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**Date:** April 11, 2011 **Nº. 2011-09**

**Category:** Life Insurance

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

**Subject:** **Important information on Solution 100 Term**

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Based on today's environment, effective April 29, 2011 Empire Life will no longer accept new applications for our Term to 100 without values plan called **Solution 100 Term**.

We have continually referred to current market conditions and forecasts calling for continued low, long-term interest rates. This is driving the need to increase long term, guaranteed insurance rates in Canada. Our review concluded two things:

- 1) The increases necessary to make Solution 100 Term viable would make it uncompetitive for customers and therefore not practical for us.
- 2) Current expected lapse rates, coupled with low long-term interest rates support product design that offers cash values on a plan of this type. This offers better value for the customer and supports our philosophy of consumer accountable products. Products that offer customers cash values that can revert to the policyowner provide a fair, flexible and adaptable solution for long-term needs that may change or for unexpected needs for cash that pop up.

As such, we will continue to offer a **Solution 100 with Values** product.

We will provide more information about this change and our transition rules in the coming weeks.

**References:** **Steve MacCharles**, Vice-President and Product Actuary  
**Peter A. Wouters**, Director, Retail Risk Product Marketing and Director, Tax & Estate Planning