

April 27, 2023 – The dividend scale will increase for the Canada Life™ combined open participating (par) account and the Canada Life closed account, effective July 1, 2023. This is the second year in a row these dividend scales have increased.

The dividend scales will remain the same for former Crown Life and New York Life policies.

These announcements are the result of Canada Life's review of the par account experience for all Canada Life par life insurance policies.

Contents

- [Highlights](#)
- [Changes to maximums, related policy rates and updated illustration software](#)
- [Dividend scale Q&A](#)
- [Transition rules](#)
- [Other notes](#)

Highlights

The board of directors have approved the following recommendations made by the company's actuary, to go into effect on July 1, 2023.

Par policies	Dividend scale interest rate	Dividend scale ¹
Canada Life policies in the combined open account, ² issued on or after Jan. 1, 2020	Increase from 5.25% to 5.50%	Increase
Policies issued before Jan. 1, 2020:		
<ul style="list-style-type: none"> Policies in the combined open account, formerly belonging to the Canada Life open account, issued on or after Nov. 5, 1999 ³ 	Increase from 5.25% to 5.50%	Increase
<ul style="list-style-type: none"> Canada Life policies in the closed account, issued before Nov. 5, 1999 	Increase from 5.15% to 5.40%	Increase

The dividend scales will remain the same for former Crown Life and New York Life policies.

Notes

- Any change in dividends for a particular policy varies, depending on factors such as the year a policy was issued, plan type, basic risk classification, issue age and others. Past results don't indicate a par account's future performance. The dividend scale interest rate is only one of many factors that contribute to an individual policy's performance. The actual cash value growth in any policy varies, depending on factors such as type of product, product features, premium-paying period, issue age, rating, dividend option, dividend scale and others.
- On Jan. 1, 2020, the Great-West Life, London Life and Canada Life Canadian open par accounts were combined to form the new Canada Life combined open par account.
- Wealth Achiever and Estate Achiever policies issued after amalgamation are included with the policies formerly belonging to the Canada Life open account, issued on or after Nov. 5, 1999.

Main drivers behind changes to the dividend scales

For the Canada Life combined open account and the Canada Life closed account, the main drivers of the change in the dividend scales were related to investments:

- Favorable Non-Fixed Income (NFI) returns in 2021 and additional past positive investment experience, which is being smoothed into the dividend scale, helped offset negative 2022 public equity performance.
- Increases in interest rates also helped provide upward support to the dividend scales.

We reviewed all non-investment related experience (mortality, lapses, expenses and taxes). This resulted in updated mortality experience for some policies formerly belonging to the Canada Life open par account, issued before Jan. 1, 2020, and for the Canada Life closed block. For more details, refer to the [Q&A](#).

For the Crown Life and New York Life par accounts:

- These accounts are 100% fixed income. There was no impact from the negative public equity performance.
- Increases in interest rates in 2022 had a limited impact.

Changes to maximums, related policy rates and updated illustration software

We recently introduced a new, web-based insurance illustration tool, Canada Life Illustrations, available through Workspace. If you don't have Workspace, [go here to learn more and register](#).

Refer to this table for the dates these changes go into effect and when the illustration software will be updated. For impacts on in-force illustrations, see the Q&A.

Changes	2023 update	Effective date	When will web-based Canada Life illustrations be updated?	When will Concourse desktop illustration software be updated from version 4.8.1 to 4.9?
Dividend scale interest rate	Increase	July 1	May 1	May 29
Scheduled additional deposit option (ADO) maximums ¹	Generally decrease	May 28	May 1	May 29
Single ADO maximums	Generally decrease	May 28	May 29	May 29
Maximums for enhanced coverage	Generally increase	May 28	May 29	May 29
Enhanced coverage term rates (OYT)	Updated for some policies formerly belonging to the Canada Life open par account issued before Jan. 1, 2020.	July 1	May 1	May 29
	Updated for policies belonging to the Canada Life closed block.			
Related policy rates				
Dividend accumulation interest rate	Increase from 2.25% to 3.5%	July 1	N/A	May 29
Variable policy loan interest rate ²	Increase from 7.45% to 8.7%	May 28	May 1	May 29
Premium deposit account interest rate	Increase from 0.5% to 3%	May 28	May 1	May 29
Delayed claim interest rate	No change	N/A	N/A	N/A

Notes

1. Between May 1 and May 28, please use Concourse desktop illustration software to obtain the old ADO maximums and use web-based Canada Life Illustrations to obtain the new ADO maximums.
2. For details on changes to the variable policy loan interest rate, see the Q&A.

Dividend scale Q&A

For more information, see the [2023 dividend scale Q&A](#).

Transition rules

New Business applications

If	Then
<p>Web and SimpleProtect™ applications submitted by 11:59 p.m. CST on May 27, 2023</p> <p>Or</p> <p>Paper applications received at head office before May 27, 2023</p>	<p>Old maximums apply for any additional deposit option (ADO) and enhanced coverage dividend option. Clients may request new ADO and enhanced coverage maximums. You must submit a new illustration prepared, on or after May 29.</p> <p>If backdating to save age, old ADO and enhanced coverage maximums apply. Clients may request new ADO and enhanced coverage maximums. You must submit a new illustration prepared on or after May 29.</p> <p>New maximums may be subject to additional underwriting requirements.</p>
<p>Web and SimpleProtect applications submitted after 11:59 p.m. CST on May 28, 2023</p> <p>Or</p> <p>Paper applications received at head office on or after May 28, 2023</p>	<p>New ADO and enhanced coverage maximums apply. You must submit an illustration prepared on or after May 29.</p> <p>If backdating to save age, new ADO and enhanced coverage maximums apply.</p> <p>New maximums may be subject to additional underwriting requirements.</p>

Pending applications

If	Then
<p>Par applications in pending status on May 28, 2023</p>	<p>Old ADO and enhanced coverage maximums apply.</p> <p>Clients may request new ADO and enhanced coverage maximums:</p> <ul style="list-style-type: none"> • New maximums may be subject to additional underwriting requirements. • You must submit a new illustration prepared on or after May 29.

Issued cases

If	Then
Par policies issued but not placed in force on or before May 28, 2023	Old ADO and enhanced coverage maximums apply. Clients may request new ADO and enhanced coverage maximums: <ul style="list-style-type: none"> • New maximums may be subject to additional underwriting requirements. • You must submit a new illustration prepared on or after May 29. • Policies will be current dated, unless backdating to save age.
Par policies placed in force on or before May 28, 2023	Clients may request new ADO and enhanced coverage maximums: <ul style="list-style-type: none"> • We'll handle this as a policy replacement. ¹ • New maximums may be subject to additional underwriting requirements. • You must submit a new illustration prepared on or after May 29. • Policies will be current-dated, unless backdating to save age.

Note

1. Applicable provincial legislative replacement requirements (for example, Life Insurance Replacement Declaration, written explanation) as well as the *Authorization to transfer funds/replace existing insurance* (form 17-8913) will be required.

Closed cases

If	Then
Policy applications re-opened on or after May 28, 2023	New ADO and enhanced coverage maximums apply. <ul style="list-style-type: none"> • You must submit a new illustration prepared on or after May 29. • Policy will be current dated, unless backdating to save age.

Policy changes, including all guaranteed issues

If	Then
Quotes processed on or before May 27, 2023	Old ADO and enhanced coverage maximums apply.
Quotes processed on or after May 28, 2023	New ADO and enhanced coverage maximums apply.
Policy change applications received at head office before May 28, 2023	Old ADO and enhanced coverage maximums apply.
Policy change applications received at head office between May 28 and June 2, 2023, with application-signed dates of May 27, 2023 or earlier	Old ADO and enhanced coverage maximums apply.
Policy change applications received at head office on or after May 28, 2023, with application-signed dates of May 28, 2023 or later	New ADO and enhanced coverage maximums apply. Illustrations should be prepared on or after May 29.
Policies backdated to save age	Regular backdating rules apply.

Other notes

- **12-month exchanges** – Transition rules don't apply to 12-month exchanges. The dividend scale and the ADO and enhanced coverage maximums in effect on the original policy date will apply for 12-month exchanges.
- **Guaranteed insurance options** – The dividend scale and the ADO and enhanced coverage maximums in effect on the conversion or option date will apply for any guaranteed insured option (GIO), guaranteed insurability rider (GIR), guaranteed insurability benefit (GIB), guaranteed purchase option (GPO), options to purchase additional insurance (OPAI), survivorship (JFTD) and group conversion.