

EMPIRE LIFE INFORMATION CIRCULAR

DATE: September 16, 2011

Nº. 2011-26

CATEGORY : LIFE INSURANCE

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

SUBJECT : **Changes to Trilogy and Trilogy Plus plans**

Empire Life will be introducing new level cost of insurance rates for Trilogy and Trilogy Plus. These changes will take effect after **September 30, 2011**.

Over the last year there has been a lot of discussion on long term interest rates and their impact on the pricing of long term guaranteed insurance products. The degree of our changes reflects our commitment to all our stakeholders, which include our advisors and customers alike.

Empire Life offers five different cost of insurance options within our universal life plans: ART100, ART85/15, YRT10, YRT20 and Level. This change will only impact the level cost of insurance option. The overall rate increase target was 3.5%, but our goal included reducing the variance of our competitive rank based on sex, age and smoker status.

This means for rates that were very competitive to begin with, the increase could be higher than 3.5%. For others that were ranked lower than target, the increase could be less than 3.5%. This approach allows us to ensure a level of consistency for all clients and still remain a competitive player in the guaranteed level cost of insurance market in Canada.

Transition Rules

- Applications signed by **September 30, 2011** and received at Head Office no later than **October 4, 2011** will receive old plan rates.
- All pending “in the mill” business that is in Head Office on **September 30, 2011** will be eligible for old plan rates until the application is closed by Head Office for outstanding requirements.
- Any request to re-open an application for old rates that has been closed must be received at Head Office by **September 30, 2011** in order to qualify for old plan rates.

Reference **Cameron Walker**, Product Development Manager, Retail Insurance Products and Marketing

