

# EMPIRE LIFE INFORMATION CIRCULAR

**DATE:** July 21, 2011

**Nº. 2011-20**

**CATÉGORIE :** INVESTMENTS

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

**SUBJECT :** June 30, 2011 Investment Statements

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**This Information Circular applies to all Empire Life Investment Plans or Riders except Empire Class Segregated Fund Contracts.**

The semi-annual Client Investment Statements for Empire Life investment plans or riders will soon be mailed. Advance advisor statement copies will be sent beginning July 19, 2011 and client statements will be mailed starting July 26, 2011.

A PDF of the statements for Elite and Elite XL Investment Programs will also be available on the Business Centre on July 25, 2011.

**What's in the  
package**

In addition to the statements, clients will receive the following inserts:

- Investment Update;
- Segregated Funds – *Notice of Change letter*, and;
- Statement Glossary.

**Segregated  
Fund Guarantee  
reporting: Elite  
and Elite XL  
Policies**

Where applicable, the Maturity and Death Benefit minimum guaranteed amounts will be displayed along with the policy's Maturity Date. Under the terms of the policy contract, the client will receive **the higher** of the guaranteed minimum amount or the market value of the Segregated Funds at maturity or death. Please remember that the displayed guarantee amounts are for the Segregated Funds Investment Option of the policy only.

The Maturity and Death Benefit Guarantee values are bolded on the client statements. The Maturity and Death Benefit Guarantees will increase with deposits and transfers from the Interest Investment Options. Withdrawals and transfers out of the Segregated Funds Investment Option will reduce the guarantees proportionately.

To determine the Maturity Benefit Guarantee for a RRIF, the Maturity Date is established either as a result of an RRSP conversion within the same plan, or ten years after the effective date as noted on the Policy Confirmation Notice. The Maturity Benefit Guarantee and Maturity Date will be displayed on RRIF statements only until the Maturity Date has been reached.

**Things you  
should know  
about the  
statements**

- The advisor shown on the statements is the *Servicing Advisor* as of June 30, 2011.
- Personal Rates of Return on Segregated Fund investments are calculated using the industry standard time-weighted rate of return formula currently used by our Envision software. The statements report historical one, three and five-year compounded rates of return for current Fund holdings only where more than one complete year of history exists. These Personal Rates of Returns are calculated after taking into consideration sales commissions paid, as well as all expenses, management and administrative fees.
- Policies with the 100% Maturity Guarantee Benefit Option may see an annual fee on the statement. The annual fee of 0.38% of the fund value, excluding the Money Market Fund, is applied to each Fund on a proportionate basis and charged on the policy anniversary date.
- The client has 30 days in which to inform their advisor of any discrepancy on their statement(s).

**Special notes  
on older  
investment  
plans**

Some of our older investment plans including SIP, LIP, old SI and some VIP policies will show an additional deposit on June 8, 2011. These deposits represent a management fee adjustment, which is not receiptable. Commissions are not payable nor are loads deducted from this adjustment.

You may receive inquiries from clients about loads appearing on the statements for older PIP policies. The following example shows how the charges for a deposit to a PIP are calculated:

Gross deposit	\$ 100.00
Less policy fee	<u>- 2.50**</u>
	= \$ 97.50
Less 5% load	- \$4.88
Net deposit	= <u>\$ 92.62</u>
<b>Total charge</b>	<b>\$7.38</b>

\*\*This fee is based on the issue date and payment method shown below:

**Issued before October 1, 1988**

PAC	\$ 2.50
Direct bill	\$ 3.00
Annual	\$20.00

**Issued after October 1, 1988**

PAC	\$ 1.80
Direct bill	\$ 2.80
Annual	\$20.00

**Reference:** Carol Anne Bracciodieta, Director, Investment Operations, Customer and Dealer Services

