



Universal Life

Guide to understanding

Flexible protection for your family, your business and your estate.



Contents

What is Universal Life?	1
With Universal Life, you get:	1
Give your life some flexibility	1
How does Universal Life work?	1
Life insurance	2
Premium Protection Option	2
Benefit options	2
Investment accounts	2
Premium Protection Account Option (PPA)	2
Daily Interest Account Option (DIA)	3
Index Linked Account Option (ILA)	3
Guaranteed Interest Account (GIA) option	4
Shuttle account	4
Insurance charges	5
Premiums	5
Planned Premium	5
12-month Lapse Prevention Premium	5
Premium Protection Option	5
Lifetime Lapse Prevention Premium	5
Maximum Premium	6
Premium holidays	6
Tax-sheltered funds	6
Special features	6
Policy loan	6
Partial surrender	6
You control your policy	6
Policies covering more than one life	6
Multi-Life	6
Joint Last-To-Die	6
We'll keep you informed	7
Preferred rates	7
Guarantees	7
Guaranteed Minimum GIA Interest Rate	7
Guaranteed Minimum ILA Interest Rate	7
Cost of Insurance Guarantees	8
Guaranteed Loyalty Bonus	8
Valued Client Bonus	8
Account Level Bonus	8
Universal Life	8

Looking for the best life insurance coverage for the most important people in your life? Want coverage that can adapt as your situation changes? Universal Life provides affordable, permanent and flexible financial protection to fit your needs, today and tomorrow.

What is Universal Life?

As one of the most flexible plans available, Universal Life combines the protection of life insurance with the benefit of tax-advantaged investing. Whether you want to protect your family or preserve your estate or both, you'll have the financial security you need while contributing to your savings.

With Universal Life, you get:

- permanent insurance protection
- coverage that can adapt as your life changes
- tax-sheltered growth on your savings
- easy access to cash within your policy*
- convenient payment options
- options to insure more than one life (Multi-life or Joint-last-to-die)

Give your life some flexibility

Universal Life gives you maximum flexibility and control, allowing you to:

- tailor your coverage amount
- increase or decrease your premiums*
- add or remove policy riders and options*
- stop and restart premium payments*
- withdraw funds from your policy*

To ensure a tailored plan that fits your individual needs and achieves your savings goals, your Advisor* will conduct a thorough financial-needs analysis using our Future Success Planning system.

How does Universal Life work?

- You pay your desired amount, usually monthly, into one or more investment accounts.
- Each month, funds are withdrawn from your account(s) to cover the cost of your life-insurance coverage and administration fees.
- The money left in your account(s) earns interest, based on the performance of the investments you've chosen within your policy.

**These changes may affect your death benefit.*

Life insurance

Typically, life insurance offers two options:

- Term insurance offers affordable financial protection for a specific period of time (the “term”) and then expires. You can use it to protect a period of your life when you have increased or greater financial responsibilities, like mortgage payments, education costs and outstanding debt. The death benefit is paid only if you pass away during the term of the policy.
- Whole Life insurance provides lifelong financial coverage for permanent needs, such as funeral expenses, estate taxes and final medical costs. Protection is guaranteed and premiums remain stable throughout the entire policy. With Whole Life, you can accumulate cash value in your policy that compounds over time.

Universal Life gives you the best of both types. It provides life insurance coverage that can remain with you in every stage of your life, as well as options for additional life and health insurance coverage.

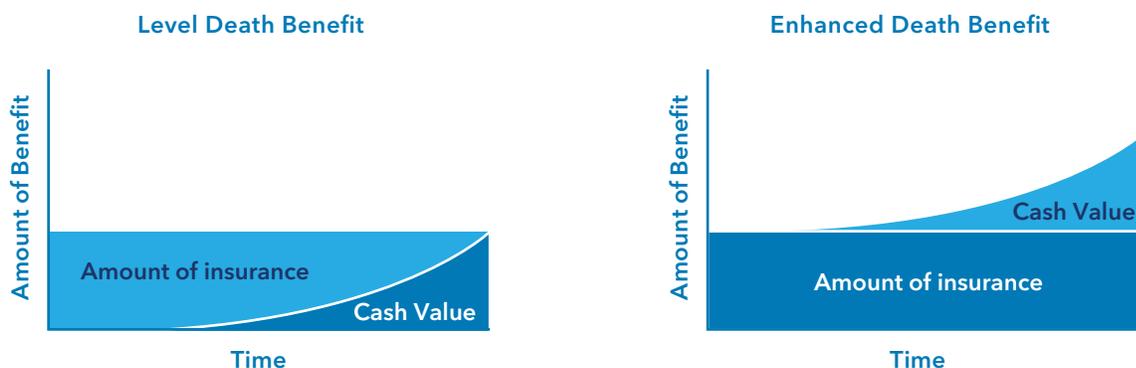
Premium Protection Option

There’s peace of mind in knowing that your premiums can be paid no matter what, so that your policy remains in force. With the Premium Protection Option, your policy won’t lapse as long as you meet the minimum contribution level (minus certain withdrawals) to your Premium Protection Account. When we issue your policy, we’ll let you know exactly what you need to pay to meet your monthly commitment.

Benefit options

Universal Life offers two choices of death benefit:

- Level death benefit: The amount of life insurance protection you select stays the same from the start of your policy. This option means more of your premium goes into your account as savings.
- Enhanced death benefit: The amount of life insurance protection you select increases as your account value increases.



Investment accounts

The flexibility of Universal Life centres on accumulation accounts, which may include the Premium Protection Account, Daily Interest Account, Index Linked Account and Guaranteed Interest Account. All of these accounts pay competitive interest rates to help you maximize the cash value of your policy. Our risk-profile questionnaire can help you determine which options would be best for your current financial situation and financial goals.

Premium Protection Account Option (PPA)

This investment account is for investing funds related to the Premium Protection Option. It offers an interest account that changes daily, but has a guaranteed interest rate of at least 1.5% and will never decrease in value.

Daily Interest Account Option (DIA)

You can direct all or part of your premium (minus insurance charges) to the DIA. Interest is calculated on a daily basis in relation to short-term rates in the marketplace. The DIA interest rate will not be less than 0%.

Index Linked Account Option (ILA)

ILAs earn rates of interest linked to various funds. Investments in the ILAs fluctuate with the performance of the funds to which they are linked. Interest may be positive or negative, and can change daily. You can direct all or part of your premium (minus insurance charges) to one of five portfolio ILAs, which each include a mix of the five ILAs.

Co-operators Very Conservative Portfolio ILA

Provides a steady stream of income and limited capital growth with minimal risk. It's best suited for investors who want to avoid short-term losses even if it means getting a lower return, but still want returns to exceed inflation.

Co-operators Conservative Portfolio ILA

Provides both income and capital growth with relatively low volatility. It's intended for investors with a low-to-moderate risk tolerance who want reasonable but relatively stable growth of income and capital, and are comfortable with modest fluctuations in the year-to-year value of their portfolio.

Co-operators Moderate Portfolio ILA

Combines income and long-term capital growth. It's intended for investors who can tolerate moderate fluctuations in the value of their portfolios in exchange for potentially higher long-term returns.

Co-operators Aggressive Portfolio ILA

Provides long-term growth of capital and income. It's suitable for investors who can withstand moderate to significant year-to-year fluctuations in the value of their portfolios in exchange for potentially higher long-term returns.

Co-operators Very Aggressive Portfolio ILA

Provides long-term growth of capital with little concern over short-term volatility. It's suitable for investors with a long-term investment horizon who can withstand significant year-to-year fluctuations in the value of their portfolios in exchange for potentially higher long-term returns.

Actual current mix for portfolio ILAs:

	Very Conservative Portfolio ILA	Conservative Portfolio ILA	Moderate Portfolio ILA	Aggressive Portfolio ILA	Very Aggressive Portfolio ILA
Co-operators Corporate Bond ILA	5%	10%	15%	20%	20%
Co-operators Universe Bond ILA	75%	55%	35%	15%	0%
Co-operators Canadian Equity ILA	15%	20%	25%	30%	35%
Co-operators US Equity ILA	5%	10%	15%	20%	25%
Co-operators International Equity ILA	0%	5%	10%	15%	20%

Portfolio allocations shown were updated in April 2019 and are still effective December 31, 2021. They are subject to periodic review and may change without notice. Ask your Advisor if you have any questions.

You can also direct all or a portion of your premium (minus insurance charges) to any combination of the following ILAs:

Co-operators Corporate Bond ILA

Earns interest linked to the total return performance of the Addenda Bonds Corporate Core Pooled Fund, which is an actively managed portfolio of bonds that seeks to provide returns similar to the benchmark index: FTSE TMX Canada Universe Corporate Bond Index.

Co-operators Universe Bond ILA

Earns interest linked to the total return performance of the Addenda Bonds Universe Core Pooled Fund, which is an actively managed portfolio of bonds that seeks to provide returns similar to the benchmark index: FTSE TMX Canada Universe Bond Index.

Co-operators Canadian Equity ILA

Earns interest linked to the total return performance of the Addenda Canadian Equity Pooled Fund, which is an actively managed portfolio of stocks from the Canadian equity markets that seeks to provide returns similar to the benchmark index: S&P/TSX Composite Index.

Co-operators US Equity ILA

Earns interest linked to the total return performance of the Addenda US Equity Pooled Fund, which is an actively managed portfolio of stocks from the US equity markets that seeks to provide returns similar to the benchmark index: S&P 500 Index. Returns are adjusted for changes in Canadian currency. Therefore, there are two risk/reward elements to this ILA: both market and currency fluctuation.

Co-operators International Equity ILA

Earns interest linked to the total return performance of the Addenda International Equity Pooled Fund, which is an actively managed portfolio of stocks from the developed markets, excluding the United States and Canada, designed to provide returns similar to the benchmark index: MSCI EAFE Net Index. Returns are adjusted for changes in currency. Therefore, there are two risk/reward elements to this ILA: both market and currency fluctuation.

Guaranteed Interest Account (GIA) option

You may choose to set up Guaranteed Interest Accounts. The GIA option offers a choice of 1, 2, 3, 4, 5, 10 and 25-year terms. This allows for flexibility to meet your changing personal needs and adapt to fluctuations in the financial environment. Funds are invested in minimum amounts of \$250 and credited with interest compounded annually.

At the end of your investment period, the principal and accumulated interest flow back into the Daily Interest Account. You can elect to transfer it to your choice of investment or, if you choose, our monthly sweep process provides for automatic reinvestment into another GIA.

Shuttle account

You can use this account when contributing premiums to your Universal Life policy that could jeopardize its tax-exempt status or when you hit the maximum cash value restriction under the Income Tax Act. This account will mirror your Universal Life policy in terms of investment allocation.

For example, if you've chosen to invest in the Co-operators Moderate Portfolio ILA, premiums (minus premium tax) are invested in that ILA. If a transfer to the Shuttle Account is required, it will be invested in the same ILA outside your policy.

We'll move funds to the Shuttle Account if your policy is at risk of becoming non-tax exempt. We'll also move funds from your Shuttle Account to your Universal Life policy when there's room under tax regulations.

Note: Co-operators ILAs are not sponsored, sold or promoted by the owner of any investment market indices or funds used to determine the interest rate to be credited under an Index Linked Account.

Insurance charges

The cost of insurance charges, and charges for optional benefits and expenses, are deducted each month from investment accounts in the following order:

- Premium Protection Account, if chosen
- Daily Interest Account
- Index Linked Account, where withdrawals are proportional to the value of all ILAs
- Guaranteed Interest Account, starting with the shortest term and most recent deposit date
- Shuttle Account, with the order of withdrawal as above (Daily Interest Account, Index Linked Account, and Guaranteed Interest Account).

Remember, the growth in your Universal Life policy's investment accounts is tax-sheltered. However, earnings on funds in the Shuttle Account are taxable to the policy owner annually.

Premiums

Flexibility in premium payments is one of the key benefits of your Universal Life plan. You can select a Planned Premium amount, based on your objectives, and a reasonable long-term interest rate. This allows you to create a plan tailored to your requirements. You can then increase or decrease premiums (within given limits) as your circumstances change.

Planned Premium

The Planned Premium is the premium estimated to provide a level payment schedule for the life of the policy, assuming a projected interest rate. The Planned Premium is affected by:

- changes in interest rates, risk charges or other fees
- cash withdrawals
- changes in the death benefit amount
- changes in premium taxes

Because of this, the Planned Premium can't be guaranteed.

12-month Lapse Prevention Premium

The 12-month Lapse Prevention Premium is a premium amount that covers insurance charges with little tax-sheltered cash value accumulation. It is the minimum amount required to keep the policy in force for the first 12 months.

Premium Protection Option

The Premium Protection Option can ensure your policy will continue for the period you need.

If you choose this option, we'll determine a Lifetime Lapse Prevention Premium for your policy. As long as you've paid the required premium for your policy since it was issued, your policy will not lapse. This premium (less premium tax) is invested in the Premium Protection Account. You can pay amounts above the Lifetime Lapse Prevention Premium amount and direct those amounts to any investment option, including the Premium Protection Account. However, any excess amounts deposited outside the Premium Protection Account do not qualify as part of the Lifetime Lapse Prevention Premium paid.

Lifetime Lapse Prevention Premium

If you choose the Premium Protection Option, there's a minimum monthly premium required to maintain the policy in force for the lifetime of the policy. If you have riders and benefits, the Lifetime Lapse Prevention Premium changes over time and will be listed in your contract.

Maximum Premium

The Maximum Premium allows you to earn as much as possible in the plan without affecting the policy's tax-exempt status according to the Income Tax Act.

Premium holidays

If you want, you can skip premium payments while keeping your policy in force. This benefit is available to you as long as your account has enough cash value. This flexibility is built right into your policy.

Tax-sheltered funds

An attractive benefit of owning a Universal Life policy is that any growth in any investment option is tax-sheltered. The amount you make is only taxable when you make a withdrawal. However, you can lower the tax impact if you withdraw your funds over several years, or when you retire and your income-tax bracket is likely to be lower.

We'll monitor your Universal Life policy and make sure it remains tax-exempt according to the current tax legislation.

Earnings on funds within the Shuttle Account are taxable as interest to you.

Special features

Policy loan

A policy loan allows you to borrow from your policy once it has accumulated a cash value.

Partial surrender

Another way to access cash is to withdraw funds from your policy's cash value directly. The cash value is reduced by the withdrawal and the death benefit may also be reduced by the amount withdrawn depending on the death benefit option selected.

You control your policy

All rights, title and interest in the Universal Life policy rest with you as the policy owner. Only you can make changes to the policy.

- Total Disability Waiver of Charges
- Accidental Death Benefit
- Guaranteed Insurability Option
- Critical Assist Rider (10-Year Renewable or 25-Year with 20-Year Renewals)
- Total Disability Waiver of Charges on Critical Assist Rider
- Mortgage Disability Insurance (24 or 60 month)
- Versatile 10, 15, 20, 25, or 30-Year Term Rider (renewable annually after the base term length)
- Total Disability Waiver of Charges on Versatile Term Rider
- Child Rider
- Owner's Death or Total Disability Waiver of Charges

Policies covering more than one life

You can insure more than one life under a single policy:

Multi-Life

You can insure 2 lives under a single policy.** On the death of an insured life, the insurance associated with that insured life is paid to the beneficiary identified for that coverage. Each coverage can have its own unique face amount.

Joint Last-To-Die

Two people can be insured on a Last-To-Die basis. When the second person passes away, the death benefit is paid to the beneficiary, charges cease and the policy is terminated.

***Note a combination of Adult and Juvenile lives may not be issued on the same policy. Insured lives must be either both Adults or both Juveniles.*

We'll keep you informed

To keep you informed, we'll provide an annual statement showing your insurance benefits, as well as a financial summary of the premiums paid, interest earned and insurance charges for the past 12 months. The current value of your investment accounts will also be shown.

Preferred rates

We're pleased to offer insurance premiums (where the Universal Life or Versatile Term rider face amount is above \$500,000 or \$1,000,000 per coverage depending on your age) based more specifically on your health and lifestyle. We feature five non-smoker and two smoker premium rate classes. This underwriting method is generally referred to within the life insurance industry as preferred underwriting.

Our version of preferred underwriting provides a more equitable approach to pricing the cost of insurance because:

- Those who live a healthy lifestyle will most likely pay lower premiums.
- Healthy clients that maintain a good lifestyle will not be subsidizing individuals who do not.

Guarantees

Our Universal Life plan offers many competitive elements and guarantees. You'll find that these guarantees are an important safeguard in what can sometimes be an uncertain economic environment.

Guaranteed Minimum GIA Interest Rate

The Guaranteed Interest Account (GIA) interest rate is guaranteed to never be less than the greater of: 90% of the then-current yield on Government of Canada Bonds with similar term period to maturity less 2.5%, or as shown below.

GIA Term	Rate
1 year	0%
2 year	0%
3 year	0%
4 year	0%
5 year	0.25%
10 year	1%
25 year	1%

Guaranteed Minimum ILA Interest Rate

The interest rate credited to each ILA is guaranteed to be at least 100% of the percentage change in the value of the linked fund less a daily portion of a management fee. This management fee is guaranteed not to exceed 3.95% per annum.

Cost of Insurance Guarantees

You can select from two Cost of Insurance options:

YRT COI (fully guaranteed)

A yearly renewable Term rate structure, where the rate per \$1,000 increases every year (charges stop at age 90 or duration 15; whichever is later).

Constant COI

The same rate per \$1,000 in all years, guaranteed (charges are level to age 106)

Guaranteed Loyalty Bonus

To recognize the value of your loyalty to Co-operators, we provide guaranteed bonus payments based on both your policy's cash value, as well as the length of time you've had the policy. These bonuses are paid into the Daily Interest Account.

Valued Client Bonus

A bonus of 1.25% of the account value will be paid every 12 months from year three and beyond.

Account Level Bonus

A bonus of .125% is paid once the fund value exceeds \$100,000 in any policy year.

Co-operators Group Limited is a Canadian co-operative with more than \$56 billion in assets under administration. Through its group of companies, it offers home, auto, life, group, travel, commercial and farm insurance, as well as investment products. Co-operators is well known for its community involvement and its commitment to sustainability. Co-operators is listed among the 50 Best Employers in Canada by Aon Hewitt; Corporate Knights' Best 50 Corporate Citizens in Canada; and the Top 50 Socially Responsible Corporations in Canada by Sustainalytics and Maclean's magazine. [For more information visit www.cooperators.ca](http://www.cooperators.ca). If you have any questions or would like more information on Universal Life, talk to your advisor.

Disclaimer of Liability

While every effort is made to ensure the information contained in this document is accurate and complete, neither Co-operators Life Insurance Company nor the Co-operators Group Limited assumes any legal liability or responsibility for any errors or omissions. Where the information differs from the insurance policy wording, the terms of the policy will always apply. Consumer Protection Plan: Co-operators Life Insurance Company is a member of Assuris, a not-for-profit organization that protects Canadian policyholders in the event of life insurance company failure. [For more information about protected products, ask for an Assuris brochure or visit www.assuris.ca](#).

Universal Life



cooperators.ca 1-800-454-8061 / Co-operators Life Insurance Company

*In Quebec an advisor is referred to as a representative. The information provided in this guide is intended as general information about the Universal Life product. It is not an offer to insure. In the event of conflicts between this material and that provided in the policy contract, the contract shall prevail. Co-operators® is a registered trademark of The Co-operators Group Limited. Life and health insurance products are underwritten by Co-operators Life Insurance Company. Co-operators Life Insurance Company is committed to protecting the privacy, confidentiality, accuracy and security of the personal information that we collect, use, retain and disclose in the course of conducting our business. Please visit cooperators.ca/privacy for more information. Please refer to your policy for applicable coverage limitations and exclusions. © 2023 Co-operators Life Insurance Company. L0007MGA (08/23)