

Additional Deposit Option

PARTICIPATING
LIFE INSURANCE



A flexible and attractive solution

The Additional Deposit Option is a flexible, tax-efficient solution that allows the policyowner to make deposits in addition to their guaranteed premium payments. The deposits are voluntary and are used to purchase paid-up additions, which are added to those acquired with the dividends that could be credited each year. As a result, the policy paid-up additions will increase more quickly, as well as the cash surrender value and the life insurance amount payable on death.

Advantages of the Additional Deposit Option



- Access short-term liquidity to finance special plans
- Use the dividends and accumulated cash surrender values to benefit from the premium offset more quickly
- Enhance retirement income
- Increase the estate value

Eligible products



- Accelerated Growth (10 Pay, 20 Pay, or to 100)
- Estate Enhancer (10 Pay, 20 Pay or to 100)

Eligible dividend options



- Paid-up additions
- Enhanced insurance

Eligible issue ages



- 10 Pay: 0 to 75
- 20 Pay: 0 to 75
- To 100: 0 to 80

Additional Deposit Option for Desjardins Participants Life Products

Eligible rating



The maximum rating is +200%.

Deposit amount



- Minimum deposit: \$10 per month or \$100 per year.
- Permitted annual deposit: The maximum amount of deposits that the policyowner can make each policy year.

The sum of the deposits made during the first policy year determines the permitted annual deposit for subsequent years.

The policyowner may ask to increase their permitted annual deposit, but they may need to provide evidence of insurability.

Desjardins Insurance may limit the permitted annual deposit at the time the option is issued, based on available insurance and reinsurance capacity.

Deposit frequency and period



Regular or one-time deposits may be made:

- Up to age 100¹
- Even after premiums are paid up for products payable in 10 and 20 years

Regular deposits are recurring deposits made at the same frequency as the policy's guaranteed premium payments. **One-time** deposits are not part of regular deposits and may be made at any time.

Flexible deposits



After making the deposits for the first policy year, the policyowner may, without having to provide evidence of insurability:

- Stop and restart deposits at their convenience
- Reduce and subsequently increase the amount of their deposits²

Missed deposits in a given year cannot be carried forward to the following year.

Further details on deposits



Regular deposits are suspended in these situations:

- Waiver of premiums: In the event of total disability, if the policyowner requested this additional coverage when the policy was issued and if the disability definition is met.
- Premium offset period: For the duration of this period.
- Automatic premium loan: When the guaranteed policy premiums are advanced under this clause

One-time deposits remain permitted.

¹ For joint coverage, the equivalent age is used.

² Deposits must comply with the minimum deposit and permitted annual deposit.

Additional Deposit Option for Desjardins Participants Life Products

Loss of right to make deposits



The policyowner will lose the right to make deposits if:

- They make a policy change to reduce paid-up insurance.
- They make a change to the dividend option for cash payment, annual premium reduction or dividends on deposit.

Management fees



- A 10% fee³ applies to each deposit.
- In the case of a rating, additional fees apply.

The deposit net of fees is used to purchase paid-up additions.

Addition to an in-force policy or when an option is exercised



- The additional deposit option can be added to an **in-force** policy issued on or after January 1, 2017, **on the policy anniversary, or when an option is exercised.**⁴
- The policy must meet eligibility criteria.
- Evidence of insurability may be required under the administrative rules in effect at the time of the application.
- The maximum permitted annual deposit is determined based on the age⁵ when the policy is issued.

Taxes



In order to maintain the policy's tax-exempt status, Desjardins Insurance reserves the right to:

- Refuse or adjust the deposit amount
- Surrender the paid-up additions
- Decline modifications or actions requested by the policyowner, for as long as necessary

³ The fees are determined by Desjardins Insurance and are not guaranteed.

⁴ Examples of options: conversion, insurability option, association option, guaranteed insurability benefit.

⁵ For joint insurance, the equivalent age is used.