

EMPIRE LIFE INFORMATION CIRCULAR

DATE: June 24, 2013

Nº. 2013-16

CATEGORY: **INSURANCE**

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

SUBJECT: **Premium re-rate for APPL 2**

We are now approaching a re-rate point for the APPL 2 plan (sold from August 1983 to April 1984).

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

We are at the 30th anniversary re-rate point of APPL 2 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 15% for female at the older issue ages to an increase of 15% at younger non-smoker issue ages.

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

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