



Questions and answers

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Amalgamation

Did Canada Life™ acquire/take over London Life and Great-West Life?

No. The Canada Life Assurance Company didn't acquire/take over the London Life Insurance Company and The Great-West Life Assurance Company. These three operating companies and their holding companies combined to become one larger company named The Canada Life Assurance Company. Great-West Lifeco Inc. was the parent company of Great-West Life, London Life and Canada Life and has remained the parent company of the amalgamated company.

What are names of the two holding companies included in the amalgamation?

London Insurance Group Inc. and Canada Life Financial Corporation.

How long will it take to update your websites, forms and other materials to reflect The Canada Life Assurance Company name and new Canada Life brand?

We're taking a phased, deliberate approach to the company change and expect it to take two to three years to fully transition all our materials – online and print – to reflect The Canada Life Assurance Company name and the new Canada Life brand. You'll continue to see Great-West Life and London Life references and Great-West Life, London Life and the old Canada Life branding while we transition marketing materials, systems and statements across our various platforms.

What's staying the same?

Account, policy coverage and contract details aren't affected by the amalgamation.

You can continue to rely on the strength, reputation and performance of our products. Most importantly, our deep commitment to keeping our promises remains unchanged. The only difference is that the promises and commitments made to you by The Great-West Life Assurance Company, London Life Insurance Company and The Canada Life Assurance Company continue as promises and commitments of the amalgamated company – The Canada Life Assurance Company.

Why do you want to amalgamate?

Amalgamating into a single company will help to position us for future growth and to continue to meet the needs of you, our customers. The amalgamation is expected to:

- Create operating efficiencies and simplify our capital structure – allowing for more efficient use of capital.



- Simplify our governance structure and improve how responsive we can be to future business, capital, financial, regulatory, accounting and other changes, in a rapidly changing environment.
- Enable the combination of the companies' open participating accounts, resulting in a larger Canadian open participating account, which would provide the opportunity for greater risk diversification and reduced regulatory and participating account management expenses.

Will there be office closures resulting from amalgamation?

No. Office closures aren't expected as a result of amalgamation.

Will the amalgamation operating efficiencies take away Canadian jobs and/or transfer jobs to other countries from Canada?

Prior to amalgamation, The Great-West Life Assurance Company, London Life Insurance Company and The Canada Life Assurance Company had benefited from common ownership and management since Great-West Life acquired London Life in 1997 and Canada Life in 2003. Through these acquisitions, we integrated many teams in our business and corporate support areas in Canada, with a large portion of our organization supporting the combined operation.

As a result, we don't anticipate any immediate workforce impacts as a result of amalgamation. Over time, we do expect to benefit from efficiencies related to amalgamation and our move to one brand. Our goal is to manage the impact of any related workforce reductions through regular attrition.

Has the amalgamation affected my Great-West Lifeco shares?

No. Great-West Lifeco Inc. is a public company, traded on the Toronto Stock Exchange under the symbol GWO, and was the parent company of The Great-West Life Assurance Company (or Great-West Life) prior to amalgamation. Great-West Lifeco Inc. was not part of the amalgamation but is now the parent company of the amalgamated entity – The Canada Life Assurance Company. If you hold shares of Great-West Lifeco Inc., the amalgamation has not affected those shares.

Do I own shares in any of the amalgamating companies?

No. None of the amalgamated companies had public shareholders. The shares were directly and indirectly owned by Great-West Lifeco Inc., a public company traded on the Toronto Stock Exchange under the symbol GWO. Great-West Lifeco Inc. is the parent company of the amalgamated company – The Canada Life Assurance Company.



Participating life insurance

What has happened to the participating accounts of Great-West Life, London Life and Canada Life?

Prior to Jan. 1, 2020 The Great-West Life Assurance Company, London Life Insurance Company and The Canada Life Assurance Company were separate legal entities. Upon amalgamation, the Canadian open participating accounts of each of these three companies were combined into a single Canadian open participating account (including the London Life Bermuda policies). This combined account is larger than each of the previously existing open participating accounts, providing an opportunity for greater risk diversification while reducing regulatory and participating account management expenses. This is expected to result in the distribution of the same or possibly slightly greater policyowner dividends for pre-amalgamation policies than would be the case if the Canadian open accounts were kept separate¹.

Prior to Jan. 1, 2020 the Canadian closed participating account of Canada Life shared the same investment pool as the Canada Life Canadian open participating account. This Canadian closed participating account now shares the same investment pool as the combined Canadian open participating account. None of the other Canada Life participating accounts were changed as a result of the amalgamation. These other accounts are: Canada – former New York Life and Crown Life; US – Canada Life and former Crown Life; International – former Crown Life in Hong Kong, Macau, Pacific Rim and South America.

What is the investment strategy for the combined open participating account?

A single investment strategy is being used for the combined participating account, consistent with and reflective of the prior investment strategies used by the three companies (which were largely the same).

How has amalgamation and the combination of the participating accounts impacted the shareholder transfer (which only applies to open block policies)?

The total distribution of the profits to the shareholder account is harmonized at 2.5%. This is the same as the prior distribution to the shareholder account from the Great-West Life and London Life participating accounts. However, the 2018 Canada Life distribution to the shareholder account was 2.84%. As a result, policyowners who previously participated in the pre-amalgamation Canada Life



open participating account will receive an approximate 0.3% increase in dividends compared to what they would've received if we hadn't amalgamated and combined the accounts (all other things being equal).

[What are the benefits of a larger combined participating account?](#)

Combining the Canadian open participating accounts simplifies how we handle participating life insurance for new business. Going from three accounts to one open participating account also reduces duplication and costs. It makes it easier for us to diversify risk, reduce management fees and could mean the same, or slightly more, policyowner dividends, than if the accounts remained separate.

[How will any expense savings accrue to the participating policyowner account and the shareholder account?](#)

Combining the open accounts has resulted in a larger Canadian open participating account, which allows for greater diversification of risk along with a reduction in regulatory and participating account management expenses.

The distribution of expenses attributed to the participating policyowner account and the shareholder account will be consistent with and reflective of the pre-amalgamation policies related to participating account management. So, expense savings realized that are distributable through policyowner dividends will be reflected in dividends as part of the regular dividend scale review, just as would be the case if we hadn't combined the open participating accounts.

While no assessment has been made of the financial impacts of these diversification benefits, they're not expected to have a material impact on policyowner dividends.

[What will happen to dividends for in-force policyowners as a result of amalgamation?](#)

Dividends for pre-amalgamation in-force policyowners won't be negatively impacted as a result of the amalgamation. Any amount distributed from the participating account as policyowner dividends is divided among groupings of policies that share common attributes such as: the year a policy is issued; time periods in which premiums, guarantees or pricing assumptions were similar; plan types; basic risk classifications; and issue ages. The amount, if any, credited to each policy will vary. A policy may



not receive a dividend, for example, if the grouping of policies to which it belongs is considered to have made no contribution to participating account earnings.

For non-investment-related experience such as mortality, lapses, etc., there is no change to the existing dividend classes as a result of amalgamation.

For investment-related experience, any transitional differences that existed when the Canadian open participating accounts were combined will continue to be reflected in calculating the Dividend Scale Interest Rates (DSIRs) for the dividend classes to which those balances are attributed using a schedule that was set at the time of amalgamation.

[Prior to amalgamation the Dividend Scale Interest Rates \(DSIRs\) were different for Great-West Life, London Life and Canada Life. What will the DSIR be for the combined open participating account for policies in force at the time of amalgamation?](#)

The DSIR will continue to be different for those policies issued pre-amalgamation from the Great-West Life, London Life and Canada Life participating open accounts. The DSIRs for the pre-amalgamation London Life, Great-West Life and Canada Life open policies will still be 5%, 5.25% and 5.25% respectively. The DSIRs for these blocks and the respective participating policyowner dividends in general will continue to be updated in the future to reflect experience updates as part of the regular dividend scale review process.

The pre-amalgamation participating accounts had a common investment strategy; however, previous investment experience continues to be smoothed into the dividend scales for these in-force policies.

Over time, as the influence of this previous experience diminishes, we expect the DSIRs to converge.

It's important to note the DSIRs are expected to converge within the combination of the accounts, as a single investment strategy consistent with and reflective of the pre-amalgamation investment strategies being used.



Before amalgamation the amount of surplus funds in each Canadian open participating account were different. How is this surplus treated now?

The surplus of each of the Canadian open participating accounts has been combined together into a single surplus balance to support the capital needs of the new combined open participating account (which includes both pre-amalgamation in-force policies and post-amalgamation new issues). The uses of surplus remain the same as pre-amalgamation. Surplus is held in the participating account for many reasons, like financing new business growth and providing strength and stability to the participating account and its ongoing operation.

Before we amalgamated and combined the participating accounts, surplus balances in the Canadian open participating accounts of Great-West Life, London Life and Canada Life were maintained at levels above the minimum regulatory capital requirements applicable to each of the companies. Given this, the surplus balance in the resulting combined Canadian open participating account is above the minimum regulatory capital requirements.

Are there new participating life insurance products?

Yes. New products and one combined Canadian open participating account are available. Your advisor can help you figure out which product is best for you.

Non-participating life insurance

How will renewals for term life, disability and critical illness insurance work after the transition to the Canada Life insurance shelf?

London Life and Great-West Life in-force term life insurance policies will continue to renew as the original product, but with Canada Life.

Great-West Life in-force disability and critical illness insurance policies that have renewal options can be renewed as the original product, but with Canada Life.

Policy notices will be updated to reference Canada Life in the future. Talk to your advisor for details.



[How will conversions for term life, disability and critical illness insurance work after the transition to the Canada Life insurance shelf?](#)

All in-force stand-alone term life insurance policies will allow conversion to Canada Life products available for conversion whether originally issued by London Life, Great-West Life or Canada Life, subject to eligibility criteria.

In-force Great-West Life child critical illness insurance policies will allow conversion to Canada Life adult critical illness insurance products and Great-West Life term 10 plans may be able to convert to an equivalent Canada Life product, subject to eligibility criteria.

Great-West Life three-condition critical illness policies cannot be converted to Canada Life.

For disability insurance, group conversions will be to a Canada Life product, and in-force Great-West Life expense and partner buy-out disability policies may be able to convert to an equivalent Canada Life product. Talk to your advisor for details.

Wealth

[What happens to my existing Great-West Life and London Life policies?](#)

Great-West Life and London Life policies have remained in force and unchanged as a result of amalgamation. All policies and contracts will automatically continue as policies or contracts of The Canada Life Assurance Company.

[If I have a Great-West Life or London Life policy, how do I access the new Canada Life product?](#)

If you'd like to transfer from an existing Great-West Life or London Life policy to a new Canada Life policy, speak with your advisor for details.

[Does amalgamation have any impact on your high-net-worth offering?](#)

Our high-net-worth offering continues. Our household aggregation rules accommodate assets across the amalgamated company.

[Will fees decrease as a result of amalgamation?](#)

We'll review the funds that are offered and may merge similar mandates together. Finding efficiencies may result in lower fees and better fund performance.



Group Benefits and Group Retirement Services

Will greatwestlife.com shut down?

The site greatwestlife.com will remain live for a multi-year transition period with updated messaging to explain that following the amalgamation, the products and services originally provided and issued by Great-West Life are now Canada Life products and services.

What about the GroupNet and GRS Access sites?

GroupNet for Plan Members and GroupNet for Plan Administrators, and GRS Access, continue to operate as before. Links to the sites and the sites themselves will gradually be updated to refer to The Canada Life Assurance Company and the new Canada Life branding.

Do I need to do anything differently?

No - how you do business with and how you contact us has not changed as a result of amalgamation.

Freedom 55 Financial

What happens to Freedom 55 Financial?

Freedom 55 Financial is now a division of The Canada Life Assurance Company. Through Freedom 55 Financial, we'll continue to provide the guidance that empowers people to make good choices, to be at their side and help them thrive financially, physically and mentally.

ⁱ Dividends are not guaranteed, and reflect the experiences of the participating account.