



Canada Life™

A Proud History, a Promising Future

Individual Retirement and Investment Services
product modifications affecting:

Flex

Generations

Private Collections

Financial Advisor Guide

Nov. 21, 2003

**THIS DOCUMENT CONTAINS IMPORTANT INFORMATION THAT AFFECTS YOUR CLIENTS –
PLEASE READ ON...**

FINANCIAL ADVISOR USE ONLY

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This material is for informational purposes only and should not be construed as legal or tax advice. Every effort has been made to ensure its accuracy, but errors and omissions are possible. Individual circumstances may vary and specific legal and tax advice is recommended. Full details and conditions will be available in the Generations, Flex, and Private Collections information folders and contracts.

Helping you achieve more

Nov. 21, 2003

Dear valued business partner:

Several weeks ago, we communicated with you about a number of important improvements we plan to make to our Canada Life Generations® segregated fund lineup in order to offer you the best financial products possible. As we outlined in the materials we sent you in September, these improvements were shaped from four key business objectives:

1. Fund performance*

Wherever possible, we will change funds to improve the fund offering with better aligned choices from multiple internal managers with world-class status.

The following chart lists the management fees for our new funds:

New fund	Management fee (in percent)
Mid Cap Canada (GWLIM)	2.75
Canadian Equity Value (Laketon)	2.55
Canadian Resource (Mackenzie)	3.00
Conservative Allocation	2.35
Moderate Allocation	2.45
Balanced Allocation	2.55
Advanced Allocation	2.70
Aggressive Allocation	2.80
Conservative NR Allocation	2.50
Moderate NR Allocation	2.55
Balanced NR Allocation	2.65
Advanced NR Allocation	2.75
Aggressive NR Allocation	2.85

* A full description of these improvements and how they can benefit you and your clients can be found in the package mailed to you in September. For more information, visit RepNet or talk to your local Canada Life representative.

2. Lower management fees*

Delivering value on our financial products is one of our organization's key objectives. The combined strength of our operations and the economies of scale it achieves will result in reduced management fees and enhanced marketing support for many Canada Life segregated funds.

We're pleased to announce management fee reductions for many of our funds and policyholders as follows:

Current fund #	New fund #	Current fund name	Current fund manager	New fund name	New fund manager	Change in mgmt. fees
S259	S178	U.S. Value RSP	AIC	U.S. Value	LLIM	-1.00%
S248	S037	European Growth	AGF	European Equity	Setanta	-0.90%
S178	S178	U.S. Value	AIC	U.S. Value	LLIM	-0.85%
S250	S191	Canadian Tactical Asset Allocation	AGF	Canadian Asset Allocation	Fidelity	-0.60%
S189	S189	Dividend	AGF	Dividend	LLIM	-0.55%
S179	S286	Growth America	Fidelity	U.S. Growth Leaders	Mackenzie	-0.50%
S260	S182	World Equity RSP	AIC	World Equity ¹	AIC	-0.50%
S182	S182	World Equity	AIC	World Equity ¹	AIC	-0.40%
S167	S167	Canadian Bond	AGF	Government Bond	GWLIM	-0.35%
S102	S102	Canadian Equity	AIC	Canadian Equity Growth	Mackenzie	-0.35%
S183	S183	Global Boomernomics®	CI	Global Future	Mackenzie	-0.35%
S186	S051	Global Equity RSP	CI	Global Equity	Trimark	-0.15%
S247	S247	American Growth	AGF	American Growth	AGF	-0.10%
S289	S289	Canadian Growth	AIM	Canadian Growth	AIM	-0.10%
S258	S184	International Portfolio RSP	Fidelity	International Portfolio	Fidelity	-0.10%
S275	S119	Indexed U.S. Equity RSP	TDQC	Indexed U.S. Equity	TDQC	-0.05%

¹Please see page 8 for further details on these funds.

3. Fund management strengths*

Ensuring our fund managers focus on their core management strengths is key. Among other changes, we identified the opportunity to leverage Laketon's significant strength in both North American asset classes while utilizing the experience of Setanta Asset Management for international mandates.

4. Inefficient / small funds*

Another strategic improvement is the reduction of smaller funds, specifically the Ethical® series. We have not experienced overwhelming enthusiasm for our Ethical® series of funds and the extremely small size of these funds does not allow us to operate them in an efficient or cost-effective manner. As a result, we have decided to close these funds to new clients.

* A full description of these improvements and how they can benefit you and your clients can be found in the package mailed to you in September. For more information, visit RepNet or talk to your local Canada Life representative.

Keeping pace with the financial marketplace

Canada Life is entering a new phase in its evolution as the financial marketplace once again changes shape. The investor of the 90s continually sought new and different fund products, creating an over-saturated marketplace. But turbulence in the equity markets over the years, combined with changing consumer preferences, have resulted in increasing sales in our Generations segregated funds, with Flex products losing ground in terms of consumer preference. There are a number of reasons for this. Supported by a broad range of investment funds and a professional asset allocation approach, Generations offers greater diversity, and attractive death and maturity guarantees. Its multi-manager, multi-asset class, multi-style investment approach has made it the product of choice in recent years, and we will continue to develop and enhance Generations to help meet the varied financial planning needs of your clients.

Flex

With that in mind, it's time to simplify our product line while at the same time offering a range of clearly defined products so investors can build comprehensive, diversified portfolios. **Effective Dec. 5, 2003, we are closing Flex to new clients and to new accounts from existing clients.** Despite closing Flex to new accounts, we remain committed to supporting our existing Flex clients. You'll find more details on page 6.

Streamlining our segregated fund lineup under the Generations label enables us to concentrate more resources and expertise on a smaller number of funds, eliminating redundant operating expenses, and enabling us to deliver stronger performance and value.

Private Collections

Our high net worth product has not been immune to marketplace change, either. Private Collections, is quite complex and, as a result, has not been as well received in the marketplace as we had hoped. Volatility in the equity markets has certainly been a factor in its lack of success. **Effective Dec. 5, 2003, Private Collections (both the segregated funds and Protected Growth Investment or PGI) will close to new accounts. As well, no further deposits or transfers into existing accounts will be accepted.** It's important to note that Canada Life remains committed to meeting the unique needs of your affluent clients, and this commitment will not change. Although research has demonstrated to us that Private Collections is not the right approach at this time, we will continue to seek an alternate investment solution to meet the needs of this very important channel. See page 7 for more details.

International Equity (Putnam)

As many of you have likely heard, Putnam Investments has faced media and regulator scrutiny in the United States over market timing activity by some clients and employees.

As a result, we do not believe it is appropriate to proceed with our previously announced addition of Putnam to Canada Life's Generations segregated fund product at this time.

Please see page 8 for further details on this decision.

Our Commitment to You

Ultimate Solutions incentive program

We count on our business partners to communicate the benefits of Canada Life segregated funds to their clients and determine whether it is the best solution to meet those clients' needs. Beginning Dec. 1, 2003, we'd like to offer a solution of our own – one that you can count on. See page 19 of this booklet and read the enclosed flyer to learn how you can reward yourself again and again by offering Canada Life segregated funds as a financial solution for your clients.

Keeping you informed

These decisions do not impact your current producer contract with Canada Life, nor your compensation. You will be able to continue to offer your clients unique Canada Life branded products through your contract with Canada Life. These products include Canada Life's life insurance, disability and critical illness insurance, annuity and Guaranteed Investment Annuity products, as well as our strong new lineup of segregated funds. All distribution partners of Canada Life remain separate and distinct from Great-West Life and London Life distribution channels, with separate brands and separate product and support networks. Although the business has moved to London, Ontario, your processes for doing business with Canada Life (i.e. phone and fax) remains unchanged.

This guide outlines in detail the important and positive changes we're making to our Flex and Private Collections products on Dec. 5, 2003. Should you have questions that are not addressed in the enclosed materials or in the FAQs that appear at the end of this guide, please speak with your Canada Life representative. Your success is important to us. We look forward to helping you achieve more!



Phil Marsillo
Senior Vice-President
Individual Distribution



Rick Rausch
Senior Vice-President
Individual Retirement & Investment Services

Timing of changes – key dates*

Sept. 16, 2003:

- ◆ Information packages sent to financial advisors with a list of their clients affected by fund closures.

Sept. 22, 2003:

- ◆ Explanatory letter sent to clients regarding fund changes.

Oct. 10, 2003:

- ◆ Notices sent to financial advisors with a list of their clients affected by fund name changes.

Nov. 14, 2003:

- ◆ By this date, alternate instructions, if any, for any affected fund switches must be received by Canada Life to waive the switch fees. After this date clients may still switch funds, but switch fees will apply and the switch will count toward the annual maximum of eight free switches.
- ◆ If clients wish to alter their PAC or APW instructions relating to one of the funds that is changing, they must do so by this date in order for the new instructions to be executed by the Nov. 21st fund change date.

Dec. 1, 2003:

- ◆ "Ultimate Solutions" incentive program begins.

Dec. 5, 2003:

All fund changes outlined in the Sept. 16 communications take effect*. In addition:

- ◆ **Flex closes.** No new accounts may be opened after this date, however clients may continue to deposit and transfer money into existing Flex accounts (up to the annual \$20,000 cap).
- ◆ **Private Collections closes.** No new accounts may be opened and no deposits or transfers into existing accounts will be accepted after this date.
- ◆ Elimination of the 4% RRIF floor guarantee on the Comprehensive Annuity Policy (CAP) for new clients goes into effect.
- ◆ We're enhancing our interest rate structure on Guaranteed Interest Terms (GIT) within the Generations product, paving the way for clients to achieve more. New banding calculations for Generations are aligned to include all "like" GIT and segregated fund assets held by Canada Life for the same client.

December 2003:

- ◆ Watch for the launch of our new asset allocation software – Canada Life asset allocation service that will be replacing DreamCatcher.

*Pending regulatory approval

Flex

Effective Dec. 5, 2003, Flex will close to new clients and to new accounts from existing clients. What does this mean to you and your clients? Although Flex clients may continue to deposit and transfer assets to existing accounts, **the Flex product will no longer be marketed or sold**. Rest assured that Canada Life will continue to support your existing Flex clients. In fact, the elimination of marketing costs associated with the production of sales collateral will enable us to focus our resources on the management of the funds – maximizing value for your clients.

Why close Flex? It's simple. We recognize that consumer and advisor preferences have shifted in line with changes to the financial industry marketplace. Investors who have been impacted by market downturns and volatility in recent years are increasingly seeking less risky investment vehicles with a higher degree of perceived security, as well as more options in terms of investment management style. As such, the popularity of our Generations segregated funds has grown significantly while that of Flex has decreased. In a February 2003 Market Probe survey of advisors only 35% rated Flex favorably, making it clear that we needed to take our product shelf in a different direction.

Flex also provides outdated deferred sales charges and benefit features that are not prudent or sustainable. Reducing our exposure to unnecessary risks is important to ensuring we have the strength and resources to meeting your needs well into the future.

Offering a broad range of investment funds and a proprietary asset allocation program, Generations provides greater diversity, annual resets, and attractive death benefits and maturity guarantees. It has become the product of choice in recent years, and Canada Life will continue to develop and enhance Generations to help meet the varied financial planning needs of our clients.

Client impact

Effective Dec. 5, 2003:

- ◆ Existing clients may not open new Flex accounts. For example, a client with a non-registered Flex account will not be permitted to open a Flex RRSP or RRIF account
- ◆ Although no new accounts may be opened, we will continue to allow your Flex clients to transfer an existing Flex RRSP to a Flex RRIF
- ◆ Clients are permitted to make additional contributions to their account (for example, transfers from another financial institution into an existing Flex RRSP or RRIF account), provided that they don't exceed the annual \$20,000 cap
- ◆ Clients may continue to switch between funds within the same account
- ◆ Existing PACs (Pre-Authorized Chequing plans) can remain in place, as clients may continue to make deposits to existing Flex accounts

Private Collections

Effective Dec. 5, 2003, Private Collections (both the segregated funds and PGI – Protected Growth Investment) will close to new clients and to subsequent contributions from existing clients. We believe that going forward, this decision makes the most sense and will yield the greatest benefit to your clients. Here's why.

Canada Life launched Private Collections because we are committed to helping you meet the unique needs of your sophisticated, affluent clients, and this commitment will not change. As the investment marketplace evolves, products often need modification or enhancement to maintain their vitality and effectiveness. Private Collections is quite a complex product and, as such, has not been as well received in the marketplace as we had hoped, and our research confirms that it is not what clients and advisors are looking for at this time. In a February 2003 Market Probe survey of advisors only 21% rated Private Collections favorably.

Volatility in the equity markets has resulted in a reduction in asset flow into investment funds. As well, the majority of the assets currently invested in Private Collections segregated funds consists of proprietary seed money, which may be reallocated at any time. Funds without adequate assets behind them are difficult to manage and are conducive to higher management expense ratios (MERs). This type of performance uncertainty is unacceptable in an investment product designed for your high value clients. We are working diligently to improve our offering in this area, and we feel it is best to put new contributions on hold until we're convinced that the product can satisfy your clients' investment and insurance objectives, now and in the years to come.

In the meantime, we anticipate that many Private Collections segregated funds clients may wish to take advantage of the flexibility and diversity of our Generations funds. Should any of your clients wish to transfer the proceeds from their Private Collections segregated funds to Generations segregated funds, we will allow them to do so seamlessly – without penalty or changes to their current maturity and death benefit guarantees. As well, if a client's Private Collections funds are on a DSC (Deferred Sales Charge) schedule, the terms will carry over to Generations with the current time in the funds remaining in effect.

Client impact

Effective Dec. 5, 2003:

- ◆ Current clients may not make additional contributions
- ◆ New accounts cannot be opened
- ◆ Any existing PACs (Pre-Authorized Chequing plans) will be cancelled
- ◆ Clients can still switch between funds within their account
- ◆ Clients may transfer an existing RRSP account to a RRIF account
- ◆ PGI interest rates will continue to be set annually, and bonuses (when applicable) will continue to be paid out

Important: Transfers from Private Collections segregated funds to Generations will be seamless. Maturity guarantees, death benefit guarantees and DCS schedules will be transferred intact without incurring transfer penalties.

Other changes

Important Changes to International Equity (Putnam)

As you may have heard, Putnam Investments Management Inc. has faced media and regulator scrutiny in the United States over market timing activity by some clients and employees. These allegations have resulted in a series of recent changes at Putnam in the United States. The allegations are not about the way Putnam manages money in an advisory or sub-advisory capacity for a portfolio. However, we're uncertain how the changes at Putnam will affect their ability to sub-advise on an international equity fund.

As a result, we do not believe it is appropriate to proceed with our previously announced addition of Putnam to Canada Life's Generations segregated fund product at this time.

Canada Life remains committed to offering a portfolio of high quality funds and fund managers for our Generations family of segregated funds.

Until further notice, AIC Investments Ltd. will continue to sub-advise the World Equity (AIC) S182 fund. The planned migration away from AIC was not a question of performance, but rather is part of our commitment to bundle cost-effective fund management with solid performance from internal and external managers with world-class status.

We are pleased to announce that we will still extend the lower management fee reductions listed on page 2 that your clients would have enjoyed with the transition to International Equity (Putnam).

Below is a recap of the changes that will take effect on Nov. 21, 2003:

Current fund #	New fund #	Current fund name	Current fund manager	New fund name	New fund manager
S260	S182	World Equity RSP	AIC	World Equity*	AIC*
S182	S182	World Equity	AIC	World Equity*	AIC*

*Previously communicated as International Equity (Putnam)

Achieve more for your clients with new Canada Life allocation funds

In our previous communication, we made reference to the closure of the Canada Life Continuum® and Continuum NR® asset allocation programs within the Generations fund line-up. As we explained in September, the existing Continuum modules are more appropriately positioned for the group retirement market as they are largely comprised of fund managers that are only available on the group retirement product.

We're excited to announce that on Nov. 21, 2003 we'll be launching a new set of proprietary asset allocation funds designed specifically for the retail market. And in December we will be rolling out a new asset allocation system to support these new funds and help you build appropriate portfolios for your clients.

About Canada Life allocation funds

As you know, Continuum was a tactical asset allocation program, with asset mix and fund choices reviewed approximately four times a year. The new funds will be based on strategic asset allocation where the recommended asset mix matches an investor's tolerance for risk and does not change in reaction to short term economic or market conditions. Tactical investment decisions are still made – but these are left in the hands of each of the professional money managers, who decide on a daily basis the asset mix, industry weightings, sector exposures and securities holdings of each underlying fund.

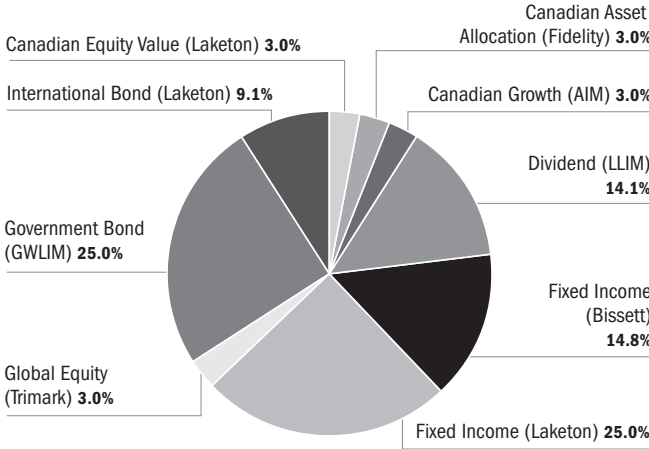
The new allocation funds will be comprised of the following 10 modules:

CONSERVATIVE

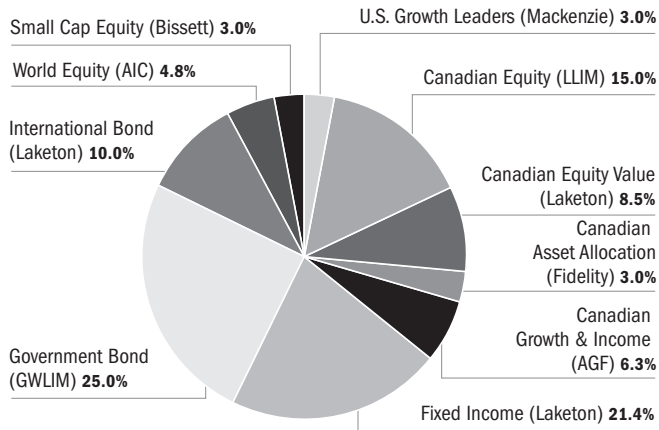
The fund seeks to provide investors with a portfolio providing regular income with low volatility. This fund invests mainly in other fixed-income funds. It includes a small investment in equity funds to increase potential returns over longer time periods.

This fund usually divides its investments as follows:

- ◆ 20% - 40% equity investments
- ◆ 60% - 80% fixed-income investments



MODERATE



The fund's objective is to provide income while also allowing for long-term investment growth. This fund invests mainly in fixed-income funds. It also includes a significant investment in equity funds to provide an opportunity for long-term growth.

This fund usually divides its investments as follows:

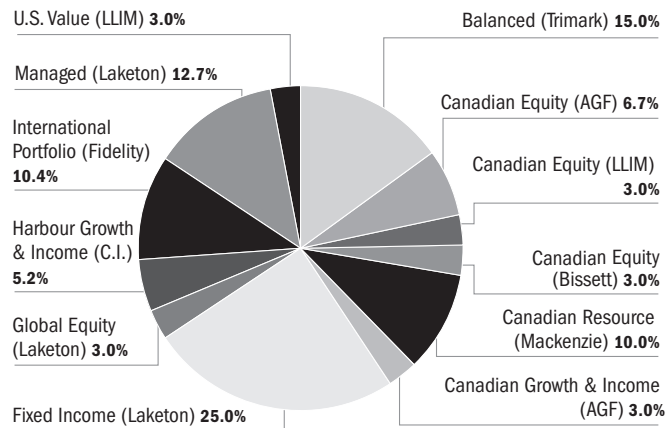
- ◆ 30% - 60% equity investments
- ◆ 40% - 70% fixed-income investments

BALANCED

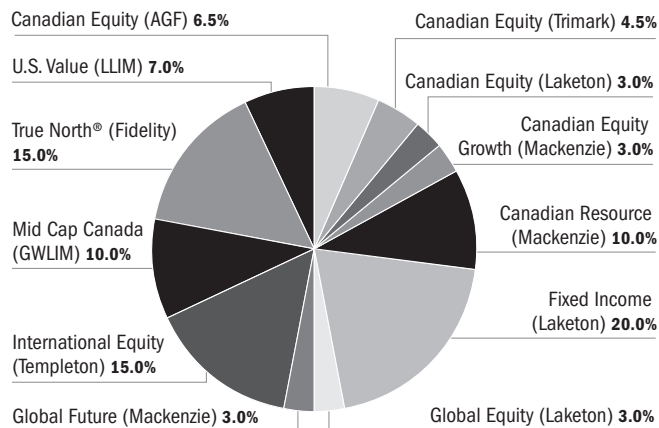
This fund invests mainly in funds that overall have slightly more equity investments (such as shares) than fixed income investments (such as bonds).

This fund usually divides its investments as follows:

- ◆ 50% - 75% equity investments
- ◆ 25% - 50% fixed-income investments



ADVANCED

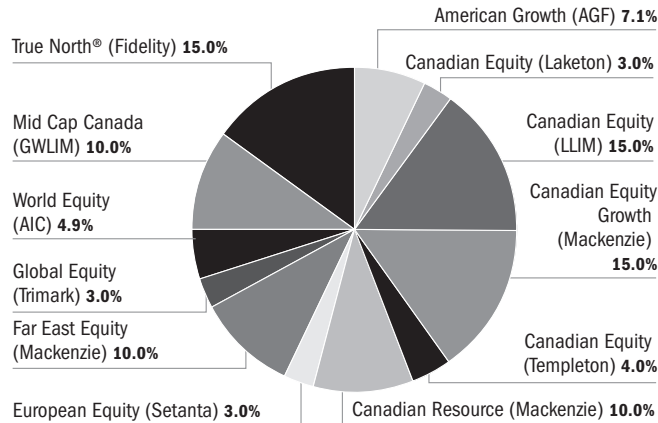


This fund invests mainly in equity funds. To provide a degree of stability, it invests a smaller amount in funds that invest in fixed income securities.

This fund usually divides its investments as follows:

- ◆ 70% - 90% equity investments
- ◆ 10% - 30% fixed-income investments

AGGRESSIVE



This fund invests mainly in equity funds, with the aim of providing long-term growth with little concern about short-term volatility. Volatility is how much and how often a fund's unit value changes.

This fund usually divides its investments as follows:

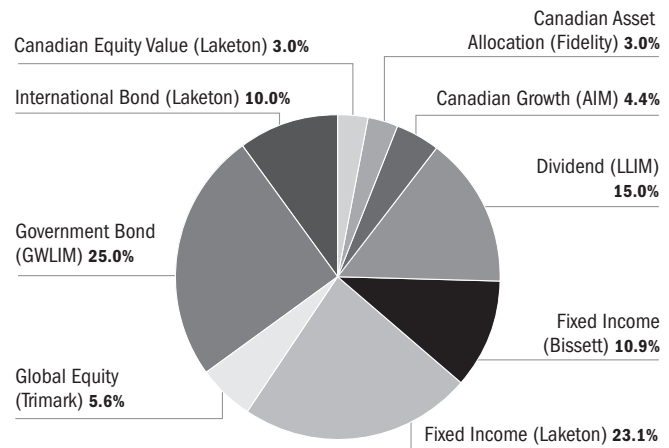
- ◆ 90% - 100% equity investments
- ◆ 0% - 10% fixed-income investments

CONSERVATIVE NR

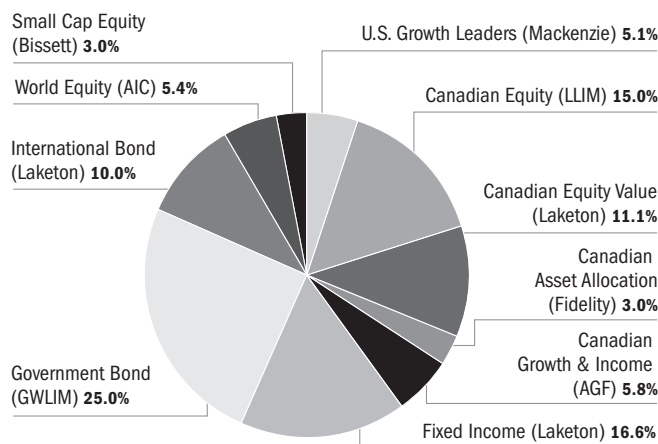
This fund invests mainly in other fixed-income funds. It includes a small investment in equity funds to increase potential returns over the long-term.

This fund usually divides its investments as follows:

- ◆ 20% - 40% equity investments
- ◆ 60% - 80% fixed-income investments



MODERATE NR

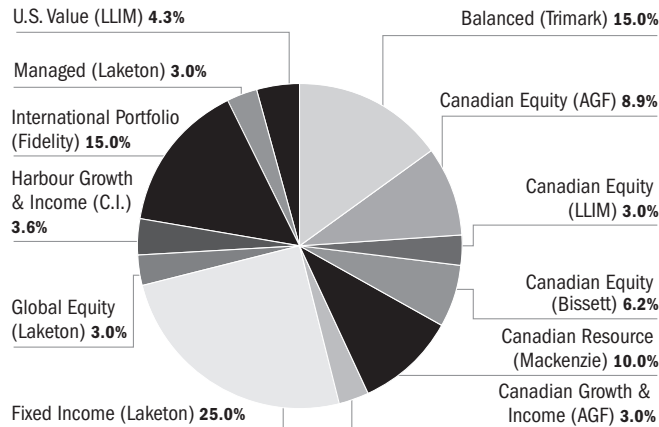


This fund invests mainly in other fixed-income funds. It also includes a significant investment in equity funds to provide an opportunity for long-term growth.

This fund usually divides its investments as follows:

- ◆ 30% - 60% equity investments
- ◆ 40% - 70% fixed-income investments

BALANCED NR



This fund invests mainly in funds that overall have slightly more equity investments (such as shares) than fixed income investments (such as bonds).

This fund usually divides its investments as follows:

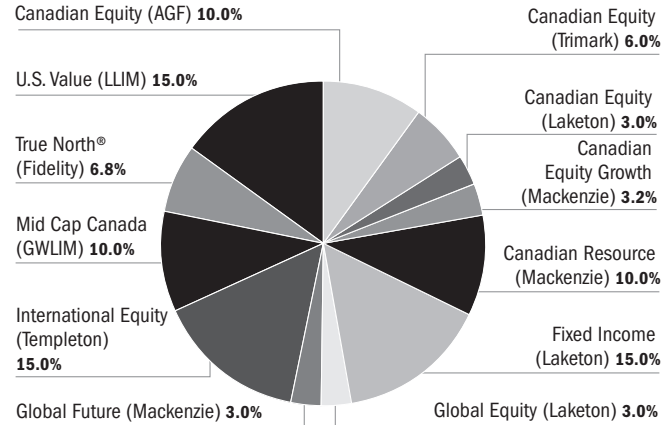
- ◆ 50% - 75% equity investments
- ◆ 25% - 50% fixed-income investments

ADVANCED NR

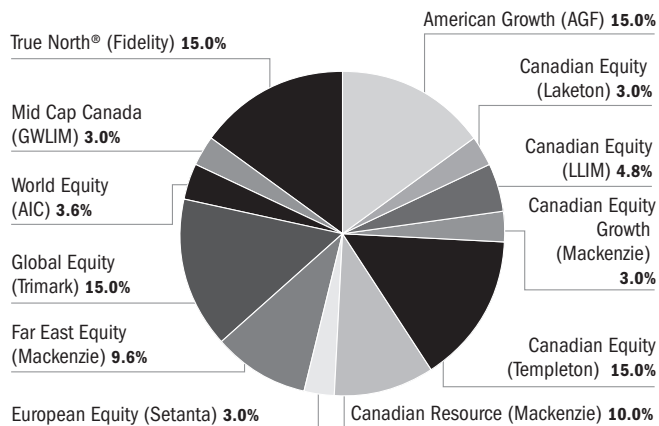
This fund invests mainly in equity funds. To provide a degree of stability, it invests a smaller amount in funds that invest in fixed income securities.

This fund usually divides its investments as follows:

- ◆ 70% - 90% equity investments
- ◆ 10% - 30% fixed-income investments



AGGRESSIVE NR



This fund invests mainly in equity funds, with the aim of providing long-term growth with little concern about short-term volatility. Volatility is how much and how often a fund's unit value changes.

This fund usually divides its investments as follows:

- ◆ 90% - 100% equity investments
- ◆ 0% - 10% fixed-income investments

Elimination of the 4% RRIF floor guarantee

As you may already know, a provision in our CAP RIF and LIF contracts gives clients a 4% minimum interest rate on their guaranteed terms. As interest rates in the marketplace are reaching their lowest points in decades, it is no longer feasible for Canada Life to continue to offer this provision to new clients.

What this means to you and your clients

Effective Dec. 5, 2003, new Comprehensive Annuity Policy (CAP) RIF and LIF accounts, including exchanges between a CAP RIF and LIF, will not be issued with a 4% minimum.

Generations offers an alternative

While the CAP RRIF/LIF will continue to be available to new clients at the current posted rates, it will be without the 4% guarantee. RRIF/LIF accounts are offered through the Canada Life Generations product. In addition to offering clients access to guaranteed terms of 1-10 years*, Generations gives clients the opportunity to invest in segregated funds – simplifying the investment process.

**whole year terms only*

New Generations/GIT interest rate structure

An enhancement to our interest rate structure will allow many of your clients to benefit from higher rates in their Guaranteed Interest Term (GIT) accounts within Generations.

As you know, rates for our Guaranteed Interest Terms are tiered, depending on the amount deposited. The first tier (for deposits of less than \$25,000) pays a competitive market rate, with this rate increasing over the second (\$25,000 - \$74,999) and third (\$75,000 - \$500,000) tiers. Currently, these tiers are based on the amount deposited to the GIT only, and do not take into account other Generations assets the client holds with us.

Effective Dec. 5, 2003, if clients buying a GIT already hold one or more Generations segregated funds, we'll change how we calculate the tier into which the GIT falls. In addition to the amount of the GIT deposit, we will also consider the total market value of the client's Generations segregated fund(s) on the day of the GIT deposit.

Please note that to qualify for enhanced rates, only "like" accounts are considered (e.g. the total value of the client's non-registered Generations products or the total value of the client's registered Generations products). In cases where the client holds more than one "like" GIT, the combined dollar value will be used – in conjunction with "like" Generations segregated funds, if any – when determining which interest rate is paid.

For example:

Client A deposits \$30,000 in a non-registered GIT prior to Dec. 5, 2003 and receives the Tier 2 interest rate.

Client B deposits \$30,000 in a registered GIT after Dec. 5, 2003. This client already has a registered GIT worth \$10,000, and a Generations segregated fund registered account valued at \$40,000 at the time of the deposit. Client B receives the Tier 3 interest rate because the total value of his registered Generations accounts exceeds \$75,000.

Client C deposits \$40,000 in a registered GIT after Dec. 5, 2003. This client already has a registered GIT worth \$10,000, and a Generations segregated fund non-registered account valued at \$30,000 at the time of the deposit. Client C receives the Tier 2 interest rate because the total value of his registered Generations accounts is only \$50,000.

Renewals

For GITs renewing on or after Dec. 5, 2003, the new interest rate will be based on the value of the GITs plus the market value of any "like" Generations segregated fund(s) held by the client, allowing existing GIT clients to benefit from the new rate structure as well.

Sales support

Marketing and sales materials

We recognize the importance of providing ongoing support to help you build your business. When the product changes outlined in this document and in earlier communications take effect, you'll continue to receive the superior levels of service and support you have come to expect from Canada Life.

In order to help you communicate the benefits of our strong new lineup of segregated funds to your clients, we've made significant revisions to our marketing collateral. In late November, you'll find everything you need to sell our investment products right where it has always been – simply visit RepNet, your 24-hour business partner, at www.canadalife.ca/repnet. There, you'll find new contract and information folders, sales brochures, applications and forms. These materials can also be ordered through your local Canada Life representative.

Important: As both Flex and Private Collections will be closed to new clients on Dec. 5, 2003, sales collateral (contracts, information folders, marketing brochures) for these products will no longer be available. We encourage you to destroy any sales collateral you may have for these products. We will continue to produce quarterly statements and informational fund fact sheets in order for you and your clients to continue monitoring the performance of existing accounts.

DreamCatcher financial planning software

Canada Life will be introducing a new asset allocation system to replace DreamCatcher. The new system is expected to be available in early December.

The Canada Life asset allocation system helps investors invest in an appropriate asset mix to meet their long-term needs and match their tolerance for risk. The Canada Life asset allocation system will also provide recommendations on which funds to invest in.

FAQs

FLEX

1. Since you're keeping Flex open, why not accept new clients or new accounts from existing clients?

In recent years, Flex has fallen by the wayside in terms of consumer and advisor preference, while the popularity of our Generations segregated funds has grown significantly. Furthermore, the Flex product contained outdated deferred sales charges and benefit features that were not prudent or sustainable.

The elimination of marketing costs associated with the production of sales collateral required for new accounts will enable us to focus our resources on the management of the funds – maximizing value for your clients. Keep in mind that although the Flex product will no longer be marketed or sold, Flex clients may continue to deposit and transfer assets to existing accounts and Canada Life will continue to support your existing Flex clients.

2. Some of my biggest clients have had the \$20,000 contribution cap waived in previous years – this change will hurt my credibility.

While the cap has been waived on an exception basis in the past, we feel that the future of Flex is now clear and it is appropriate to implement a consistent deposit structure at this time.

3. Are you planning to close Flex completely?

We don't have any plans to close Flex completely at this time. We believe the actions we are taking are prudent and sustainable and that the positive changes we have made will benefit your clients.

4. I only sell Flex/Flex is my biggest selling product. How will you compensate me for switching to a different product?

Amid all the change and transition details, sometimes understanding how it benefits you can be difficult. The Canada Life integration team believes that improved products, enhanced service and cost efficiencies will be realized through this integration, which ultimately benefits you and your clients. In recent years, Flex has lost ground in terms of consumer preference, while the popularity of our Generations segregated funds has grown significantly.

Generations provides greater diversity and attractive death benefits and maturity guarantees, while offering a broad range of investment funds and a proprietary asset allocation program. Its multi-manager, multi-asset class, multi-style investment approach has made it the product of choice in recent years, and we will continue to develop and enhance Generations to help meet the varied financial planning needs of your clients. In addition, all funds available in the Flex product will continue to be available under Generations.

5. Are you going to continue servicing this product – and if so, how?

Flex remains important to us and we will continue to support those clients who have chosen Flex for their financial needs. Flex clients may continue to deposit and transfer up to \$20,000 per year of assets to existing Flex accounts beyond Dec. 5, 2003. As well, the addition of new fund managers to Flex will give clients better selection and flexibility.

6. How/when will clients be notified about the changes to Flex, and will you supply a list of my affected clients?

All Flex clients will be mailed information about the changes during the week of Dec. 1, 2003. A copy of the client communication is enclosed with this package. As no action is required on the part of your Flex clients as a result of these changes, client lists will not be provided at this time.

PRIVATE COLLECTIONS

1. Are you planning to close Private Collections completely?

We are working diligently to improve our offering in this area, and we feel it is best to put new contributions on hold until we're convinced that the product can satisfy your clients' investment and insurance objectives, now and in the years to come. As new competitive opportunities are discovered and implemented, further product changes and enhancements for the affluent market may occur. Notwithstanding the integration environment, change is a constant and healthy part of any organization, and it is our commitment to you to inform you of any decisions that are made, which may affect your business.

2. If Private Collections isn't good enough and needs to be retooled, then why should I keep my affluent clients in a mediocre product until you come up with something better?

We are working diligently to improve our offering in this area, and we feel it is best to put new contributions on hold until we're convinced that the product can satisfy your clients' investment and insurance objectives, now and in the years to come. In the meantime, we fully anticipate that many Private Collections clients may wish to take advantage of the flexibility and diversity of our Generations funds. Should any of your clients wish to transfer their Private Collections segregated fund assets to Generations, we will allow them to do so seamlessly – without penalty or changes to their current maturity and death benefit guarantees. As well, if a client's Private Collections funds are on a DSC (Deferred Sales Charge) schedule, the terms will carry over to Generations with their current time in the funds remaining in effect.

3. How/when will clients be notified about the changes to Private Collections, and will you supply a list of my affected clients?

All Private Collections clients will be mailed information about the changes during the week of Dec. 1, 2003. A copy of the client communication is enclosed with this package. To make this transition easier, advisors with existing Private Collections client accounts will receive another communication from us, which will include a list of their affected Private Collections clients.

GENERAL QUESTIONS

1. How do the new asset allocation funds differ from the Continuum modules?

The existing Continuum Modules are more appropriately positioned for the group retirement market, as they are largely comprised of fund managers that are only available on the group retirement product. Our preferred approach is to construct an asset allocation program that identifies funds that are available on the Generations product.

Our new approach is much more strategic in that the recommended asset mix matches an investor's tolerance for risk and does not change regardless of short term economic or market conditions. Tactical investment decisions are still made – but these are left in the hands of each of the professional money managers who decide on a daily basis the asset mix, industry weightings, sector exposures and securities holdings of each underlying fund.

These funds will be supported by a new asset allocation program that will use actual fund experience and efficient frontier analysis to determine a grouping of funds appropriate for a client's individual risk tolerance level.

2. How will the new asset allocation system differ from DreamCatcher?

The new asset allocation system will use a more disciplined and consistent approach for determining the asset mix and fund holdings for each asset allocation fund. The system will use actual fund experience and efficient frontier analysis to determine a grouping of funds appropriate for a client's individual risk tolerance level.

3. When will the new asset allocation system be available and will we get more information about it?

The new asset allocation system is expected to roll out in December 2003. You will receive further information about the new asset allocation system at that time.

4. The recent advisor listings indicate that my client has an investment election for an affected fund; however, my client currently does not have any holdings in this fund. How is this possible?

An investment election is set up when a client makes a lump sum deposit or initiates a request to set up PAC payments. This election remains open until the client requests a new election. A new election may be requested at the time an additional lump sum is deposited or, to redirect ongoing PAC payments.

If a client switches his or her investment to another fund, a new election is not automatically set up unless specific instructions are received. This results in an open investment election, which may have included one of the affected funds, even though there are currently no assets in that fund for the account.

5. Why keep an open investment election if there are no assets in the fund?

Our change forms specifically ask a client where they would like their deposits to be invested. The two choices are:

- ◆ Invest according to current investment elections for lump sum deposits or,
- ◆ Invest according to new investment election indicated in the next section of the form

Similar choices are available for PAC deposits. This allows clients to continue depositing to a current election without indicating full instructions each time.

“Ultimate Solutions” Campaign Details

As described in the enclosed insert, Canada Life is pleased to offer an exciting opportunity to reward yourself for offering Generations and Flex segregated funds as a financial solution for your clients.

The following information outlines the campaign rules and restrictions.

How does the campaign work?

The rules are simple: for every \$25,000 in net Generations or Flex business you bring in, you'll earn one ballot to win one of 25 monthly prizes valued at \$500 each. The top 50 sellers with a minimum of \$150,000 in net Generations or Flex sales (all Generations or Flex deposits less redemptions, transfers, or income payments) automatically qualify to win one of three ultimate prizes valued at \$5,000. Three winners will be drawn from among the 50 qualifiers.

Ballots are cumulative. For example, an advisor who sells \$20,000 in Generations or Flex business in December and \$5,000 in January will earn one ballot for all monthly draws, beginning with the January month-end draw. Winning ballots are removed from subsequent monthly draws.

As the ultimate reward, our top selling advisor with a minimum of \$250,000 in net Generations or Flex business at the end of the program will automatically receive the ultimate grand prize of their choice, valued at \$5,000.

Eligibility restrictions

Members of the Investment Dealers Association of Canada (IDA) are not eligible to participate in this program.

What are the prizes?

The “Ultimate Solutions” campaign features four incredible grand prizes valued at \$5,000 CDN and 150 secondary prizes valued at \$500 CDN.

Grand prize winners select from one of the following packages:

- ◆ Custom designed home office
- ◆ High-definition wide screen TV and home theatre package
- ◆ Golf & spa vacation in Arizona

25 secondary prizes are awarded each month throughout the campaign. Winners select from a variety of prizes, including:

- ◆ Gift certificates
- ◆ Golf clubs
- ◆ Golf and spa vouchers
- ◆ Home and office electronics

What is the timing for the campaign and prize draws?

The incentive program runs from Dec. 1, 2003 to May 31, 2004. On the 10th business day of each month, we'll draw 25 ballots for a suite of exciting prizes valued at \$500 each. On June 18, 2004 we'll draw 3 more ballots from among our top 50 qualifiers for the ultimate prize – custom solutions valued at \$5,000 each.

Regular and PAC deposits must be received by the last business day of each month to qualify for the monthly draws. Monthly and grand prize winners will be announced within one week of the respective draws.

What products are included in the calculations?

All new Generations and Flex segregated fund sales between Dec. 1, 2003 and May 31, 2004 are calculated for the qualifying totals. Guaranteed interest terms, daily interest, life insurance and living benefits products are not eligible. Assets transferred from Private Collections qualify as “new business” for the purposes of the “Ultimate Solutions” campaign; however, switches and rollovers (i.e. RSP to RIF) within Generations and Flex during the campaign period are not eligible.

Are there any minimum requirements to be included in the campaign?

For every \$25,000 in net cumulative Generations or Flex sales you will earn one ballot. The grand prize winner needs to have the highest amount of sales during the campaign period and meet the qualifier of at least \$250,000 in net sales.

How do I claim my prize?

The new Canada Life Conference and Event Planning group in Winnipeg will work with you to determine your preferred prize and make all necessary arrangements. Appropriate contact information will be communicated to each prize winner.

Can I take a cash award instead of a prize package?

No. This campaign is specifically designed to reward our business partners with customized solutions.

Are the prizes taxable?

All prizes are considered a taxable benefit in the year they are awarded.

While the "Ultimate Solutions" campaign specifically recognizes segregated fund sales, every sale during the campaign should be needs-based and appropriate for clients. We encourage you to use Canada Life's new asset allocation system to manage your clients' risk profiles and ensure appropriate investment recommendations.

About Our Companies

Great-West Life

Founded in Winnipeg in 1891, The Great-West Life Assurance Company is a leading Canadian life and health insurer, and a market leader in group insurance and individual segregated funds in Canada.

Great-West Life's financial security advisors work with clients from coast to coast to help them secure their financial future. Great-West provides a wide range of retirement savings and income plans, as well as life, disability and critical illness insurance for individuals and families.

As a leading provider of employee benefits in Canada, Great-West offers effective benefit solutions for large and small employee groups. Great-West's head office is in Winnipeg.

www.gwl.ca

London Life

London Life Insurance Company, founded in London, Ontario, has helped Canadians meet their financial security needs since 1874. London Life offers financial security advice and planning through its widely recognized Freedom 55 Financial brand. Freedom 55 Financial offers London Life's own brand of savings and investments, retirement income, life insurance and mortgages, in addition to a broad range of leading financial products from other financial institutions. London Life, together with Great-West Life and Canada Life, is a leading provider of life insurance in Canada.

In addition to domestic operations, the London Life Insurance Company, which is a subsidiary of The Great-West Life Assurance Company, wholly owns the London Reinsurance Group (LRG). LRG provides unique reinsurance solutions to clients throughout the world.

London Life's head office is in London, Ontario.

www.londonlife.com

Canada Life

Twenty years prior to Confederation, a new domestic insurance company began looking after the interests of the people that inhabited the land that would become Canada.

Canada's first life insurance company, created in 1847, had one purpose: to provide Canadians with financial security through life insurance. Today, The Canada Life Assurance Company operates in Canada, the United States, the Republic of Ireland, the United Kingdom and Germany, as well as branch and subsidiary operations in other countries.

The Canada Life Assurance Company is a subsidiary of The Great-West Life Assurance Company and a member of the Power Financial Corporation Group of Companies.

Canada Life's head office is in Toronto.

www.canadalife.com