

Comparing participating life insurance with universal life insurance

The following chart compares the differences between these two types of permanent life insurance products: participating life insurance *and* universal life insurance.

Comparing:		
Participating insurance		Universal life insurance
Participating policy premiums (and other basic guaranteed policy values) are determined using long-term assumptions for factors such as investment returns, mortality, expenses, and taxes.	Premium	Cost of insurance (COI) and expenses are deducted monthly. As long as there are sufficient funds to maintain the policy, the premium payment and premium frequency are flexible.
Protection for life. This is as long as the policyowner keeps the policy in force.	Protection	Protection for life. This is as long as the policyowner keeps the policy in force.
Long-term focused, quality investments. Majority of assets held are fixed income. The asset mix is chosen and managed by investment experts.	Investment options	Variety of investment options to choose from. Includes guaranteed interest options, equity and bond index options. Can select from a variety of equity index options to mirror their own risk tolerance profile.
Core of guaranteed values. Policyowners can benefit from improvements in mortality through policyowner dividends. Dividend values belong to the policyowner once paid. Participating account managed by investment experts. Stability in investments.	Advantages to buyer	Flexibility of premium payments Ability to manage the investment mix. Can have a significant equity investment component in insurance program if this type of investment option is chosen.
Policyowner doesn't manage the investment component.	Disadvantages to buyer	Potentially more volatility in investment returns depending on the investment selections. Policyowner may not benefit from improvements in future mortality experience.
Participating life insurance is managed at the participating account level.	Other	Universal life is managed at the policy level. Investment performance (net of MER's) of policyowner's asset mix reported separately.