



What's the  
best life  
insurance  
for you?

canada **life**™



Life insurance is a big decision to make and there are many factors to consider when choosing an option that's best for you. Since your circumstances are unique to you, your insurance protection should be too.

### To build the right plan, it's important to know your options.

**There's choice.** There are two options. Both options protect you and your family but have different features.

**Term life insurance** – simple to understand and affordable with flexible coverage.

**Permanent life insurance** – lifelong protection for your family with potential to grow your wealth tax-free while it remains in your policy.

## Deciding what's right for you depends on what you need. Here's some information to help:

	Term life insurance	Permanent life insurance
<b>How long does it last?</b>	<ul style="list-style-type: none"><li>You decide how much term coverage you want and for how long. When your term ends, your coverage can renew automatically, or you may be able to convert to a permanent insurance without answering more health questions<sup>1</sup>.</li></ul>	<ul style="list-style-type: none"><li>Guaranteed<sup>2</sup> lifetime insurance protection.</li></ul>
<b>Cost</b>	<ul style="list-style-type: none"><li>The cost is lower than permanent insurance. When your policy renews, the price will go up.</li></ul>	<ul style="list-style-type: none"><li>It may cost more because you're paying for lifetime coverage, but you have more options to increase your insurance payout (also called a death benefit) and cash value<sup>3</sup>.</li></ul>
<b>Benefits</b>	<ul style="list-style-type: none"><li>The person (or people)<sup>4</sup> you choose receives tax-free money when you die. They can use it however they want – for example, to help take care of the mortgage, pay down debt or provide future income for your family.</li></ul>	<ul style="list-style-type: none"><li>The person (or people)<sup>4</sup> you choose receives tax-free money when you die.</li><li>It can build cash value over time. You have guaranteed access to these funds and can use them when you're alive, however you want<sup>5</sup>.</li></ul>

**There's one type of temporary insurance (term life insurance) and two choices for permanent life insurance – universal and participating life insurance.**

**There are differences:**

	<b>Term life insurance</b>	<b>Universal life insurance</b>	<b>Participating life insurance</b>
<b>How does it work?</b>	<ul style="list-style-type: none"> <li>You choose how long you want coverage, from five to 50 years, and pay the same amount for the time selected.</li> <li>You can tailor your coverage to match your specific needs for the length of time you need it. This ensures you get the affordable coverage you need for each stage of life, with rates guaranteed for the length of time you need it.</li> <li>You may be able to convert some or all of your policy's coverage to a longer-term or permanent policy.</li> </ul>	<ul style="list-style-type: none"> <li>You get guaranteed protection for life<sup>2</sup>.</li> <li>You decide: Your investment style, how much risk you're comfortable with and how you want to invest your money – choose from a range of options that are available (subject to limits).</li> <li>You can put extra money into the policy that can grow over time.</li> <li>You can withdraw or borrow against this money<sup>5</sup>.</li> </ul>	<ul style="list-style-type: none"> <li>You get guaranteed protection for life<sup>2</sup>.</li> <li>Your premium payments, together with payments from all other Canada Life participating policyowners, go into the participating account. We manage this account to meet the guarantees and commitments to all our participating life insurance policyowners, now and in the future.</li> <li>If the account performs better than our assumptions at the time of pricing, earnings are generated for the participating account. You may be able to "participate" in those earnings, by receiving a policyowner dividend<sup>6</sup>.</li> <li>You can put extra money into the policy (subject to limits) that can grow over time.</li> <li>You can borrow or withdraw from your policy's cash value<sup>5</sup>.</li> </ul>
<b>How long will it last?</b>	The initial term lasts for a set timeframe. With Canada Life My Term, the policy automatically renews every year at the end of the first term until age 85 <sup>7</sup> , at which point it expires. You can end your coverage at any time. You may be able to convert to another policy <sup>1</sup> .	Your coverage is for life <sup>2</sup> .	Your coverage is for life <sup>2</sup> .
<b>Can I increase my insurance coverage?</b>	Yes, optional benefits can be added to the policy that allow you to increase your coverage.	Yes, optional benefits can be added to the policy that allow you to increase your coverage.	Yes, you can use your policyowner dividends to increase your insurance coverage.  You can also make additional payments (ADO) to buy more paid up additional (PUA) insurance <sup>3</sup> .

	Term life insurance	Universal life insurance	Participating life insurance
<b>What can I do with my cash value?</b>	Not applicable to term insurance products.	Use money that's grown inside your policy to help make: <ul style="list-style-type: none"> <li>• Future premium payments</li> <li>• Borrow or withdraw to fund future goals<sup>5</sup></li> <li>• Leave a larger inheritance for loved ones</li> </ul> You don't pay tax on cash value that's built up within your policy (within tax limits).	Use money that's grown inside your policy to help make: <ul style="list-style-type: none"> <li>• Future premium payments</li> <li>• Borrow or withdraw to fund future goals<sup>5</sup></li> <li>• Leave a larger inheritance for loved ones</li> </ul> You don't pay tax on cash value that's built up within your policy (within tax limits).
<b>What can I do with my policyowner dividends?</b>	Not applicable to term insurance products.	Universal life insurance doesn't offer policyowner dividends.	With these dividends, you can: <ul style="list-style-type: none"> <li>• Buy additional insurance coverage (which may increase your cash value)</li> <li>• Reduce (or even stop) insurance payments</li> <li>• Take your dividends as cash</li> </ul>
<b>Will my loved ones have to pay taxes?</b>	No. When you die, your insurance money goes tax-free to the person (or people) you've chosen <sup>4</sup> .	No. When you die, your insurance money goes tax-free to the person (or people) you've chosen <sup>4</sup> .	No. When you die, your insurance money goes tax-free to the person (or people) you've chosen <sup>4</sup> .
<b>How much does it cost?</b>	Typically, the least-expensive type of life insurance, but goes up at each renewal.	Typically, more expensive than term insurance. You have payment options: they can go up each year, remain the same until you die, or you can pay for a certain timeframe <sup>3</sup> .	Typically, more expensive than term insurance. Your basic premium payments are guaranteed not to change.



Your advisor is here to help you understand your needs and goals, help you choose the right insurance option and build a plan that protects you for life as you know it.

For more information about term and permanent life insurance, visit [canadalife.com](http://canadalife.com)



<sup>1</sup> Subject to policy age limits.

<sup>2</sup> Your coverage is guaranteed if you make required payments (called premiums) and you haven't changed your policy – for instance, made a withdrawal.

<sup>3</sup> Additional payments, if applicable, are subject to tax limits.

<sup>4</sup> This refers to named beneficiaries (people). Probate fees (estate administration tax), if any, may apply on money paid to an estate.

<sup>5</sup> If you borrow or withdraw from your policy, it may reduce how much money the person (or people) you've designated will receive (called a death benefit). You may also have to pay taxes on all or part of the amount withdrawn or borrowed from your policy.

<sup>6</sup> Policyowner dividends aren't guaranteed. If you take your dividends in cash, you may have to pay tax.

<sup>7</sup> Unless you tell us otherwise.



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