



# INFORMATION CIRCULAR

**DATE:** NOVEMBER 1, 2019

No. 2019-21

**CATEGORY:** INVESTMENTS

**TO:** Managing General Agents, Associate General Agents, Brokers, General Agents and National Accounts

**SUBJECT:** Change to the calculation and collection of the GIF Insurance Fee

**Announcement** Empire Life is pleased to announce a change to the calculation and collection of the Guaranteed Investments Funds (GIF) Insurance Fee. The change will apply to all GIF products (GIF 75/75, 75/100, and 100/100) in new and existing GIF contracts.

**Change to calculation and collection of GIF Insurance Fee** Effective November 1, 2019, Empire Life is changing the way that the GIF Insurance Fee is calculated and collected for all GIF contracts to align with industry common practices. The GIF Insurance Fee will be calculated and collected through each fund's Net Asset Value (NAV). Going forward the funds NAV will include all fund costs in the MER (management fee, operational expenses, and insurance fee) to give customers a complete assessment of the performance of their GIF segregated funds.

**Impact to Customer Investment Statements** Customers will continue to see the GIF Insurance Fees collected through a redemption of units for the months of July through October 2019 on their December 31, 2019 semi-annual statements. For the months of November and December 2019, customers will not see the collection of the GIF Insurance Fee on their statement as the Insurance Fee will be included in the fund NAV as of November 1. Beginning with the June 30, 2020 semi-annual statements, no GIF Insurance Fee will appear as monthly transactions on customer statements.

**GIF Point of Sale Materials** GIF point-of-sale materials were previously amended and/or updated with the change to the GIF Insurance Fee to support the launch of the 8 new GIF funds on October 23, 2019. These materials are posted and are available for order at [empire.ca/advisor](http://empire.ca/advisor).

**Customer Notification**

- Existing GIF customers will receive the GIF Addendum and Endorsement with their December 31, 2019 semi-annual investment statement
- A notice of the changes will be posted on our consumer website on November 1, 2019.

**Reference** Mike Stocks, Vice President and Chief Marketing Officer