

EMPIRE LIFE INFORMATION CIRCULAR

DATE:	December 06, 2023	Nº 2023-30
CATEGORY:	INSURANCE	
TO:	Managing General Agents, Associate General Agents, Advisors, General Agents & National Accounts	
SUBJECT:	Introducing Empire's New Growth & Loyalty Bonus launching January 1, 2024 & the continuation of the Fast & Full Digital Bonus Program in 2024	

Start the New Year right with three ways to get rewarded in 2024 from Empire Life!

To help kick start the New Year and reward our loyal advisors, we are pleased to announce:

- The launch of a **new** advisor bonus program, for qualifying advisors, that pays an additional bonus calculated on net annualized FYC of **between 5% to 25%**.

There are two ways to get rewarded: Growth & Loyalty

1. Get rewarded for growth by achieving tiered levels of sales growth during a calendar year.
2. Get rewarded for loyalty by achieving minimum program tiers over multiple consecutive calendar years.

Qualifying advisors can get rewarded for both growth and loyalty by achieving year over year growth in net annualized FYC from all life and health insurance product sales.

In addition, our popular digital bonus for using our Fast & Full Life App provides FYC enhancements simply by submitting applications through our electronic platform.

Details of both programs are listed below.

Note: Please be advised that the eBundle Bonus Program (i.e., the bonus on eContract delivery and eHQ) will terminate at close of business on December 31, 2023. Business submitted by December 31, 2023, and not settled until 2024 will be eligible for the eBundle Bonus Program but not the Growth & Loyalty Bonus program.



Empire's Growth & Loyalty Bonus grows as an advisor's sales grow
Earn between 5% to 12.5% of net annualized FYC with the potential to grow that percentage to 15% to 25% as your net annualized FYC grows!

Do you have long-term, steady growth goals that you would like to achieve? If you do, then Empire Life's Growth & Loyalty Bonus has been designed with your growth goals in mind!

Our **new** Growth & Loyalty Bonus has been designed to reward you in two ways. Get rewarded for growth and get rewarded for loyalty.



Loyalty & Growth Bonus

How do eligible advisors earn the Growth & Loyalty Bonus?

Get rewarded for growth – achieve a tiered level of sales in a calendar year based on earned net annualized FYC and get rewarded with a bonus that increases incrementally at each tier as net annualized FYC grows.

Get rewarded for loyalty – earn a bonus in consecutive calendar years and the bonus will increase incrementally for each consecutive year up to year 4.

Growth & Loyalty Bonus Calculation - net annualized FYC earned by an eligible advisor above \$2,500 in each calendar year, together with the number of consecutive years a bonus has been earned, will be used to calculate the advisor’s Growth & Loyalty Bonus.

The bonus amount is calculated as a percentage of every dollar of net annualized FYC earned by an eligible advisor above the minimum net annualized FYC required to be eligible for the bonus in that calendar year. Net annualized FYC must meet the minimum payout of \$100 for a bonus to be paid.

Net annualized FYC is the sum of first-year insurance commissions generated by an advisor on sales of eligible individual life and health insurance policies issued by Empire Life during a calendar year, minus replacement charges and any charge back amount of the original first-year individual insurance commissions for policies that lapsed during that calendar year. Renewal commissions are not included in this calculation.

The percentage used to determine the bonus for these rewards is based on the table below:

Tiers (based on Net annualized FYC Earned)	Program Year (based on number of consecutive calendar years the minimum eligibility criteria are met)			
	1	2	3	4+
\$2.5K - \$4.9K	5%	7.5%	7.5%	12.5%
\$5K - \$9.9K	10%	12.5%	12.5%	15%
\$10K - \$19.9K	12.5%	15%	15%	20%
\$20K+	15%	20%	20%	25%

Bonus Determination

Minimum eligibility criteria	Limitations
Minimum # of new policies: 5* AND Minimum net annualized FYC to qualify: \$2,500 Advisor Eligibility Criteria set out below are met. *Every life or health insurance policy (not investment policies) issued by Empire Life, whether paper or digital, qualifies towards the minimum number of policies	Bonus paid on net annualized FYC above \$2,500+ Minimum payout: \$100 Maximum payout: \$15,000

	<p>Advisors who meet the minimum eligibility criteria in a calendar year qualify to earn the Growth & Loyalty Bonus based on the advisor’s net annualized FYC earned in that calendar year.</p> <p>In each subsequent calendar year that the advisor meets the minimum eligibility criteria, the advisor will advance one Program Year until the advisor reaches Program Year 4.</p> <p>If an advisor fails to meet the minimum eligibility criteria in any calendar year, no bonus is payable for that year.</p> <p>If the advisor fails to meet the minimum eligibility criteria in any calendar year after meeting the eligibility criteria in the prior calendar year, the advisor starts over, or resets to Program Year 1 for the next calendar year in which the advisor meets the minimum eligibility criteria.</p>
Time Period	Minimum eligibility criteria and the annual Growth & Loyalty Bonus are determined based on a calendar year. The initial year is January 1, 2024 – December 31, 2024.
“Loyalty” Qualifications extended in 2024 only	<p>To reward past loyalty, advisors who placed life and health insurance business with Empire Life could be eligible to participate at higher loyalty tier levels at the end of 2024 based on the number of consecutive years over the past three years that they have met the minimum eligibility criteria.</p> <p>For example, if an advisor achieved \$20,000 of net annualized FYC in each of 2021, 2022 and 2023, they would be eligible for the highest loyalty tier of 25% if their sales in 2024 also achieve at least \$20,000 of net annualized FYC. If they also meet all minimum eligibility criteria in 2024, they would be eligible to receive a bonus of \$3,750 in 2025.</p>
Product eligibility	Available on all individual life and health insurance policies issued by Empire Life that generate net annualized first year commission, including new business, conversions, coverage additions, coverage duration changes.
Exclusions	<ul style="list-style-type: none"> • Any personal business involving a member of the advisor’s immediate family (father, mother, brother, sister, spouse, children, stepchildren, or anyone living in the advisor’s home) as owner, life insured, or beneficiary is excluded from the net annualized FYC calculation. • Any compensation paid to an advisor, other than first-year insurance commissions generated by an advisor on sales of eligible individual life and health insurance policies issued by Empire Life, is excluded from the net annualized FYC calculation. • Override is not eligible for the bonus. • Pooling of net annualized FYC between any advisors is not permitted. • Investment products/contracts are not eligible for the bonus.
Advisor Eligibility Criteria	<ul style="list-style-type: none"> • In order for a bonus to be paid, the distribution contract that authorizes the advisor to submit business to Empire Life must be in force on the date the bonus is payable, and the advisor (individual and corporate) must: <ul style="list-style-type: none"> ○ be properly licensed in the jurisdictions in which the advisor carries on business; ○ comply with all provincial and federal laws and regulations governing life insurance agent conduct, including, without limitation, conflict of interest disclosure requirements; ○ comply with the advisor’s obligations set out in the advisor’s Empire Life distribution contract(s); and ○ comply with applicable codes of conduct (including, without limitation, the Empire Life Distributor Code of Conduct, and obligations under applicable Fair Treatment of Customer guidance).

<p>Additional Terms</p>	<p>A Growth & Loyalty Bonus earned by an advisor will be paid to the advisor at the beginning of the calendar year following the calendar year during which the advisor earned the bonus.</p> <p>Eligible policies must be submitted and settled between January 1 and December 31 of a calendar year to count toward an advisor’s net annualized FYC for that year.</p> <p>Empire Life reserves the right to withhold and/or refuse any bonus payment if it believes, in its sole and absolute discretion, that an advisor has not met the minimum eligibility criteria.</p>
<p>Termination of the Bonus Program / Right to Withdraw</p>	<p>Empire Life reserves the right to amend the qualification and minimum eligibility criteria, exclusions, and other terms or conditions of this bonus program or to terminate the bonus program, at any time and without prior notice. Amendments will be on the terms set out in a new Information Circular. All decisions of Empire Life regarding this bonus program shall be final and will be based on the terms in effect under the program at the time of the decision.</p>

Fast & Full Life App Bonus Program continues in 2024!

Advisors can continue to earn up to 10% more first year commission (FYC)¹ on life and health insurance policies when the application is submitted using our electronic Fast & Full® Life App vs using paper applications.

Product	FYC rates		
	Paper	Fast & Full Life App Bonus Program	Approx. FYC % increase for Fast & Full vs. Paper
		Fast & Full Digital Application	
Solution 10, 15 & Solution 20	45%	50%	+10%
Solution 25	47.5%	52.5%	
Solution 30	50%	55%	
Solution 100 	55%	60%	
Solution ART	25%	27.5%	
Term to 100 	50%	55%	
Guaranteed Life Protect	35%	38.5%	
CI Protect & CI Protect Plus	45%	50%	
Empire Life Disability Credit Protect	35%	38.5%	
EstateMax & Optimax Wealth Life Pay & 20 Pay	50%	55%	
EstateMax & Optimax Wealth 10 Pay	35%	38.5%	
EstateMax & Optimax Wealth 8 Pay	25%	27.5%	
Additional benefits (bonuses do not apply)	70%	70%	

¹ Additional FYC is bonusable. Available on all life and health insurance policies issued by Empire Life based on a Fast & Full Life Application.

<p>Termination of the Bonus Program / Right to Withdraw</p>	<p>Empire Life reserves the right to amend terms or conditions of this bonus program or to terminate the bonus program, at any time and without prior notice. Amendments will be on the terms set out in a new Information Circular. All decisions of Empire Life regarding this bonus program shall be final and will be based on the terms in effect under the program at the time of the decision.</p>
<p>Reference</p>	<p>Mike Stocks, Vice President and Chief Marketing Officer, Retail</p>