

EMPIRE LIFE INFORMATION CIRCULAR

DATE: January 13, 2014

Nº. 2014-02

CATEGORY: **INSURANCE**

TO: Managing General Agents, Associate General Agents, Advisors,
General Agents, Independent Financial Advisors and National Accounts

SUBJECT: **Premium re-rate for Term to 100 Plans**

We are now approaching a re-rate point for the Term to 100 plans sold from February 1989 to October 1993.

The results of our review are as follows:

- The deterioration of investment yields on fixed income securities will require an increase in premium at this time.
- Favourable mortality trends partially offset this increase.

We are at the 25th anniversary re-rate point of the Term to 100 plan which has a five-year re-rate period, with premiums guaranteed for the first ten years. The combined effect of the two trends noted above indicates a premium change that varies by Issue Age and Risk Class is appropriate at this time. The change will range from a 10% decrease to a 15% increase. The increases are at the younger issue ages and the decreases are at the older issue ages except for Female Smokers. There are no premium changes for Female Smokers at the older issue ages.

Policyholders will be notified in advance of any applicable change in premiums.

Reference **Kathy Thompson**, Vice-President and Product Actuary, Product Actuarial

