

EMPIRE LIFE INFORMATION CIRCULAR

DATE: February 9, 2015

Nº. 2015-09

CATEGORY: INSURANCE

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

SUBJECT: **Hybrid Solution 100 2015 Premium and Values Declaration**

Each year in January we determine the Interest Rate Range used to determine the premiums that may be charged for a Hybrid Solution 100 coverage based on the applicable Table of Premiums. The Interest Rate Range is based on a six-month average of the monthly interest rate of the Government of Canada Benchmark Bond Yields Long-Term (V122544 series) published by the Bank of Canada. Any premium change will be applied on the next Hybrid Solution 100 coverage anniversary occurring on or after April 1, 2015 and a letter stating the new Interest Rate Range and how it affects premiums will be sent to the policy owner in advance of the anniversary date.

This year there is an increase to the premiums; the Interest Rate Range will decrease to 2.00 to 2.99%.

The Hybrid Solution 100 Cash Values and/or Paid-up Values may be adjusted on any coverage anniversary by the Company based on its future expectations but subject to the guaranteed limits set out in the policy.

This year there will be no change to the current Hybrid Solution 100 Cash Values and/or Paid-up Values.

A sample of the client letter is attached.

Reference **Steve MacCharles**, Vice-President and Product Actuary





[insert date]

[INSERT NAME AND ADDRESS]

Dear [insert name] :

Re: Policy number [policy number]

Your Empire Life insurance policy includes one or more Hybrid Solution 100 coverages with premiums that may change annually based on the Interest Rate Range determined each year by Empire Life. A detailed description of how premium changes occur for these coverages can be found in your policy.

We have determined the Interest Rate Range to be 2.00% - 2.99% effective April 1, 2015, therefore, the premium for each Hybrid Solution 100 coverage listed below will increase to the amount indicated below. The new premium for each coverage will begin on the next coverage anniversary, as indicated, and will be reflected in the policy premium due on or after that date. If your policy includes other Hybrid Solution 100 coverages with a different coverage anniversary date you will receive a separate notification.

Next Coverage Anniversary: [insert date]
Coverage Premium for \$ "[insert amount]"
Annual Policy premium: \$ "[insert amount]"

Our long-term expectations that help determine Cash Values and Paid-up Values for the above Hybrid Solution 100 coverage(s) can change annually but will not change at the coverage anniversary indicated above. This means your current Cash Values and Paid-up Values remain in effect. A detailed description of how and when Cash Values and Paid-up Values can change, along with information on the minimum and maximum Cash Value and Paid-up Value limits, can be found in your policy.

If you have any questions, please contact your advisor: [insert name] at "[insert telephone]". You may also contact our Customer Service Team at 1 800 561-1268 from 8:00 a.m. to 8:00 p.m. ET.

Sincerely,

Customer Service
Empire Life

cc: [insert name]
[insert name]