

Canada Life

Changes to Canada Life *Millennium* universal life and Canada Life critical illness insurance, effective Feb. 13, 2012

Life insurance

- Canada Life's *Millennium* universal life insurance.
- Cost of insurance (COI) rates will increase for level and limited-pay options.
- Minimum guaranteed interest rates are being reduced on 5 and 10-year guaranteed interest options (GIO).
- Contract changes to replace the amendment used to manage coverage reductions for annually increasing COI.

Critical illness insurance

- Increases to critical illness insurance rates.
- New rate band premium reduction for amounts of \$500,000 and higher.

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 is necessary to increase level and limited-pay costs of insurance and critical illness insurance rates. This is in line with a number of competitors who also announced rate increases.

The rate increase helps maintain the integrity of our products and helps assure clients that Canada Life™ will have the ability to pay future claims.

Canada Life *Concourse*™ illustration software update

Rate changes are effective Feb. 13, 2012. Details on software updates will follow.

Transition rules – applicable to universal life and critical illness insurance applications:

- New rates in the illustration software will be in effect Feb. 13, 2012.
- There will be no exceptions to the rules stated below, including extensions to the final placement date.
- We are unable to accept applications sent by fax or email.
- All requests for product changes or increases in coverage during underwriting will be at **new** rates.
- All requests for reissues will be at **new** rates.
- Placed means delivery requirements have been received in head office

<p>New applications /policy changes/ conversions</p>	<p>Applications received in head office from Jan 11, 2012 to Feb. 13, 2012 at 5 pm ET</p>	<p>To be eligible for old rates: policies must be issued by May 11, 2012. policies must be placed no later than 30 days after issue. For example, if a policy is issued March 5, 2012 it must be placed no later than April 4, 2012.</p>
<p>Pending applications</p>	<p>Applications pending in head office on or before Jan. 10, 2012</p>	<p>To be eligible for old rates: policies must be issued by the earlier of May 11, 2012 or 6 months after the application signed date. policies must be placed no later than 30 days after issue. For example, if a policy is issued March 5, 2012 it must be placed no later than April 4, 2012.</p>

Changes to Canada Life's *Millennium* universal life insurance pricing and guaranteed minimum interest rates on 5 and 10-year GIOs

Rate change overview:

- Cost of insurance (COI) rates will increase for level and limited-pay COI options.
- Guaranteed minimum interest rates will decrease for the 5 and 10-year GIO with and without client bonus.

Level and limited-pay cost of insurance rates

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

- For level COI, rate increases will average 8% (all ages).
- For limited-pay COI, rate increases will average 6% (all ages).
- Rate increases will be higher for ages 20 – 50.
- For level COI, rate increases will average 13% for ages 20 – 50
- For limited-pay COI, rate increases will average 11% for ages 20 – 50.

5 and 10-year guaranteed interest options rates (with and without client bonus)

- 5-year GIO will decrease from 2.0 to 1.5%.
- 10-year GIO will decrease from 2.5 to 2.0%.

Contract changes

Coverage reduction provisions will be changed from 2 to 7 years for Canada Life's *Millennium* universal life insurance annually increasing COI policies. This will no longer appear in an amendment, it will form a part of the contract wording.

Canada Life critical illness insurance rate change overview

- Addition of a fourth rate band premium reduction for amounts at and above \$500,000.
- Minor decrease to 10 year renewable (T10) plans.
- No changes to child critical illness insurance rates.
- Increases to critical illness insurance rates on the following LifeAdvance™ plans:
 - Permanent level premium, paid-up at age 100 (T100)
 - Level premium term to 75, paid-up at 65
 - Level premium term to 75 (T75)
 - Permanent level premium paid-up in 15 years

Critical illness insurance rates

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

- Addition of a fourth rate band premium reduction for coverage amounts of \$500,000 and above.

Coverage period	Original benefit amounts		
	\$100,000 – \$249,999	\$250,000 – \$499,999	\$500,000 or more
T75, T75 paid up at 65, T100 and permanent level premium, paid up in 15 years	11%	14%	17%
10 year renewable term to age 75	11%	17%	19%

- Increases to critical illness insurance rates on the following policy non-smoker rates plans for ages 20 - 50:
 - For T100, rate increases will average 8%.
 - For level premium term to 75, paid-up at 65, rate increases will average 11.5%.
 - For T75, rate increases will average 9%.
 - For permanent level premium paid-up in 15 years, rate increases will average 13.5%.
- Minor decreases to 10 year renewable (T10) plan rates will average 1%.

For questions, please contact your MGA or Canada Life regional marketing consultant

Transition rules in effect for universal life and critical illness insurance

Recently, a rate increase [was announced](#) for *Millennium* universal life insurance and critical illness insurance that will come into effect on Feb. 13, 2011. Along with that announcement, transition rules were communicated.

The current economic environment poses unusual pricing challenges and, as a result, there will be unusually strict adherence to these [transition rules](#). To assist with efficient processing of your applications, please consider these [underwriting tips](#).

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 is necessary to increase level and limited-pay costs of insurance and critical illness insurance rates as well as to abide by the transition rules.

The rate increase helps maintain the integrity of our products and helps assure clients that Canada Life™ will have the ability to pay future claims.

Backdating rule changes for *Millennium* universal life insurance policies

Canada Life is changing its backdating rules for *Millennium* universal life insurance policies to 6 months from 3 months.

Universal life insurance policies are issued with pricing based on a client's age at their nearest birth date. This means if a client is within 6 months of their next birthday, the age on their next birthday will normally be used for determining the cost of insurance. However, by allowing the policy date to be backdated up to 6 months, the cost of insurance can be based on the client's actual age. This results in a lower cost of insurance rate.

The new backdating rules apply to new business and conversion applications only. They do not apply to policy change applications.

These new rules will come into effect immediately. A policy will not be backdated automatically; you'll still need to request backdating on a case-by-case basis. Advisor guides will be updated to reflect this change in February 2012.

It's important to remember additional premiums are required at issue to cover the monthly charges and premium tax requirements for the backdated policy period. Proceeds invested in a backdated policy do not earn a rate of return for the period prior to the date the premium payment is received. A portion of the payment is used to minimum fund the policy each month in order to cover the cost of insurance and other policy charges. The balance of the payment (if applicable) will be applied effective with the date it was received at head office, contributing to the total account value on the policy.

Please contact your regional marketing centre if you have any questions about this change.

Upcoming fee changes to contracts with the Canada Life segregated funds lifetime income benefit option

On April 1, 2012, the fees for the lifetime income benefit option available on Canada Life segregated fund contracts will change.

New fees will apply to existing and new policyowners. This change won't affect the guarantees, core features and benefits of clients' contracts.

Why are the fees changing?

Canadian financial regulators recently strengthened requirements regarding the amount of money insurance companies must set aside to cover guarantees made to their customers.

We evaluated costs associated with our Canada Life lifetime income benefit option in response to the new requirements. These requirements, along with adverse market conditions, have resulted in a fee increase for the lifetime income benefit option that will come into effect for new and existing policyowners on April 1, 2012.

The lifetime income benefit continues to be competitive among other insurers offering similar products. We remain committed to you and clients, and dedicated to meeting the needs of Canadians in retirement.

Getting prepared for the change

To help you prepare for the fee change, we've provided you with the following:

- A questions-and-answers document outlining the change and how it may affect you and clients
[Read questions and answers](#)
- A summary of fee increases by fund, effective April 1, 2012
[View summary of fee changes](#)
- A list of clients with the lifetime income benefit (mailed to you on or around Jan. 17, 2012)
- An advance copy of the lifetime income benefit standard client mailing, which confirms a number of policy details like income guarantee amounts (mailed to you on or around Jan. 17 and to clients on or around Jan. 30)
- A notice about the fee changes for clients with the lifetime income benefit, to be included with our standard annual mailing
[Read client notice](#)

Updates to our marketing materials, lifetime income benefit illustrator and income allocator will reflect the new fees and be complete by April 1, 2012. We'll communicate with you about updates closer to that time.

Policyowners of our Canada Life segregated funds who don't currently hold the lifetime income benefit will be advised of the change with a brief message in their next semi-annual statement in July.

Please accept our ongoing thanks for your continued support and for making Canada Life segregated funds contracts a part of your practice and your clients' retirement plans.

Changes to Canada Life *Millennium* universal life and Canada Life critical illness insurance, effective Feb. 13, 2012

Life insurance

- Canada Life's *Millennium* universal life insurance.
- Cost of insurance (COI) rates will increase for level and limited-pay options.
- Minimum guaranteed interest rates are being reduced on 5 and 10-year guaranteed interest options (GIO).
- Contract changes to replace the amendment used to manage coverage reductions for annually increasing COI.

Critical illness insurance

- Increases to critical illness insurance rates.
- New rate band premium reduction for amounts of \$500,000 and higher.

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 is necessary to increase level and limited-pay costs of insurance and critical illness insurance rates. This is in line with a number of competitors who also announced rate increases.

The rate increase helps maintain the integrity of our products and helps assure clients that Canada Life™ will have the ability to pay future claims.

Canada Life *Concourse*™ illustration software update

Rate changes are effective Feb. 13, 2012. Details on software updates will follow.

Transition rules – applicable to universal life and critical illness insurance applications:

- New rates in the illustration software will be in effect Feb. 13, 2012.
- There will be no exceptions to the rules stated below, including extensions to the final placement date.
- We are unable to accept applications sent by fax or email.
- All requests for product changes or increases in coverage during underwriting will be at **new** rates.
- All requests for reissues will be at **new** rates.
- Placed means delivery requirements have been received in head office

<p>New applications /policy changes/ conversions</p>	<p>Applications received in head office from Jan 11, 2012 to Feb. 13, 2012 at 5 pm ET</p>	<p>To be eligible for old rates: policies must be issued by May 11, 2012. policies must be placed no later than 30 days after issue. For example, if a policy is issued March 5, 2012 it must be placed no later than April 4, 2012.</p>
<p>Pending applications</p>	<p>Applications pending in head office on or before Jan. 10, 2012</p>	<p>To be eligible for old rates: policies must be issued by the earlier of May 11, 2012 or 6 months after the application signed date. policies must be placed no later than 30 days after issue. For example, if a policy is issued March 5, 2012 it must be placed no later than April 4, 2012.</p>

Changes to Canada Life's *Millennium* universal life insurance pricing and guaranteed minimum interest rates on 5 and 10-year GIOs

Rate change overview:

- Cost of insurance (COI) rates will increase for level and limited-pay COI options.
- Guaranteed minimum interest rates will decrease for the 5 and 10-year GIO with and without client bonus.

Level and limited-pay cost of insurance rates

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

- For level COI, rate increases will average 8% (all ages).
- For limited-pay COI, rate increases will average 6% (all ages).
- Rate increases will be higher for ages 20 – 50.
- For level COI, rate increases will average 13% for ages 20 – 50
- For limited-pay COI, rate increases will average 11% for ages 20 – 50.

5 and 10-year guaranteed interest options rates (with and without client bonus)

- 5-year GIO will decrease from 2.0 to 1.5%.
- 10-year GIO will decrease from 2.5 to 2.0%.

Contract changes

Coverage reduction provisions will be changed from 2 to 7 years for Canada Life's *Millennium* universal life insurance annually increasing COI policies. This will no longer appear in an amendment, it will form a part of the contract wording.

Canada Life critical illness insurance rate change overview

- Addition of a fourth rate band premium reduction for amounts at and above \$500,000.
- Minor decrease to 10 year renewable (T10) plans.
- No changes to child critical illness insurance rates.
- Increases to critical illness insurance rates on the following LifeAdvance™ plans:
 - Permanent level premium, paid-up at age 100 (T100)
 - Level premium term to 75, paid-up at 65
 - Level premium term to 75 (T75)
 - Permanent level premium paid-up in 15 years

Critical illness insurance rates

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

- Addition of a fourth rate band premium reduction for coverage amounts of \$500,000 and above.

Coverage period	Original benefit amounts		
	\$100,000 – \$249,999	\$250,000 – \$499,999	\$500,000 or more
T75, T75 paid up at 65, T100 and permanent level premium, paid up in 15	11%	14%	17%

years			
10 year renewable term to age 75	11%	17%	19%

- Increases to critical illness insurance rates on the following policy non-smoker rates plans for ages 20 - 50:
 - For T100, rate increases will average 8%.
 - For level premium term to 75, paid-up at 65, rate increases will average 11.5%.
 - For T75, rate increases will average 9%.
 - For permanent level premium paid-up in 15 years, rate increases will average 13.5%.
- Minor decreases to 10 year renewable (T10) plan rates will average 1%.

For questions, please contact your MGA or Canada Life regional marketing consultant

Changes to Canada Life *Millennium* universal life and Canada Life critical illness insurance, effective Feb. 13, 2012

Life insurance

- Canada Life's *Millennium* universal life insurance.
- Cost of insurance (COI) rates will increase for level and limited-pay options.
- Minimum guaranteed interest rates are being reduced on 5 and 10-year guaranteed interest options (GIO).
- Contract changes to replace the amendment used to manage coverage reductions for annually increasing COI.

Critical illness insurance

- Increases to critical illness insurance rates.
- New rate band premium reduction for amounts of \$500,000 and higher.

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 is necessary to increase level and limited-pay costs of insurance and critical illness insurance rates. This is in line with a number of competitors who also announced rate increases.

The rate increase helps maintain the integrity of our products and helps assure clients that Canada Life™ will have the ability to pay future claims.

Canada Life *Concourse*™ illustration software update

Rate changes are effective Feb. 13, 2012. Details on software updates will follow.

Transition rules – applicable to universal life and critical illness insurance applications:

- New rates in the illustration software will be in effect Feb. 13, 2012.
- There will be no exceptions to the rules stated below, including extensions to the final placement date.
- We are unable to accept applications sent by fax or email.

- All requests for product changes or increases in coverage during underwriting will be at **new** rates.
- All requests for reissues will be at **new** rates.
- Placed means delivery requirements have been received in head office

<p>New applications /policy changes/ conversions</p>	<p>Applications received in head office from Jan 11, 2012 to Feb. 13, 2012 at 5 pm ET</p>	<p>To be eligible for old rates: policies must be issued by May 11, 2012. policies must be placed no later than 30 days after issue. For example, if a policy is issued March 5, 2012 it must be placed no later than April 4, 2012.</p>
<p>Pending applications</p>	<p>Applications pending in head office on or before Jan. 10, 2012</p>	<p>To be eligible for old rates: policies must be issued by the earlier of May 11, 2012 or 6 months after the application signed date. policies must be placed no later than 30 days after issue. For example, if a policy is issued March 5, 2012 it must be placed no later than April 4, 2012.</p>

Changes to Canada Life's *Millennium* universal life insurance pricing and guaranteed minimum interest rates on 5 and 10-year GIOs

Rate change overview:

- Cost of insurance (COI) rates will increase for level and limited-pay COI options.
- Guaranteed minimum interest rates will decrease for the 5 and 10-year GIO with and without client bonus.

Level and limited-pay cost of insurance rates

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

- For level COI, rate increases will average 8% (all ages).
- For limited-pay COI, rate increases will average 6% (all ages).
- Rate increases will be higher for ages 20 – 50.
- For level COI, rate increases will average 13% for ages 20 – 50
- For limited-pay COI, rate increases will average 11% for ages 20 – 50.

5 and 10-year guaranteed interest options rates (with and without client bonus)

- 5-year GIO will decrease from 2.0 to 1.5%.
- 10-year GIO will decrease from 2.5 to 2.0%.

Contract changes

Coverage reduction provisions will be changed from 2 to 7 years for Canada Life's *Millennium* universal life insurance annually increasing COI policies. This will no longer appear in an amendment, it will form a part of the contract wording.

Canada Life critical illness insurance rate change overview

- Addition of a fourth rate band premium reduction for amounts at and above \$500,000.
- Minor decrease to 10 year renewable (T10) plans.
- No changes to child critical illness insurance rates.
- Increases to critical illness insurance rates on the following LifeAdvance™ plans:
 - Permanent level premium, paid-up at age 100 (T100)
 - Level premium term to 75, paid-up at 65
 - Level premium term to 75 (T75)
 - Permanent level premium paid-up in 15 years

Critical illness insurance rates

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

- Addition of a fourth rate band premium reduction for coverage amounts of \$500,000 and above.

Coverage period	Original benefit amounts		
	\$100,000 – \$249,999	\$250,000 – \$499,999	\$500,000 or more
T75, T75 paid up at 65, T100 and permanent level premium, paid up in 15 years	11%	14%	17%
10 year renewable term to age 75	11%	17%	19%

- Increases to critical illness insurance rates on the following policy non-smoker rates plans for ages 20 - 50:
 - For T100, rate increases will average 8%.
 - For level premium term to 75, paid-up at 65, rate increases will average 11.5%.
 - For T75, rate increases will average 9%.
 - For permanent level premium paid-up in 15 years, rate increases will average 13.5%.
- Minor decreases to 10 year renewable (T10) plan rates will average 1%.

For questions, please contact your MGA or Canada Life regional marketing consultant

INDUSTRIAL ALLIANCE

Increase in the Ecoflextra Guaranteed Surrender Balance (GSB) fee rates

IA increasing the GSB fee rates for these products. Nonetheless, as most of our competitors also raised their fees, our fees remain competitive

Summary of changes

Ecoflextra - Guaranteed Surrender Series

-	Contracts signed before January 1, 2009: No Change	
-	Contracts signed after January 1, 2009:	
	Former GSB fee rates	New GSB fee rates
	0.5%	0.6%
	0.6%	0.8%
	0.75%	1.00%
	1.00	1.20%
	1.25%	1.30%

IAG Savings and Retirement Plan - Ecoflextra Series

-	Contracts signed since January 4, 2011 and new contracts	
	Former GSB fee rates	New GSB fee rates
	0.5%	0.6%
	0.6%	0.8%
	0.75%	1.05%
	1.00%	1.20%
	1.25%	1.30%

GSB fees based on the new rates will be calculated on December 31, 2012. This is not a contractual change, because the new GSB fees are lower than the maximum rates provided for in the contract.

MANULIFE FINANCIAL / INVESTMENTS / BANKS

Important Changes to Manulife Segregated Fund Contracts

In 2012 we will be implementing some changes to our segregated fund contracts. Below are the details of these changes and the timing of when they will come into effect.

[Guarantee Fee Changes – GIF Select and GIF Select \(original\)](#)

[IncomePlus Guarantee Fee Changes](#)

[EstatePlus Guarantee Fee Changes](#)

[Other Change to GIF Select and GIF Select \(original\)](#)

[Client Communication of Guarantee Fee Changes](#)

[Marketing and Point of Sale Material](#)

[Segregated Fund Line-up Changes – April 30, 2012](#)

[Key Dates to Know](#)

Guarantee Fee Changes – GIF Select and GIF Select (original)

Recently Canadian financial regulators announced updated requirements for insurance companies regarding the amount of money they are to set aside in order to cover guarantees made to their customers.

These changes, compounded by recent adverse market conditions, have made it necessary for Manulife to re-evaluate the costs associated with the GIF Select and GIF Select (original) contracts. As a result, the guarantee fees for IncomePlus and EstatePlus will be increasing.

This [presentation](#) provides additional details about why guarantee fees are increasing; how IncomePlus all-in fees compare to others in the industry; and Manulife's financial strength.

Even after these fee increases, Manulife continues to be competitive among other insurers offering similar products. We remain committed to you and your clients, and dedicated to maintaining our leadership position in the segregated fund marketplace. Rest assured that none of the guarantees, core features or benefits of your clients' contracts are changing, they remain intact.

New guarantee fees will come into effect for new contract sales on January 1, 2012. For existing contracts – which include IncomePlus Version 1, IncomePlus Version 2, and EstatePlus – the new fees will apply as of May 1, 2012.

IncomePlus Guarantee Fee Changes

The IncomePlus Fees will be increasing between 0.20% and 0.40% depending on the fund.

Fund Fee Level	Old Fund Fee Rate %	New Fund Fee Rate %
-----------------------	----------------------------	----------------------------

Level 1	0.35	0.55
Level 2	0.45	0.75
Level 3	0.65	0.85
Level 4	0.85	1.15

We will be introducing a new Fund Fee Level – Level 5. Five IncomePlus Series funds currently in Level 4 will be moving to Level 5. The rate for the new level is as follows:

Fund Fee Level	Fund Fee Rate %
Level 5	1.25

For your convenience, here are full listings of funds and Fund Fee Rates:

-
- [GIF Select \(original\)](#)
- [GIF Select IncomePlus](#)

EstatePlus Guarantee Fee Changes

The EstatePlus fees will be increasing between 0.10% and 0.20% depending on the fund.

Fund Fee Level	Old Fund Fee Rate %	New Fund Fee Rate %
Level 1	0.15	0.25
Level 2	0.25	0.35
Level 3	0.35	0.45
Level 4	0.45	0.55

In addition to the changes noted above, we will also be introducing a new Fund Fee Level to the EstatePlus Series Fund – Level 5. Five funds in this Series currently in Level 4 will be moving to Level 5. The rate for the new level is as follows:

Fund Fee Level	Fund Fee Rate %
Level 5	0.65

Tax-Free Advantage Account and Registered Advantage Account now at 2.25%

January 1, 2012 means more than “Happy New Year!” – it means “Happy saving!” Manulife Bank is now paying 2.25%¹ on all new and existing [Tax-Free Advantage Accounts](#) and [Registered Advantage Accounts](#). What a great way for your clients to grow their savings more quickly.

Tax-free Advantage Account could help your clients meet both their short-term and long-term savings goals with:

- No minimum balance – a great rate of interest on every dollar in the account.
 - \$20,000 contribution room – with \$5,000 more tax-free contribution room as of January 1, 2012 your clients may now be able to contribute up to \$20,000 tax-free.²
 - Easy access – your clients will appreciate the ability to access their money at any time.
- Registered Advantage Account is a great registered savings option for your clients who require an investment that is:
- Low risk – the investment will grow regardless of market volatility.
 - No minimum – the great interest rate is applied to every dollar in the account.
 - Liquid – the money can be transferred to other registered investments at anytime.

Tell your clients!

You can use a number of tools to notify your clients about this great rate and give them information about Tax-Free Advantage Account and Registered Advantage Account:

Introducing the 2012 Performax Gold

Built by Manulife.

Looking for whole life insurance with more horsepower?

Fasten your seatbelt. The 2012 Performax Gold has arrived, effective January 21, 2012.

What does it look like?

Lower prices

- We lowered payments by up to 10% for most issue ages on costs until attained age 100 coverage.

Higher commission

- We increased first year commission to 50% from 47.5% on costs until attained age 100 coverage.

Updated guarantees and values

- We changed how the Performance Credit is calculated on new policies by adjusting the guaranteed and variable components of the product. The values are more sensitive to decreases and increases in the Performance Credit rate.
- We also moved more value to the later policy years to ensure strong and attractive long-term Cash Value and Death Benefit for clients.

Additional details are outlined in our [Q&A](#).

View the [sample contract](#).

Still exceptional long-term value

- See [how we compare](#).

Additional enhancements

- Increased most Term Option limits for added flexibility.
- Improved Diamond View flexibility to allow you to specify the Performance Credit rate on illustrations.

Get your clients on the right track with Performax Gold.