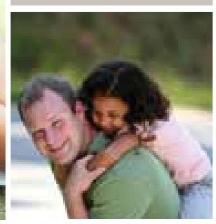
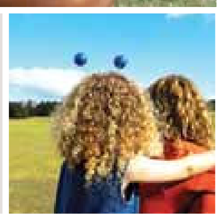
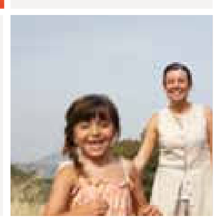
Canada Life™

LIFE
INSURANCE
SOLUTIONS

Protect families, protect lives

PROTECTION AND FLEXIBILITY FOR A PROMISING FUTURE

Protection and flexibility for a promising future

Setting aside money for children or grandchildren is smart planning. A key requirement is a solution that offers access to money when needed. Other important factors are stability, security and growth of assets. With a myriad of choices available, it can be hard to determine the most appropriate one to meet your needs.

Participating life insurance may be an option to consider. It provides more than a death benefit – it also has a cash value that grows inside the policy, which can be accessed in the future.

See how a participating life insurance policy works for Todd, Leanne and their granddaughter, Olivia.

Meet Todd and Leanne

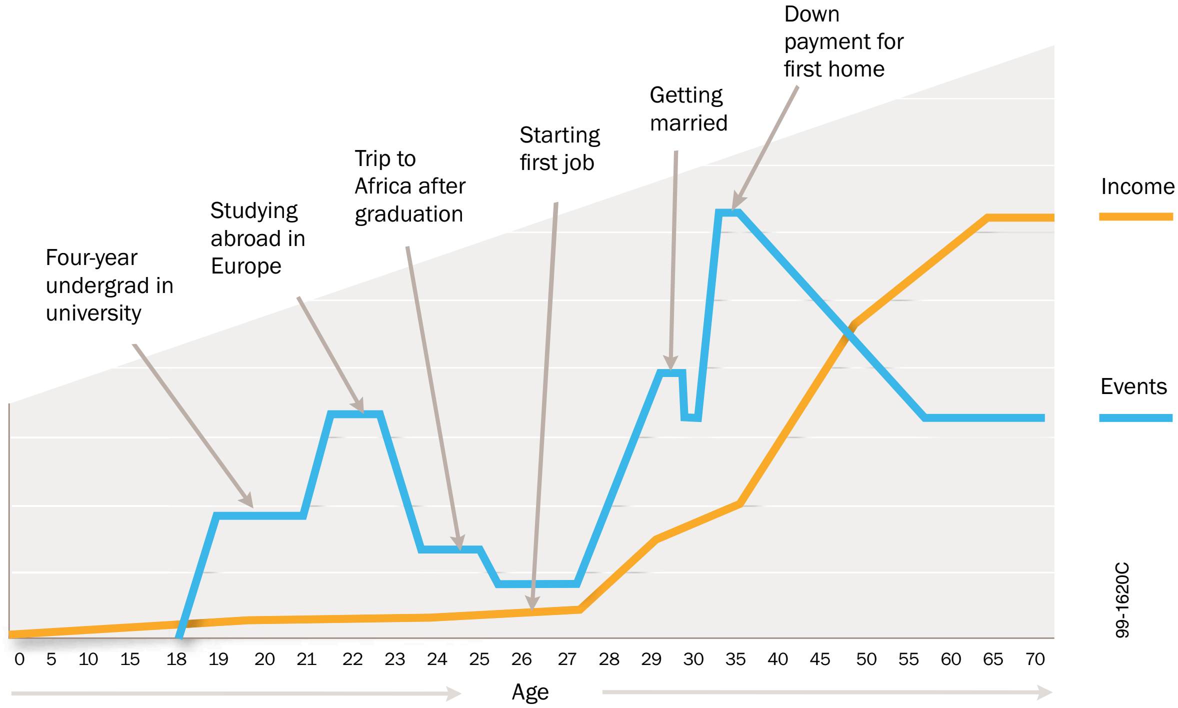
- Proud grandparents of eight-year-old Olivia
- Know a head start on a savings plan will help create the type of future they want for Olivia
- Already funding Olivia's registered education savings plans (RESPs)
- Beyond RESPs, they're thinking of other events and opportunities where Olivia will need money – likely at times when her income may be limited.

Todd and Leanne both lost their parents and saw first-hand the effect not enough life insurance coverage can have on a family. They purchased life insurance on their own children and also want to know Olivia will have life insurance coverage to last her lifetime. They know if Olivia were to develop health problems, it could jeopardize her ability to get coverage.

Todd and Leanne's advisor has told them a participating life insurance policy with Canada Life™ could provide both life insurance coverage and access to cash when needed. They want to learn more.

A closer look

Todd and Leanne consider some of the costs Olivia may have in the future. They recognize some key events could happen at times when income is limited.



Todd and Leanne want to ensure Olivia has enough money to pursue all her dreams and aspirations.

More than a death benefit

Participating life insurance provides permanent life insurance protection with a cash value component that can grow tax-advantaged inside the policy. This cash value can be accessed once, or several times during Olivia's life.

How it works

After considering possible expenses Olivia may face, Todd and Leanne decide to purchase a $100,000 *Estate Achiever* max 20 participating life insurance policy from Canada Life for her. They purchase this policy because it has great long-term cash value growth and is contractually paid up after 20 years. There's also potential to end out-of-pocket payments even sooner through a premium offset option.

They've added a benefit to allow for increases in coverage as Olivia's life insurance needs increase. Already showing signs of being an outdoor enthusiast, activities like rock-climbing, scuba-diving or even travel to certain countries are all lifestyle choices that could affect Olivia's insurability. Adding this benefit when the policy is first purchased means even if she's eventually considered a higher risk and potentially uninsurable, she can still increase her coverage. Plus, this policy and benefit allow for permanent life insurance protection, with the added benefit of policy cash value that grows throughout Olivia's life.

Here's a closer look at Olivia's potential plans for her future and policy cash value at key points in time.

Age	Events	Total cash value inside the policy	Total death benefit
18	Grandparents sign policy over to Olivia	$12,950	$213,160
18	First year of university	$12,950	$213,160
22	Post-graduate studies abroad	$24,924	$272,033
25	Travels to Africa	$39,657	$324,038
26	Starts first job	$45,878	$342,016
30	Gets married	$68,673	$408,601
33	Down payment on first home	$83,680	$453,215
65	Retirement	$527,391	$1,053,780

Chart assumptions: Juvenile insured, age eight, standard risk, *Estate Achiever* max 20 policy, paid-up additions with maximum additional deposit option for 20 years, guaranteed insurability rider $50,000 option, annual premium $1,958.50, initial death benefit $100,000. The cash and death benefit values include values dependant on dividends, which aren't guaranteed. Values shown are based on Canada Life's 2012 dividend scale. Actual results will vary up or down from those illustrated, based upon the actual dividend experience of the policy.

When Olivia turns 18, Todd and Leanne plan to sign the policy over to her. They will remain irrevocable beneficiaries. This way, the policy cannot be surrendered for its cash value without their consent. By signing the policy over to her, before withdrawals are made, future tax implications would also be Olivia's responsibility. However, there are no tax implications on the transfer of ownership itself. [1]

Todd and Leanne are happy with the flexibility of the participating life insurance policy. Looking at the long-term growth in cash value, Olivia could even use the money to enhance her retirement income, if needed.

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[1] A tax-free rollover is available when the transfer of a life insurance policy is from a living parent (or grandparent) to a child (or grandchild) of the existing policyowner, and a child (or grandchild) is the only life insured. Any taxable income from subsequent dispositions is taxable to the original policyowner (the parent or grandparent) if the new policyowner is under 18 when the disposition occurs. A tax-free rollover is also available on a transfer due to the death of the deceased parent (or grandparent) to a child (or grandchild) of the existing policyowner who is the contingent owner and the only life insured.

Beyond RESPs

In the past 10 years, tuition fees at Canadian colleges and universities have more than doubled. Based on the 2010 and 2011 school year, Statistics Canada reports the average tuition per year was $5,128. This is over $20,000 for a four-year program, just for tuition. This number doesn't consider accommodation, living expenses, books, recreation fees or social activities. Students can easily graduate university with $40,000 to $50,000 of debt*.

*Statistics Canada, University tuition fees, 2010/2011.

RESPs are a good start, but will they be enough, and will they provide enough flexibility?

Participating life insurance is a great complement to RESPs. It provides life insurance protection for children or grandchildren, and a cash value component that can grow and be accessed to afford them more opportunities in life.

Canada Life™

The Canada Life Assurance Company, a subsidiary of The Great-West Life Assurance Company and a member of the Power Financial Corporation group of companies, provides insurance and wealth management products and services. Founded in 1847, Canada Life is the country's first domestic life insurance company.
Visit our website at www.canadalife.com.

This information is general in nature and for educational purposes only. It was prepared in November 2011, based on the laws of Canada and their interpretation at that time, as they apply to Canadian life insurance policies and tax residents of Canada. It is accurate to the best of our knowledge at the date of publication. However, laws and interpretations may change. Any insurance policy used as an example is assumed to be validly in force, with all premiums paid when due and its cash value within prescribed limits so as not to attract accrual tax. Surrender of the policy, withdrawals and policy loans taken from the policy may be subject to tax. Life insurance examples are not complete without the Canada Life illustration, including the cover page, reduced example and product-features pages all having the same date. For specific situations, you should obtain appropriate professional advice, for example, insurance, tax, legal or accounting advice.

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.

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