INDIVIDUAL
LIFE INSURANCE

Canada Life™

What's the best life insurance for you?

46-10022

To build the right plan for you, it's important to know: what are your options?

When it comes to life insurance, you have two choices: term life insurance and permanent life insurance. Both are great choices that protect you and your family, but each has different features. Deciding what's right for you depends on what you need.

- **Term life insurance** is temporary, lower-cost insurance coverage initially, where your payments stay the same for a set period of time. When that time's up you can renew your coverage or convert it to permanent life insurance without having to answer further health questions.

- **Permanent life insurance** also helps protect those you care about and provides you with more security because it lasts a lifetime.[1] Initially, it costs more than term life insurance but includes features that can grow money inside your policy over time (called cash value). You can access this money while you're still alive to help you achieve what you've always wanted – more retirement income or perhaps to start your own business – or leave a larger legacy for those you care about.

Deciding which option is right for you can be difficult. Here's some information to help you make a decision.

	Term life insurance	**Permanent** life insurance
When you need it	You need short-term insurance protection, or lots of insurance for a set period.	You need insurance that lasts a lifetime.
How long does it last?	You buy term life insurance for 10-year or 20-year terms. When that time's up you can renew your coverage for another term or convert it to permanent insurance without having to answer further health questions.	Guaranteed lifetime insurance protection[1]
Cost	Initially lower than permanent life insurance, but goes up each time you renew.	You choose: it can go up each year, remain the same until you die or you can pay for a set period of time.[2]
Benefits	The person (or people) you choose receives tax-free money when you die. They can use it however they want – for example, to help pay down debt, take care of the mortgage or send the kids to school.	It has all the benefits of term life insurance plus your coverage may include features that can grow money inside your policy over time. You can access this money while you're alive or leave a larger legacy.[4]

46-10022

While there's only one type of temporary insurance (term life insurance), there are two choices for permanent life insurance: universal or participating life insurance. Let's compare all three.

	Term life insurance	**Universal** life insurance	**Participating** life insurance
How it works	You get temporary protection for a set period. You pay the same amount for the entire term.	You get guaranteed protection for life and there are options that allow you to put extra money into your policy.[1] This money can grow over time and you can withdraw or borrow against it.[4]	You get guaranteed protection for life.[1] The money you pay for your coverage is combined with funds from other Canada Life™ participating life insurance policyowners and put into what's called the participating account. That account is invested by Canada Life and if it grows, you can get extra money, called a policyowner dividend.[3] You can also borrow or withdraw money that's built up over time from your policy.[4]
How long will it last?	Your coverage lasts for 10 or 20 years at which point you can renew, convert or end your protection (age limits apply).	Your coverage is for life.[1]	Your coverage is for life.[1]
Can I increase my insurance coverage?	Yes, an option allows you to increase your coverage.	Yes, options allow you to increase your coverage.	Yes, you can re-invest policyowner dividends back into your insurance coverage.
What can I do with policyowner dividends or money that grows inside the policy?	Term life insurance doesn't have these features.	Use money that's grown inside your policy to help make future payments, borrow or withdraw to fund future goals or leave a larger legacy for loved ones.[4] Universal life insurance doesn't offer policyowner dividends.	You can take your policyowner dividends as cash, use them to make future payments or use them to buy more insurance. Policyowner dividends can also be used to grow the policy's cash value. You can borrow or withdraw this money while you're still alive or leave a larger legacy.[4]
Will I have to pay taxes on policyowner dividends or money that grows inside the policy?	Term life insurance doesn't have these features.	You don't pay tax on cash value that's built up in your policy (within tax limits) unless you withdraw those funds from your policy. Universal life insurance doesn't offer policyowner dividends.	You don't pay tax on cash value that's built up in your policy (within tax limits) unless you withdraw those funds from your policy. However, you will have to pay tax if you take policyowner dividends as cash.
Will my loved ones have to pay taxes?	No, your insurance money goes to the person (or people) you've chosen tax-free when you die.[5]	No, your insurance money goes to the person (or people) you've chosen tax-free when you die.[5]	No, your insurance money goes to the person (or people) you've chosen tax-free when you die.[5]
Cost	Initially lower than permanent life insurance but goes up each time you renew.	You choose: it can go up each year, remain the same until you die or you can pay for a set period of time.[2]	You choose: it can remain the same until you die or you can pay for a set period of time.[2]

So which option do you feel best suits your needs: term life insurance, permanent life insurance or a combination of both?

No one knows your situation better than you do. However, your advisor* is a trusted professional who's there to help you. They can review your needs, help you choose the right insurance option and work with you to build a plan to protect what matters most.

For more information about term and permanent life insurance, please visit the life insurance page on our website: canadalife.com.

46-10022

Canada Life™

[1] Your coverage is guaranteed as long as you make required payments (called premiums) and you haven't changed your policy – for instance, added coverage or benefits, taken out a policy loan or made a withdrawal.

[2] Insurance contract requirements apply. Additional payments are subject to tax limits.

[3] Policyowner dividends aren't guaranteed. Past performance isn't a predictor of how the participating account will perform in the future. The company's board of directors, in accordance with the company's participating policyholder dividend policy, declare policyowner dividends annually.

[4] If you borrow or withdraw money from your policy, it will reduce the policy's cash value and how much money the person (or people) you've designated will receive (called a death benefit).

[5] Probate fees (estate administration tax), if any, may apply on money paid to an estate.

Helping people achieve more™

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.

46-10022-6/15