



Understanding Dividend Scale Interest Rates for Canadian Life Insurance

At Unity Insurance, we specialize in life insurance planning and are dedicated to helping you make informed decisions about your financial future. A key aspect of certain life insurance policies, particularly **participating whole life insurance**, is the potential for **dividends**. These dividends are influenced by several factors, including the dividend-scale interest rate set by each insurance company.

Below is a snapshot of the 2025 dividend scale interest rates from leading Canadian life insurance companies.

2025 CANADIAN LIFE INSURANCE DIVIDEND SCALE INTEREST RATES

Company	2025 Dividend Scale Interest Rate
Equitable Life	6.40%
Manulife	6.35%
iA (Industrial Alliance)	6.35%
RBC Insurance	6.30%
Sun Life	6.25%
Empire Life	6.25%
Canada Life	5.50% (increasing 25 Basis points July 1)

Important Notes on Dividend Scales:

- **Not Guaranteed:** Dividend scales are not guaranteed and can fluctuate based on policy type, issue date, and other factors.
- **Key Component:** These rates represent the dividend-scale interest rate, which is a crucial element in determining the actual dividends paid to policyholders.
- **Dividend Generation:** Dividends are primarily generated from the invested funds within the participating account. Improvements in expenses and mortality can also contribute to dividend growth, though to a lesser extent.
- **Investment Strategy:** The largest participating insurance accounts typically invest funds in similar ways, with a primary focus on fixed income (bonds and mortgages). Investments in real estate and equities (both public and private) are utilized to enhance returns and diversify the portfolio.
- **Snapshot in Time:** The rates presented here are a snapshot and are subject to change.



WHY PARTICIPATING LIFE INSURANCE IS A POWERFUL TOOL

Participating life insurance is an excellent tool for estate planning, but it also offers significant benefits as an investment:

- **Historically High Returns, Low Risk:** It has historically generated strong returns with a relatively low-risk profile.
- **Portfolio Diversification:** It helps diversify the risks of other assets in your portfolio, allowing you to either reduce overall risk or be more aggressive with other investment assets.

While these interest rates tend to cluster, and a higher rate might seem more appealing, our role is to help you understand the full picture. The "highest" rate doesn't automatically mean it's the best fit for your specific needs. We consider a wide range of factors to ensure you receive the most suitable and beneficial life insurance solution.

Ready to explore how participating life insurance can fit into your financial plan? Contact us today for a personalized consultation.