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ECOFLEXTRA
RETIREMENT INCOME

ECOFLEXTRA

ADDENDUM TO ECOFLEXTRA INFORMATION FOLDER

Additional
disclosure
information

A PARTNER YOU CAN TRUST.

These examples will help you understand how the Guaranteed Minimum Surrender Benefit is applied.

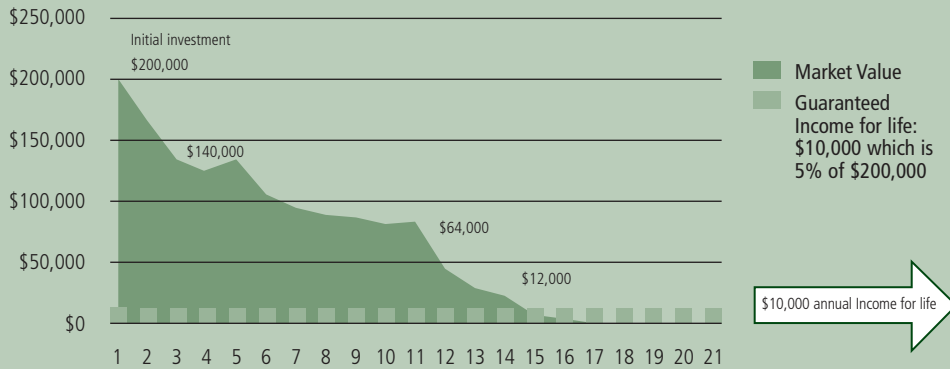
Retirement Income... **NOW**

1 Paul, age 68, invests \$200,000 in the Guaranteed Surrender Series Funds and immediately surrenders in order to start benefiting from his retirement income.

Ecoflextra can provide Paul with:

- › The guarantee to recover his entire investment through payment of a retirement income equivalent to 5% of his investment for life* or for a minimum period of 20 years
- › The possibility of automatically protecting the added value of the investment once every three years to ensure that the gains are protected against market downturns
- › Access to the market value of the investment at any time (except for the deferred sales charge option, if applicable)

IMMEDIATE SURRENDERS – DOWN MARKET SCENARIO



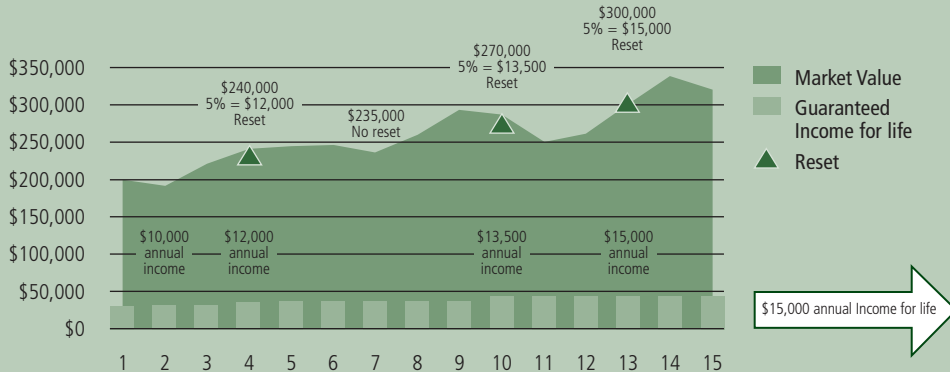
In this example, Paul's initial investment ensures a Guaranteed Surrender Balance (GSB) of \$200,000. Within 17 years, his investment value decreases to zero. However, with Ecoflextra, he will continue to receive an annual income of \$10,000 for the rest of his life.

* The Lifetime Surrender Option has to be selected by the Policyholder. The Lifetime Surrender Amount is first calculated on December 31 of the year the Annuitant attains 65 years of age.

2 **Ecoflextra's Guaranteed Surrender Series can profit from market growth.**

If the market performs well, the investment growth will be locked-in every three years, resulting in an income increase. In the example, Paul will be able to surrender an annual lifetime amount of \$15,000 as a result of the reset on the twelfth anniversary of the Guaranteed Surrender Series. If the market continues to perform well, the investment will continue to grow through these triennial resets.

IMMEDIATE SURRENDERS – UP MARKET SCENARIO



Ecoflextra's Guaranteed Surrender Series reset feature allows market gains to be locked-in every three years. In this example, Paul's minimum guaranteed lifetime income has increased from \$10,000 to \$15,000.

Important: For all investments made in the Guaranteed Surrender Series, it is important to note that any additional surrenders in excess of those provided in the Contract may shorten the duration of your income payments, lower your income payments and alter your Guaranteed Minimum Surrender Benefit.

These examples will help you understand how the Guaranteed Minimum Surrender Benefit is applied.

Retirement Income... LATER

3 Mark, age 50, invests \$300,000 in the Guaranteed Surrender Series Funds and doesn't surrender immediately.

Ecoflextra can provide Mark with:

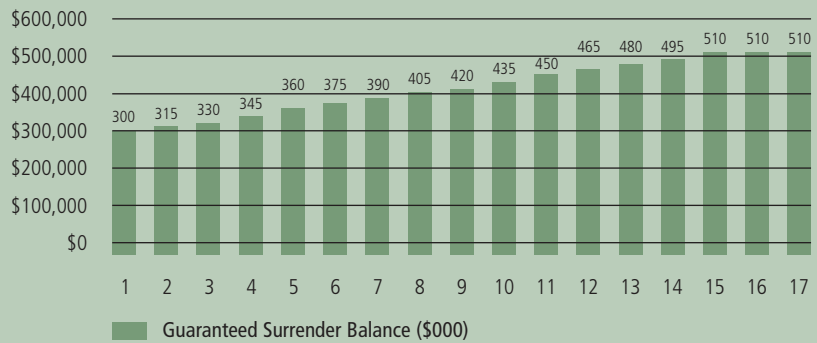
- › The guarantee to recover his entire investment through payment of a retirement income equivalent to 5% of the investment for life* or for a minimum period of 20 years
- › A 5% bonus, credited to the value of the Guaranteed Surrender Balance (GSB) for each year of the first fifteen [15] calendar years if no surrender is made during these years
- › The possibility of automatically protecting the added value of the investment every three years to ensure that the gains are protected against market downturns
- › Access to the market value of the investment at any time (except for the deferred sales charge option, if applicable)
- › The transfer of the Funds to beneficiaries, without the usual probate costs

4 Ecoflextra's Guaranteed Surrender Series can profit from market growth.

In this example, starting with an initial investment of \$200,000, if the market performs well, the Guaranteed Surrender Balance (GSB) will automatically reset every three years resulting in an increased income. We can see that bonuses and resets work together and not in addition to each other. The first reset increases the Guaranteed Surrender Balance (GSB) to \$240,000 due to the market value upswing. For the subsequent years, the bonus will be calculated according to this new Guaranteed Surrender Balance (GSB).

If Mark is ready to retire in year 15, an annual lifetime income of \$19,800 (5% of the Guaranteed Surrender Balance, which is equal to \$396,000) will be available.

NO IMMEDIATE SURRENDERS – DOWN MARKET SCENARIO

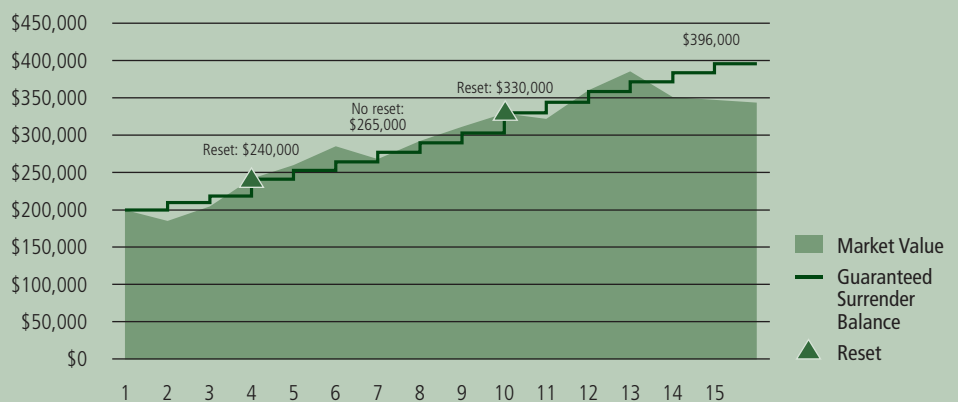


GSB: Premiums + Bonus and/or locked-in gains – Surrenders

In this example, the Guaranteed Surrender Balance (GSB) is first established at \$300,000. Even if the market goes down, the Guaranteed Surrender Balance (GSB) will grow through annual bonuses. The annual Lifetime Surrender Amount that Mark is allowed to surrender, without causing any GSB Downward Adjustment, is established at age 65 to be \$25,500 (5% of \$510,000).

* The Lifetime Surrender Option has to be selected by the Policyholder. The Lifetime Surrender Amount is first calculated on December 31 of the year the Annuitant attains 65 years of age.

NO IMMEDIATE SURRENDERS – UP MARKET SCENARIO



The reset feature of the Ecoflextra Guaranteed Surrender Series allows market gains to be locked-in every three years. In this example, the client's minimum guaranteed income for life has increased from \$10,000 to \$19,800 in fifteen (15) years.

ABOUT INDUSTRIAL ALLIANCE PACIFIC

Industrial Alliance Pacific Insurance and Financial Services Inc. is a life and health insurance company whose origins date back to 1912. Its primary mission is to provide financial protection to its insureds and their beneficiaries in the event of death, disability or illness, and to help clients achieve financial independence at retirement while fulfilling their lifelong dreams.

To carry out this mission, Industrial Alliance Pacific offers a wide selection of life and health insurance products, savings and retirement plans, RRSPs, mutual and segregated funds, mortgage loans, and other financial products and services. Industrial Alliance Pacific continues to distinguish itself through the personalized service offered by its professional representatives, who remain constantly attentive to the changing needs of their clientele.

The parent company of Industrial Alliance Pacific is Industrial Alliance, which has operations in all regions of the country as well as in the western United States. The fifth largest life and health insurance organization in Canada, Industrial Alliance contributes to the financial well-being of over 3 million Canadians, employs more than 2,900 people and manages and administers over \$50 billion in assets. Industrial Alliance stock is listed on the Toronto Stock Exchange under the ticker symbol IAG. Industrial Alliance is among the 100 largest public companies in Canada.

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This contract is administered by Industrial Alliance Pacific Insurance and Financial Services Inc., which is incorporated under the *Insurance Companies Act* (Canada).



Addendum to Ecoflextra
information folder

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