

## Canada Life Millennium universal life insurance changes, effective Sept. 17, 2012

### Highlights of the changes:

- Universal life insurance rate increase and transition rules changes
- Minimum guaranteed interest option rate reduction
- Millennium account interest crediting rate reduction
- Monthly variable interest option reports discontinued, daily reports available online Lifeguide® rates changing

### Why the change in rates?

The continuing low interest rate environment has caused Canadian insurers to re-evaluate pricing of their products with long term guarantees. For our products to remain sustainable, it's necessary to increase level and limited-pay cost-of-insurance (COI) rates. This is in line with a number of our competitors who also announced rate increases recently. Level and limited pay COI options require investment growth in the premiums in order to fund death benefits, expenses and desired profit levels. As interest rates drop, more premiums are required to fund those benefits, expenses and profit levels.

### Canada Life Concourse illustration software update

Rate changes are effective Sept. 17, 2012. Details on software, including Zoom illustration updates will follow.

### Changes to Canada Life Millennium universal life insurance rates

#### Level and limited pay COI rates

Note: All percentages are an estimate only and are expressed as a percentage of the base rate.

- For level COI, rate increases will average seven per cent (all ages).
- For limited pay COI, rate increases will average 11.5 per cent (all ages).
- Rates increases will be higher for ages 20 – 50.
- For level COI, rate increases will average 12.5 per cent for ages 20 – 50.
- For limited-pay COI, rate increases will average 18.5 per cent for ages 20 – 50.

#### Five and 10-year guaranteed interest options (GIO) rates (with and without client bonus)

- Five-year GIO decreases from 1.5 to 0.5 per cent.
- 10-year GIO decreases from 2.0 to 1.5 per cent.

#### Millennium Account

- Interest crediting rate on the five-year GIO in the Millennium Account decreases from 2.75 to 2.0 per cent

#### Monthly variable interest option reports no longer available online

Monthly PDFs of detailed summaries will be discontinued as of Sept. 17, 2012.

- Continually updated daily reports are available online
- Daily reports include management expense ratio and the annual approximate interest option fee
- Online feed links to individual variable interest option detail pages where information is easily accessible

#### LifeGuide® updates available

Rates on the external rate provider software, LifeGuide®, will change on Sept. 14, 2012. When signing on to LifeGuide, you will be prompted to update your software in order to proceed with the rate comparison.