

CANADA LIFE 2013

Participating policyowner dividend scale announcement (Canada)

We believe participating life insurance offers clients important advantages and choice as part of a sound financial security plan.

Canada Life™ has consistently offered participating life insurance to Canadians since 1847, longer than any other Canadian life insurance company. Canada Life has distributed dividends to its participating policyowners every year since 1848. We believe participating life insurance offers clients important advantages and choice as part of a sound financial security plan. Canada Life's participating account has an enviable track record of strong performance and stable returns.

Policyowner dividend scale for 2013

The amount available for distribution to policyowners as policyowner dividends is determined at least annually following a review of the actual and expected experience of the participating account. A review was completed for Canada Life, former New York Life and former Crown Life participating accounts. Based on this review, the dividend scale for all Canada Life (open and closed block) and former Crown Life Term Plus II individual participating life insurance policies decreased effective Jan. 1, 2013.

The dividend scale for all former New York Life and all other former Crown Life individual participating life insurance policies will remain unchanged for 2013. The Canada Life, former Crown Life and former New York Life participating accounts are managed separately and as a result, their experience will differ.

Strong, stable performance

The investment environment continues to be challenging with yields at historical lows because of the volatile equity markets and low interest rates.

The longer-term focus of the Canada Life participating account investment strategy and the smoothing of returns for the purpose of determining the dividend scale interest rate have had a stabilizing effect on the dividend scale. Smoothing works by bringing gains and losses into the dividend scale interest rate over a period of time. The Canada Life dividend scale interest rate, which is used to calculate the investment component of policyowner dividends, is very competitive relative to fixed-income investments available in today's marketplace.

Canada Life open block policies

- Under the revised dividend scale, participating life insurance policyowner dividends will decrease 5.3 per cent on average compared to the dividend that would have been received at the 2013 policy anniversary had there been no change to the dividend scale. The actual dividend reduction for any policy will vary by product, issue year, issue age, duration and risk class.
 - The Canada Life dividend scale interest rate used to calculate the investment component of policyowner dividends decreased by 46 basis points from 6.96 to 6.50 per cent.
 - Improvement in mortality and taxes helped to partially offset the lower investment returns.
- Enhanced coverage option term enhancement rates were reduced by five per cent on average for existing policies and new sales.
- Enhanced coverage option maximums and additional deposit option maximums changed for *Estate Achiever* and *Wealth Achiever*, effective Nov. 26, 2012.

Canada Life closed block policies

- Under the revised dividend scale, participating life insurance policyowner dividends will decrease 11 per cent on average compared to the dividend received at the 2013 policy anniversary had there been no change to the dividend scale.
 - The interest rate used to calculate the investment component of policyowner dividends decreased by 46 basis points from 6.96 to 6.50 per cent.
- Enhanced coverage option term enhancement rates and maximums remain unchanged.

Former Crown Life policies

- The dividend scale interest rate remains unchanged.
- No changes were made to the dividend scale for 2013 for former Crown Life policies, except for Term Plus II policies.
- For Crown Life Term Plus II policies, basic participating life insurance policyowner dividends were reduced to zero. The change did not impact:
 - Paid-up additions dividend rates
 - The guaranteed \$5 permanent dividend enhancement received by all former Crown Life policyowners
- Enhanced coverage option term enhancement rates and maximums remain unchanged.

Former New York Life policies

- The 2012 dividend scale continues to apply in 2013.
- Enhanced coverage option term enhancement rates and maximums remain unchanged.

Financial information on Canada Life's participating account

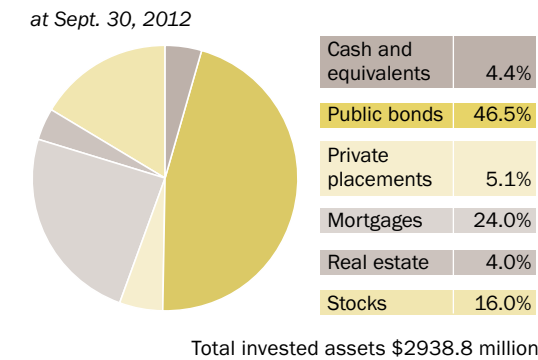
- In 2013, Canada Life will distribute an estimated \$130 million in participating life insurance policyowner dividends (full-year estimates at Sept. 30, 2012 excluding former New York Life and Crown Life policies).
- Canada Life's total participating account assets, including surplus, are over \$3 billion, at Sept. 30, 2012 (excludes former New York Life and Crown Life policies).

Notes: The Canada Life open block includes all participating policies issued on or after Nov. 5, 1999, after demutualization. The Canada Life closed block includes all participating policies issued or assumed by Canada Life before demutualization.

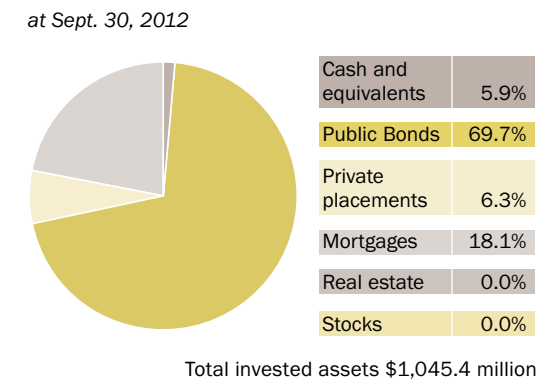


Participating account invested asset mix*

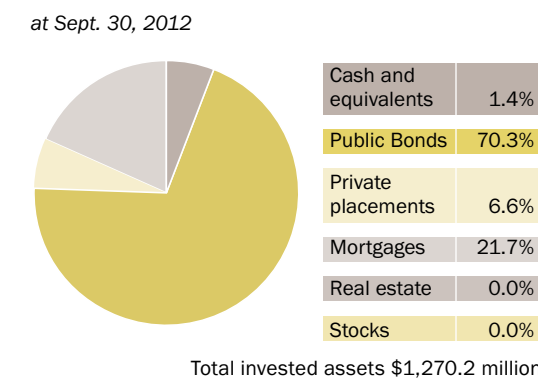
Canada Life participating account invested asset mix



Crown Life participating account invested asset mix



New York Life participating account invested asset mix



*Does not include policy loans or other assets.

Canada Life participating life insurance historical performance

Historical annual returns

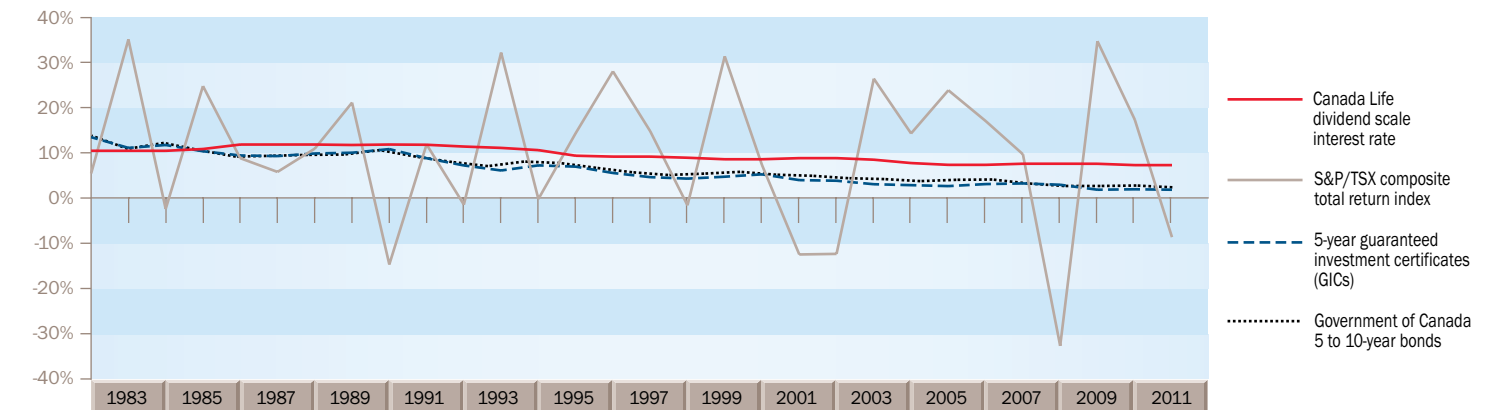
	Canada Life dividend scale interest rate* (%)	S&P/TSX composite total return index (%)	5-year GICs (%)	Government of Canada 5 to 10 year bonds (%)	Consumer price index (%)
1982	10.60	5.54	13.65	14.03	9.27
1983	10.60	35.49	11.25	11.11	4.59
1984	10.60	-2.39	11.90	12.42	3.72
1985	11.00	25.07	10.50	10.78	4.40
1986	12.00	8.95	9.56	9.37	4.21
1987	12.00	5.88	9.42	9.55	4.19
1988	12.00	11.08	10.00	9.76	3.88
1989	11.90	21.37	10.17	9.83	5.26
1990	12.00	-14.80	10.98	10.82	4.99
1991	11.95	12.02	8.94	9.36	3.75
1992	11.55	-1.43	7.33	8.16	2.17
1993	11.25	32.55	6.20	7.24	1.65
1994	10.75	-0.18	7.34	8.26	0.23
1995	9.50	14.53	7.06	7.93	1.74
1996	9.30	28.35	5.64	6.86	2.16
1997	9.30	14.98	4.71	5.87	0.78
1998	9.05	-1.58	4.38	5.26	1.00
1999	8.71	31.71	4.81	5.56	2.63
2000	8.71	7.41	5.34	5.96	3.20
2001	8.96	-12.57	4.05	5.32	0.70
2002	8.96	-12.44	3.91	5.08	3.80
2003	8.61	26.72	3.13	4.54	2.08
2004	7.86	14.48	2.92	4.34	2.13
2005	7.46	24.13	2.71	3.89	2.09
2006	7.46	17.26	3.16	4.18	1.67
2007	7.71	9.83	3.31	4.25	2.38
2008	7.71	-33.00	3.01	3.36	1.16
2009	7.71	35.05	1.95	2.84	1.32
2010	7.36	17.61	1.97	2.88	2.35
2011	7.36	-8.71	1.87	2.47	2.30
2012	6.96				
2013	6.50				

Historical average returns (as of Dec. 31, 2011)

	Canada Life dividend scale interest rate* (%)	S&P/TSX composite total return index (%)	5-year GIC return (%)	Government of Canada 5-10-year bonds (%)	Consumer price index (%)
1 year (2011)	7.4	-8.7	1.9	2.5	2.3
5 year (2007-2011)	7.6	1.3	2.4	3.2	1.9
10 year (2002-2011)	7.8	7.0	2.8	3.8	2.1
20 year (1992-2011)	8.8	8.7	4.2	5.2	1.9
30 year (1982-2011)	9.7	9.1	6.3	7.0	2.8
Standard deviation (since 1982)	1.7	16.6	3.5	3.1	1.8

- The dividend scale interest rate is the interest rate used to calculate the investment component of participating policyowner dividends and is based on the return on the assets backing participating account liabilities. It does not include the return on assets backing participating account surplus. The dividend scale interest rate is only one factor of many that contribute to an individual policy's performance and cannot be directly tied to the cash value growth in a particular policy. The actual cash value growth in any policy varies based on a number of factors such as type of product, product features, premium-paying period, issue age, rating, dividend option, the policyowner dividend scale and others such as amount of coverage, etc..
- S&P/TSX composite total return index includes the reinvestment of dividends. TSX © Copyright 2012 TSX Inc. All rights reserved..
- Five-year guaranteed investment certificate (GIC) returns are based on the nominal yields to maturity taken from Statistics Canada, CANSIM table 176-0043, series V122526 (Statistics Canada website), Feb. 2, 2012. For each calendar year, the average of the monthly GIC rates was used.
- Government of Canada bond returns are taken from Statistics Canada, CANSIM table 176-0043, series V122486 (Statistics Canada website) Feb. 2, 2012. For each calendar year, the average of the monthly values was used.
- Consumer price index is based on the change from December to December, taken from Statistics Canada, CANSIM table 326-0020, series V41690973 (Statistics Canada website) Feb. 2, 2012.

Returns (at Dec. 31, 2011)



*Rates shown are for the Canada Life open and closed blocks. They do not include the former New York Life and former Crown Life closed blocks. All historical average returns are geometric means.

Performance data is provided for illustrative purposes only and represents past performance, which is not necessarily indicative of future performance. For an illustration of cash value and death benefit growth in a policy based on the 2013 dividend scale, please contact your advisor.



The Canada Life Assurance Company, a subsidiary of The Great-West Life Assurance Company and a member of the Power Financial Corporation Group of companies, provides insurance and wealth management products and services. Founded in 1847, Canada Life is the country's first domestic life insurance company.

For more information about Canada Life and its products, visit www.canadalife.com or contact your advisor.

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.

Helping people achieve more™