

EMPIRE LIFE INFORMATION CIRCULAR

DATE: January 7, 2013

Nº. 2013-03

CATEGORY: **INSURANCE**

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

SUBJECT: **Premium re-rate for APPL 5 and APP 4 plans**

We are now approaching a re-rate point for the following plans:

- APPL 5 plan (sold from March 1986 to September 1986)
- APP 4 (sold from January 1983 to January 1988)

The results of our review shows the following trends:

- 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

APPL 5 We are at the 27th anniversary re-rate point of this plan which has a three-year re-rate period. The combined effect of the two trends noted above indicates a premium change that varies by Risk Class and Issue Age is appropriate at this time. The change will range from a decrease of 10% for female at the older issue ages to an increase of 12% at younger issue ages of all Risk Classes.

APP 4 We are at the 30th anniversary re-rate point for this plan which has a five-year re-rate period. The combined effect of the two trends noted above indicates no premium changes are required for this plan.

Customers will be notified in advance of the applicable increase in premiums.

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