

EMPIRE LIFE INFORMATION CIRCULAR

DATE: November 19, 2013

Nº. 2013-27

CATEGORY: INSURANCE

TO: Managing General Agents, Associate General Agents, Advisors,
General Agents, Independent Financial Advisors

SUBJECT: **Solution 100 reprice & change to the Hybrid Solution 100 Interest Rate Range**

As a result of a recent pricing review, we are extremely pleased to announce rate changes for Solution 100 and a change to the Interest Rate Range used to determine Hybrid Solution 100 premiums. These changes will be effective **December 2, 2013**.

New Solution 100 rates

- The new Solution 100 rates will decrease on average by 6.1%.
- In our target market, ages 30 to 55, the average decrease will be 7.1%. For ages under 30, the decrease will average 2.5% and for ages over 55, the decrease will average 5.5%.

Hybrid Solution 100 Interest Rate Range change

- We are pleased to make a special one-time rate change outside of our usual annual review process for Hybrid Solution 100. Effective December 2, 2013, we are changing the Interest Rate Range from 2-2.99% to 3-3.99% for all Hybrid Solution 100 plans. This means that premiums will decrease for all inforce and new Hybrid Solution 100 business.
- The decrease in premium relative to the 2.00-2.99% interest rate range is:
 - 9% for ages 0 to 39;**
 - 6% for ages 40 to 49;**
 - 5% for ages 50 to 59;**
 - 4% for ages 60 to 69; and**
 - 2% for ages 70 and up**
- Quoting Hybrid Solution 100 on the web or using Envision 9.6 will use the 3.00% to 3.99% Interest Rate Range.
- Policies settled on or after December 2, 2013 will be subject to the new Interest Rate Range and commission will be paid based on the new lower premium.
- As a one time thank you to clients who purchased early, policies settled prior to December 2, 2013 will receive an adjustment to their premium retroactive to the date the coverage took effect. The premium difference will be refunded to the client by applying the difference on their next billing cycle. Communication regarding the processing of these refunds will be sent separately and will include a FAQ to provide additional information.
- There will be no commission chargeback on the reduced premium for Hybrid Solution 100 plans that receive a retroactive adjustment to their premium rate.

Transition rules

- This one-time rate change does not impact the annual interest rate review for Hybrid Solution 100, which will still occur in January 2014. Any premium change that results from a change in the Interest Rate Range in 2014 will occur on the coverage anniversary on or immediately following April 1, 2014.
- Applications received in Head Office on or after December 2, 2013 will be set up using the new plan rates and/or plan structures.
- All pending "in the mill" business that is in Head Office on December 2, 2013 will be eligible for the new plan/rates structure.
- Any request to reopen an application that has been closed will receive the new plan rates and/or plan structures.

If there are questions or concerns about the processing of these plans or you have a special request, please submit it in writing to insurance@empire.ca.

Reference **Cameron Walker**, Manager, Retail Insurance Products & Marketing