



Participating life insurance

ESTATE ENHANCER
ACCELERATED GROWTH
5 PAY PAR



Desjardins

Insurance

Life • Health • Retirement





Choosing Desjardins Insurance

It also means choosing Desjardins Group, the largest cooperative financial group in Canada¹, which has been enriching the lives of people and communities for over 125 years.

Stability

We have over \$510.2 billion in assets under management and serve more than 10 million members and clients.¹

Experience

We offer you the reliability and benefits of our over 75 years of experience in life and health insurance.² Rest assured that you're in good hands!

Investment expertise

You benefit from the expertise of Desjardins Global Asset Management (DGAM) in managing the participating account. DGAM administers over \$124.2 billion in assets³ on behalf of institutional clients. Founded in 1998, DGAM features a team of over 100 experienced professionals who invest in a range of asset classes: fixed-income securities, equities and real assets such as real estate and infrastructure. Prudent risk management and responsible investment practices are a crucial part of DGAM's strategic process, resulting in long-term value creation for its clients.



DID YOU KNOW?

Assistance service for everyone

Participating life insurance offers resources to help you with your daily activities and provides support during difficult times.

Phone assistance

Get health advice from a nurse on nutrition, the use of prescriptions drugs, medical issues, and more.⁴

The service is available 24/7.

¹ Source: [Quick facts about our cooperative | Desjardins as at December 31, 2025](#)

² Source: [Our story – DFS – Desjardins Life Insurance](#)

³ Source: [Desjardins Global Asset Management | Desjardins as at December 31, 2025](#)

⁴ This assistance service is not a contractual obligation of Desjardins Insurance and may be withdrawn at any time without notice.

Participating life insurance

MAXIMIZE YOUR WEALTH

Participating life insurance provides coverage that enables you to grow your assets while having access to liquidity to meet your financial needs.

Benefits

Desjardins Insurance's participating life insurance provides permanent coverage that allows you to receive a portion of the accumulated profits as dividends. You can choose from several dividend options, some of which increase the cash surrender value of your policy and the amount payable upon the death of the insured person. Here are some of the many benefits:

Protect your estate value and create wealth upon death



With the growth of the death benefit, this insurance protects some or all of the value of your estate. It can help cover your estate taxes and other expenses upon death, while leaving more for your loved ones.

Access the policy's cash surrender value during your lifetime



The policy's growing cash surrender value could allow you to:

- Enhance your retirement income⁵
- Pay for your children's or grandchildren's post-secondary education⁵
- Seize investment opportunities⁵

Protect your business



Your insurance allows you to manage the risks related to losing a key person in your company.

Since you have access to the policy's growing cash surrender value, you can:

- Finance development projects⁵
- Enhance the retirement income of a shareholder or partner⁵
- Plan the transfer of your business and protect its future in the event of your death

It allows you to diversify your assets while meeting your insurance needs and can help to reduce your taxes payable. For example, by using excess cash to pay insurance premiums instead of investing, you can reduce your business's taxable income.

Make a philanthropic donation to an organization of your choice



Increasing coverage can help you supplement the amount given to a charity.

⁵ There may be tax consequences.

Is this product right for you?

Desjardins Insurance's participating life insurance offers appealing solutions for your financial planning as parents, grandparents, professionals or business owners, or all of the above. It's designed to help you maximize your estate value or use the cash surrender value to finance a mid- or long-term project.



Parents and grandparents

The 5-year or 10-year payment options allow you to pay off all the premiums before transferring the policy to your children or grandchildren when they reach adulthood.⁶



Business owners

Participating life insurance is useful for managing risks related to losing a key person, minimizing the tax impact of passive investment income and providing additional cash flow for various plans, such as retirement.⁷



Professionals

Are you looking for permanent life insurance that offers flexibility, guarantees and attractive policy values? Then this solution is for you!

⁶ The insured child or grandchild, or their parent, should be designated as the contingent policyowner (not just an heir) to avoid a taxable disposition of the policy upon transfer of ownership on death. There must be only one insured on the policy at the time of transfer of ownership to avoid a tax disposition. Please consult your financial advisor.

⁷ There may be tax consequences.

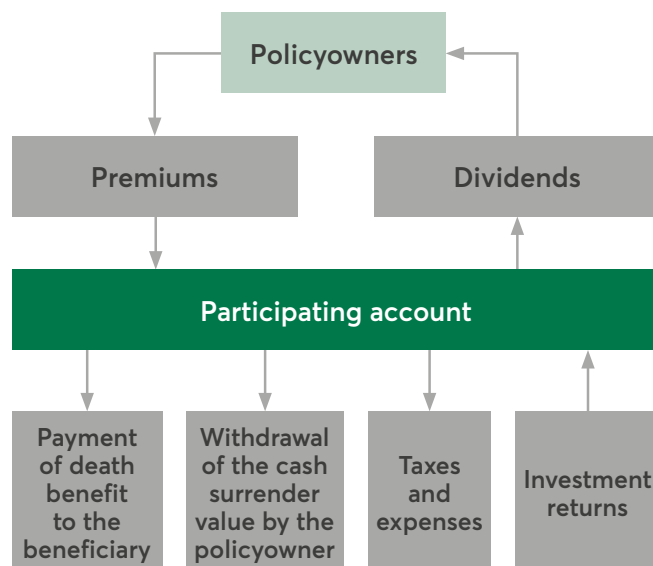
How does a participating life insurance policy work?

Desjardins Insurance's participating life insurance provides permanent coverage with a guaranteed premium amount that will remain the same for the chosen payment period.⁸ Additionally, this insurance offers a guaranteed basic death benefit and guaranteed cash surrender values that increase over time.

The participating life insurance premiums that you pay as well as those paid by all policyowners with similar policies are pooled and deposited in a separate account called a participating account.

As a policyowner of a participating life insurance policy, you benefit from the account's returns by receiving dividends. Please note that these dividends are not guaranteed. They vary based on several factors, such as investment returns, mortality rates, and taxes and expenses paid by the insurer.

Dividends could be credited annually, on the policy anniversary, when the account outperforms the assumptions used to determine the guaranteed values. Once credited, the dividends belong to you.



You can use these dividends to:

- Purchase additional insurance to increase the cash surrender value of your policy and maximize your estate's growth⁹
- Reduce the annual premium payment¹⁰
- Receive a cash payment¹¹
- Keep dividends on deposit to earn interest¹¹

⁸ If there's no change in the policy.

⁹ Enhanced insurance is the only option available at the time of sale of the 5 Pay PAR product. Paid-up additions, cash payment and dividends on deposit options may be available 10 years after the policy is issued, if the exempt test is met.

¹⁰ This option is not available with the 5 Pay PAR product.

¹¹ There may be tax consequences.

Asset management strategy for the participating account

Participating account target range

Asset class	Target range (%)**
Cash and short-term investments	0 to 5
Governments bonds	30 to 55
Corporate bonds	
Mortgages and commercial loans	
High-yield bonds	5 to 15
Bank loans	
Preferred shares	0 to 10
Fixed income	45 to 75
Common shares	5 to 25
Private equity	0 to 15
Private debt*	0 to 15
Infrastructure	0 to 15
Real estate	0 to 15
Alternative investments	20 to 40
Specialized strategies (market neutral)	0 to 5

* Private debt is both a form of fixed income and a subcategory of alternative investments. The type of private debt included in the portfolio gives it an expected return/risk profile closer to the other lines of the alternative investments block of the portfolio than to those in the fixed income block.

** Range adopted during the recent review of the strategic asset allocation.

Role of the dividend scale interest rate

The dividend scale interest rate is one of the factors used to calculate the dividends and track investment returns. It's not the same as the growth rate that applies directly to your insurance policy.

To minimize the impact of market fluctuations, we use a smoothing technique that involves spreading investment gains and losses over several years. This method helps stabilize the credited dividends and the dividend scale interest rate.

Solid financial performance

In addition to the smoothing technique used to mitigate annual fluctuations in credited dividends, the long-term stability of the dividend scale interest rate also depends on a robust portfolio mix¹² that uses asset class diversification to reduce volatility.

¹² Refer to the Investment Strategy and performance of the participating account brochure.

Flexible products

Desjardins Insurance offers 3 attractive solutions to meet your personal needs, help you manage your business risks or a combination of both.

Our products include several premium payment options to better suit your situation.

Our range of products

	5 PAY PAR	ESTATE ENHANCER	ACCELERATED GROWTH
Dividend accumulation	Dividends maximized over the long term		Greater dividend growth during the first 10 to 15 years
Premium payment options	Quick payment over 5 years	10 years, 20 years or to age 100	
Additional deposit option	Not offered	The additional deposit option is available for: • The paid-up additions and enhanced insurance dividend options • All premium payment options	
Premiums	Premium amount stays the same throughout the chosen payment period		

Dividend options

The choice of dividend options depends on the product chosen and has a significant impact on your policy's growth in value:

- Paid-up additions (PUAs): Allows you to purchase additional paid-up insurance with annual dividends and stimulates the growth of policy values
- Enhanced insurance:¹³ Allows you to purchase insurance with a lower premium due to the term coverage, which is gradually replaced by permanent insurance
- Annual premium reduction: Allows you to reduce the annual premium in part or in full through dividends credited each year
- Cash payment:¹⁴ Allows you to receive the amount of dividends credited every year in cash
- Dividends on deposit:¹⁴ Dividends are deposited in a savings account managed by Desjardins Insurance and can be withdrawn as needed

¹³ Only option available at the time of sale of the 5 Pay PAR product. Paid-up additions, cash payment and dividends on deposit options may be available 10 years after the policy is issued, if the exempt test is met.

¹⁴ There may be tax consequences.

Guaranteed premium payment options of the basic policy



5 PAY PAR product

5 PAY

This is a **unique product** on the market that is simple and only requires a short-term commitment. This product is suitable for:

- People who'll be retiring in the near future or anyone who wants to pay their premiums quickly while benefiting from long-term value growth.
- Parents or grandparents who want to protect the insurability of their children or grandchildren and pay the entire premium before transferring the insurance policy to them when they reach adulthood.¹⁵ This product is an excellent solution to complement income from a registered education savings plan (RESP)¹⁶ and ensuring grandchildren's financial future without passing on the burden of premiums.
- Business owners who want to avoid longterm financial obligations to better suit their business's financial plan.



ESTATE ENHANCER and ACCELERATED GROWTH products

10 PAY

This option lets you enjoy higher growth in the medium term and pay off premiums quickly.

It's a good solution for parents or grandparents who want to protect their children or grandchildren,¹⁵ and for professionals and business owners who want to take advantage of the growth in the policy's value without having the premium payment over the medium term.

20 PAY

This option allows you to balance value growth with affordable premiums.

It's an option for someone who wants to increase their initial death benefit and guarantee the end of premiums in the longer term.

TO AGE 100

This option gives you the advantages of participating life insurance while paying affordable premiums. Premiums stop at age 100, but coverage remains in force and dividends continue to be credited each year until the insured person dies or the policy is surrendered.

This option is designed to meet estate planning needs. It can be used to protect the death benefit against inflation.

¹⁵ The insured child or grandchild, or their parent, should be designated as the contingent policyowner (not just an heir) to avoid a taxable disposition of the policy upon transfer of ownership on death. There must be only one insured on the policy at the time of transfer of ownership to avoid a tax disposition. Please consult your financial advisor.

¹⁶ There may be tax consequences.

Additional deposit option

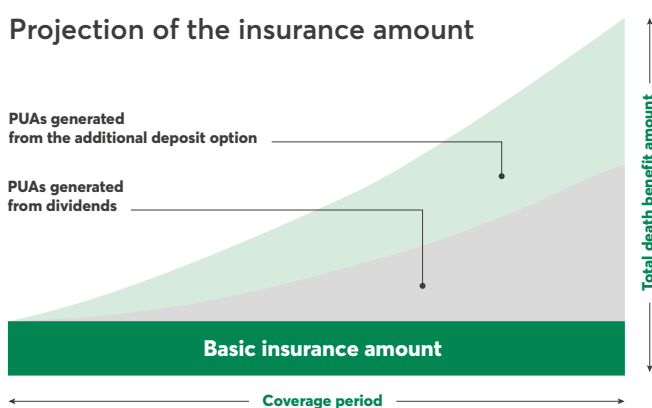
The additional deposit option allows you to make deposits in addition to the guaranteed premium payments, to benefit from potentially greater growth in the policy's cash surrender value and the death benefit paid to the beneficiary of your choice.

The deposits are voluntary. They allow you to purchase paid-up additions on top of the paid-up additions purchased with dividends. This option therefore lets you tailor coverage to your personal or business needs while benefiting from the advantages of participating life insurance.

The additional deposit option could provide the following benefits:

- Access short-term liquidity to finance special plans.¹⁷
- Use the dividends and accumulated cash surrender values to reduce the premium payment period.
- Enhance your retirement income.¹⁷
- Increase your estate value.

Projection of the insurance amount



¹⁷ There may be tax consequences.

Flexibility of deposits

Desjardins Insurance's additional deposit option offers great flexibility and allows you to make deposits according to your needs.

- The sum of the deposits made during the first policy year determines the permitted annual deposit for subsequent years.
- After the first year, you can reduce, stop or restart deposits at your convenience without having to provide evidence of insurability.
- Each deposit made must meet the minimum amounts set by Desjardins Insurance.

A **policy year** is any one-year period that follows the option's start date.

Deposit frequency and duration

You can make regular deposits, one-time deposits or a combination of both, until age 100.

- **One-time deposits:** One or more deposits made during the same policy year. A one-time deposit is not part of a series of deposits and can be made at any time.
- **Regular deposits:** Deposits made at regular intervals, either monthly or annually at the same frequency as the basic policy's guaranteed premium payments.

You'll lose the right to make deposits if:

- You change your policy's dividend option to cash payment, annual premium reduction or dividends on deposit
- You make a policy change to reduced paid-up insurance



Using accumulated cash surrender values

As a policyowner, you can use your policy's accumulated cash surrender values (guaranteed or non-guaranteed) at any time. You have multiple options:¹⁸

1

Withdraw the non-guaranteed cash surrender value¹⁹

You can withdraw some or all of the non-guaranteed cash surrender value generated by paid-up additions. The amount you withdraw reduces the cash surrender value accordingly. The death benefit generated by the paid-up additions is reduced by the same proportion as the withdrawal you requested.

2

Request a partial or total surrender¹⁹

Partial surrender of basic insurance is permitted; the guaranteed death benefit is reduced by the same proportion as the guaranteed cash surrender value requested.

Total surrender of the policy is possible by terminating your insurance.

3

Apply for a policy loan¹⁹

You can request a loan of up to 100% of your policy's cash surrender values, less one year's interest on the loan requested. The available cash surrender value correspond to total cash surrender value less any outstanding loan balance.

Loan repayments can be made at any time. Outstanding policy loans, including interest²⁰, will be deducted from the amount payable upon death or the payment on surrender.



¹⁸ Possible uses vary based on the product or dividend option chosen.

¹⁹ There may be tax consequences.

²⁰ The rate is variable.

4

Ask for premium payments to stop and get reduced paid-up insurance

If you choose to stop paying premiums, you could use the guaranteed cash surrender value to purchase reduced paid-up insurance that would allow you to keep coverage for life for a lower amount than the initial coverage. The cash surrender values are then used as a single premium for this new insurance amount. The reduced paid-up insurance amounts are shown in the policy.

You may be entitled to dividends under the reduced paid-up insurance. These dividends are credited based on the dividend scale in effect at the time. The reduced paid-up insurance amounts associated with the basic insurance are guaranteed and vary by product.

How your dividend option changes when you purchase reduced paid-up insurance:

- The enhanced insurance dividend option is replaced by the paid-up additions option.
- The annual premium reduction dividend option is replaced by the dividend on deposit option.
- The additional deposit option is no longer available. Therefore, you won't be able to continue making deposits.



Taxation

The death benefit is generally non-taxable for the beneficiary (under Canada's Income Tax Act). A test is conducted every year to make sure the policy will maintain its tax-exempt status. Desjardins Insurance reserves the right to take the necessary measures, such as surrendering paid-up additions, refusing or adjusting the amount of deposits made using the additional deposit option, or denying any changes you may request. Once these measures are no longer needed, deposits can resume based on the scheduled or eligible amount, without losing tax exemption status.



Additional coverage

Desjardins Insurance offers you the option to tailor your policy by including additional coverage²¹ to increase your financial security and meet your specific needs.

Accident	→ Pays a benefit if you die or sustain a fracture, dismemberment or loss of use of one or more limbs (hand, foot or eye) due to an accident.
Accidental fracture	→ Pays a lump-sum amount if you're the victim of an accident and sustain a fracture to any bone. The amount varies depending on which bone is fractured.
Accidental dismemberment or loss of use	→ Pays a percentage of the insurance amount if you're dismembered as a result of an accident. The percentage varies based on the type of loss.
Accidental death, dismemberment or loss of use	→ Pays a percentage of the insurance amount if you die or are dismembered as a result of an accident. The percentage varies based on the type of loss. 100% is payable in the event of accidental death.

²¹ See the policy for information on each coverage and their respective limitations and exclusions.



Children's life protection



Pays a term life insurance amount if one of your children dies. This covers all your children from 15 days to 25 years of age and includes the option to convert the coverage to a permanent life insurance policy for up to 5 times the selected basic amount without evidence of insurability.

Children's accidental fracture



Pays a benefit if one of your children sustains a fracture as a result of an accident. Children are covered from 15 days to 25 years of age.

Guaranteed insurability benefit



Allows you to purchase additional insurance amounts without evidence of insurability. This is an ideal way to protect your insurability and the insurability of any other insureds.

Business insurability coverage



Lets the owners of a growing business to purchase an additional insurance amount based on the increase in the fair market value of their company, without having to provide evidence of insurability. This coverage provides the option to purchase additional life insurance up to 3 times the business insurability coverage amount during the first 10 years of the policy.

Disability waiver of premiums



Waives the policy premiums if you become totally disabled for more than 6 months before age 60.



You're one of a kind.

Desjardins Insurance's participating life insurance gives you the **choice, flexibility and guarantees** you need for your specific situation.

Any questions?

To learn more, visit our website at desjardinslifeinsurance.com or contact your advisor for advice on the right type of insurance for you.



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