

DATE: Feb 27, 2020 **N° 2020-06**

CATEGORY: **INSURANCE**

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

SUBJECT: **Premium rate decreases for Solution 10, Solution 20 & Solution 30 Term Life Insurance**

We are pleased to announce premium rates reductions for Solution 10, Solution 20 & Solution 30 effective Feb 27, 2020.

The overall average decreases for our initial premium rates are:

- Solution 10 – 4%
- Solution 20 – 5%
- Solution 30 – 6%.

These rate reductions will improve our Solution 10, Solution 20 & Solution 30 overall premium rankings¹. Sample ranking improvements include:

Solution 10, \$500K, Age 30	OLD Rank	NEW Rank
Male	7	3
Female	10	1

Solution 20, \$500K, Age 40	OLD Rank	NEW Rank
Male	9	3
Female	7	2

Solution 30, \$500K, Age 50	OLD Rank	NEW Rank
Male	10	3
Female	8	3

Competitive initial premiums

Solution 10, Solution 20 & Solution 30 – > **99%** top 5 rankings (for ALL ages, premium bandings and gender)¹

Coverage: \$500,000	<i>Expected Premium Rankings¹ – Female Standard Non-smoker</i>			<i>Expected Premium Rankings¹ – Male Standard Non-smoker</i>		
	Age 30	Age 40	Age 50	Age 30	Age 40	Age 50
Solution 10	1	2	3	3	2	3
Solution 20	2	2	3	3	3	3
Solution 30	1	3	3	3	4	3

¹ Expected premium rankings are based on the proposed new annual premiums for first 10 years for Solution 10, for first 20 years for Solution 20 and first 30 years for Solution 30 comparing the annual premiums quoted on LifeGuide on Feb 24, 2020 for the initial premiums of 23 other comparable 10-year, 23 other comparable 20-year and 20 other comparable 30-year renewable term products, for the gender, ages, coverage amounts and risk class shown.

Transition Rules

- Solution 10, Solution 20 or Solution 30 applications received in Head Office after 5:00 p.m. February 26, 2020, if approved, they will be issued with the new rates.
- For pending “in the mill” Solution 10, Solution 20 or Solution 30 applications received in Head Office before February 27, 2020; if approved, they will be automatically issued with the lower new rates.
- Any Solution 10, Solution 20 or Solution 30 policies issued before February 27, 2020 but not yet settled must be returned to Head Office by March 13, 2020 at 5:00 p.m. (EST) to receive the lower new rates.

Reference

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