

EMPIRE LIFE INFORMATION CIRCULAR

DATE: April 7, 2015

N° 2015-15

CATEGORY: INSURANCE

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

SUBJECT: New Solution 10 and Solution 20 Term Insurance Rates

Effective April 16, 2015, we are pleased to announce that new rates for Solution 10 and Solution 20 will take effect. These new rates will improve the overall competitive positioning* of Solution 10 and Solution 20 in our core target audience segments and face amounts.

Improved Overall Competitive Positioning

Initial premium rates for 63% of pricing cells for Solution 10 and 20 have decreased by an average of 3.2%. The rate decreases have resulted in improvements in our overall premium ranking* for these products, especially for our key target audiences. For example:

	Scenario	Old Ranking*	New Ranking*	Improved By
Solution 10 \$250,000 (NS = non-smoker; SM = smoker)	Male 40 NS	6	2	4
	Male 40 SM	6	6	0
	Female 40 NS	9	2	7
	Female 40 SM	5	3	2

	Scenario	Old Ranking*	New Ranking*	Improved By
Solution 20 \$250,000 (NS = non-smoker; SM = smoker)	Male 40 NS	11	3	8
	Male 40 SM	11	5	6
	Female 40 NS	7	5	2
	Female 40 SM	6	5	1

Solution 10 & 20 Rate change Details

- For our key target audiences of ages 30 to 50, the new initial premium rates are 3.4% lower for Solution 10 and 0.4% lower for Solution 20 on average.
- Renewal premium rates for these products have generally increased – first renewal rates increase on average 11% for Solution 10 and 10% for Solution 20.

Transition Rules

- For applications received in Head Office on or after 5:00 p.m. April 15, 2015 (EST) that are approved, Solution 10 & Solution 20 coverages will be issued with the new plan rates.
- For pending “in the mill” Solution 10 & 20 business that is in Head Office before April 16, 2015, if approved, it will be automatically issued with the **lower** of the new plan rates and the current rates, but must be settled by 11:00 a.m. July 16, 2015 (EST).

- Any Solution 10 or 20 policy issued on or before April 15, 2015, but not yet settled must be returned to Head Office by April 30, 2015 at 5:00 p.m. (EST) to receive the new rates.
- Any request to reopen a closed Solution 10 or 20 application with current rates must be received in Head Office by 5:00 p.m. April 15, 2015 (EST) in order to qualify for existing rate.

Reference Yvonne Lau, Product and Pricing Specialist, Insurance Marketing

* Rankings are based on Life Guide quotes dated March 19, 2015, comparing old and new Solution 10 & 20 initial premium rates with the initial premium rates of 19 other term products.