of any increase in the business value measured from the rider date

Increases in the option amount, and therefore in the cumulative maximum, aren't permitted. Decreases in coverage are permitted, subject to the minimum amounts of $100,000 and Canada Life's then-current administrative rules.

Exercising an option

The option dates are on each rider coverage anniversary from years one through 10, or years one through 15, depending on the chosen option period. A letter of notification is mailed 60 days in advance to remind the policyowner of the option date. The option expires 31 days after its option date.

Options may be exercised to:

- Buy a permanent life insurance policy (subject to administrative rules at that time):
- There are no dividend option restrictions on that new insurance, for example, paid-up additional coverage are available without additional underwriting.
- Additional deposit option is available, subject to administrative rules and medical evidence for the additional deposit option amount.

The amount your client pays for the new policy will be based on our rates at that time, and the type and amount of insurance they apply for. The rate class for the new policy will be Standard. The insured person's age will be their age on their birthday nearest to the option date.

For more details, see the Wealth Select or Estate Select *Business growth protection rider* contract pages:

- 10-year
- 15-year

Death and disability waiver of premium benefits

With death or disability waiver of premium rider benefits, premium payments are waived if the insured person (under the rider, which may be different than the insured person under the basic policy) either dies or becomes disabled according to rider provisions.

We'll start to waive premium payments with due dates on or after the effective date of disability if:

- The person insured with this benefit becomes totally disabled before the benefit anniversary nearest to their 60th birthday
- They remain continuously totally disabled for the waiting period.

We'll refund to your client any premium payment they made with a due date on or after the effective date of disability.

There are several types of waiver of premium riders available:

- Disability waiver of premium for the owner/insured person of single life and joint first-to-die policies
- Death and/or disability waiver of premium for the payer of single-life policies
- Disability waiver of premium for either or both lives of joint last-to-die, premiums to last death policies

Maximum

A disability waiver benefit may only be attached to a policy that:

- Together with all policies in force and applied for on the same waiver insured at all life insurance companies, doesn't exceed $2.5 million of base term insurance coverage
- Together with all policies in force and applied for on the same waiver insured at all life insurance companies, doesn't exceed $50,000 of policy premium, excluding additional deposit option and waiver premium

Note

When the waiver claim period expires, future policy premium payments become payable by the policyowner or premium payor.

For more details on the death waiver of premium rider, see the following contract pages:

- Wealth Select or Estate Select waiver of premium at last death, joint last-to-die
- Wealth Select or Estate Select waiver of premium at death, adult base insured
- Wealth Select or Estate Select waiver of premium at death, juvenile base insured

For more details on the disability waiver of premium rider, see the following contract pages:

- Wealth Select or Estate Select disability waiver of premium base insured
- Wealth Select or Estate Select disability waiver of premium adult base insured
- Wealth Select or Estate Select disability waiver of premium juvenile base insured

Definition of total disability

For more details, see the following contract pages:

- Wealth Select or Estate Select disability waiver of premium base insured

Sales illustration

While an illustration is a valuable tool for understanding how a policy will work given a certain set of assumptions, it is not an estimate or projection of future policy performance. Actual experience will differ from the assumptions used in the illustrations; therefore, the non-guaranteed values in the policy will differ from those illustrated.

Canada Life's participating life insurance illustrations provide a reduced scenario to show the sensitivity of the non-guaranteed values to changes in the dividend scale. The reduced scenario illustrates the effect of decreasing the current dividend scale interest rate by 1%. The reduced scenario is intended to demonstrate the sensitivity of values to a change in the dividend scale.

Note: the dividend scale interest rate is only one component of the dividend scale calculation. Changes to any of the other components, such as mortality, expenses and taxes, also affect the non- guaranteed values in the illustration. Guaranteed values and features are marked as such. Values and features that depend on dividends vary from those illustrated and are not guaranteed.

Annual statement and inforce illustration

At each policy anniversary, participating policyowners receive a detailed annual statement. The statement contains a summary of the payout and cash value, as well as the current dividend amount and how it was used.

The inforce illustration provides a current and a reduced scenario to show the sensitivity of non-guaranteed values to changes in the dividend scale. Values are shown based on the current dividend scale, as well as a reduced scale with a reduction in the interest component.

Assuris

The Canada Life Assurance Company is a member of Assuris. Assuris is a not-for-profit corporation, funded by the life insurance industry, that protects Canadian policyowners against loss of benefits due to the financial failure of a member company. Details about the extent of Assuris' protection are available at http://www.assuris.ca or in its brochure, which can be obtained from Assuris by emailing info@assuris.ca or by calling 1-800-268-8099.

For more information

For more information on how the Canada Life's participating life insurance products can help your clients realize their financial security goals, contact the life insurance team at your local product solutions centre.

For more information about our products, visit Canada Life RepNet™ or contact your insurance sales partner at the product solutions centre.

British Columbia 1-800-663-0413
Mid-West... 1-888-578-8083
GTA/Ontario 1-877-594-1100
Quebec/Atlantic 1-800-313-2213

99 12338-01/23