

EMPIRE LIFE INFORMATION CIRCULAR

DATE: November 10, 2011

Nº. 2011-29

CATEGORY: INVESTMENTS

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

SUBJECT: **Empire Class Segregated Funds process and administrative changes**

Summary highlights

- Effective Monday, November 21, 2011, Citigroup (Citi) will assume the administration of our Class business.
- **There is no change to contract numbers, phone numbers, or email addresses.**
- There **will be a new mailing address AND fax number.**
- To allow business to settle, FundSERV trades will be suspended from **4:00 p.m. EST Tuesday, November 15, 2011 to 8:00 a.m. EST Monday, November 21, 2011.**
- There will be some other product/process changes as a result—the attached chart outlines the key changes.
- Advisors will be able to access Class account information online through Advisortrax™.
- No Class information will be available on the Empire Life Business Centre as of November 21, 2011.
- **These changes only apply to our Class business, not other Empire Life investment or life products**

Overview We are partnering with Citigroup (Citi) to provide transfer agency, fund administration, custody and securities lending services for our segregated fund investment administration.

Effective Monday, November 21, 2011, Citi will assume the administration of our Class business. Citi's Global Transaction Services is a global financial services company that provides cash management, trade, securities and fund services for more than 65,000 clients worldwide. Citi offers best-in-class technology and services that will help us provide enhanced services to our customers and distribution partners for an overall better customer experience.

Contact information There is a new address and fax number to send Class paperwork to. Starting 4:00 p.m. EST, Friday, November 18, 2011 please send all Class documentation to this address:

**c/o Empire Life
2920 Matheson Blvd.
Mississauga, ON, L4W 5J4**

The new fax number is: **1 866 762-6163.**

There are no changes to phone numbers and email addresses. Please continue to call **1 888 698-5554** for Class enquiries or email classfund@empire.ca.

**FundSERV
trade blackout**

FundSERV trades will be suspended for four business days prior to conversion, from 4:00 p.m. EST Tuesday, November 15, 2011 to 8:00 a.m. EST Monday, November 21, 2011 to allow business to settle. For all financial transactions, dealers will need to courier documentation and cheques during this time. Switches, redemptions and non-financial transactions can be faxed during the blackout period.

On Friday, November 18, 2011, all FundSERV trades will be settled via cheque and not through the FundSERV payment system. We will courier cheques to the Dealer's office on Monday, November 21, 2011.

Compensation for trades placed on November 21st and 22nd will be paid on the November 29th compensation payment cycle.

**Other
process/product
changes**

Please see the attached chart on the key changes for Class contracts. Contract confirmations will now be sent to the advisor and the customer. Transaction notices will be easier to read, and provide the market value of the fund.

**Advisor online
access**

As of November 21, 2011 no Class information will be available on the Empire Life Business Centre. Advisors will be able to access account information online 24 hours a day, seven days a week through Advisortrax. To self-register for Advisortrax:

1. Click on the link from the Empire Life advisor website, www.empire.ca/advisor.
2. Once you self-register, you will receive a phone call within 24 hours from our Customer Service team to verify your personal information. You will be provided with your Advisortrax account password at this time.

Advisortrax functionality includes:

- a redemption calculator which allows you to see the DSC-free units at the contract level
- the transaction history
- year-to-date RRSP contributions made to the contract
- historical fund unit prices
- rates of return at the contract level and fund level

Note Advisortrax does not include segregated fund reporting, such as benefit guarantee amounts and maturity dates. Please call our customer service teams for this information. You will also need to call our customer service representatives for copies of your clients' investment statements.

**Customer
online access**

Customers will have access to their account information online starting in January, 2012. We will begin actively promoting customer online access with our year-end annual investment statement mailing.

**Customer
Service**

While our own Customer Service and Dealer Services teams will continue to provide personalized service and support on our Class product, you may receive calls from the Citigroup customer service team about a specific policy. Our Montreal Customer Service team will now provide service on our Class product for customers and distribution partners in Quebec.

Class investment statements Class investment statements will have enhanced reporting. We will now be able to report rates of return at the contract level for Class contracts and the market value for each fund and for the entire contract, starting with the year-end client investment statements.

The Class Plus fee will now be reported on the year-end statements instead of the June statements (the calculation of the fee will still be at year-end; we will just be able to report it sooner). The Class Plus fee for 2012 will appear on this year-end statement.

Customer notification We'll start promoting online access for customers and the enhancements to the investment statements in the year-end investment statement mailing.

Transition period We are working closely with IFDS and Citi to ensure a smooth transition. If you have any questions about a contract or its status during the transition period, contact our customer service team.

This is the first of three conversions of our investment administration to Citi, with the next conversion planned in mid-2012. Each conversion will bring us closer to our goal of streamlining our systems and processes, and providing an even better experience for our customers.

Reference **Steve Biringer**, Vice-President, Retail Operations
Carol Anne Bracciodieta, Director, Retail Operations

EMPIRE CLASS SEGREGATED FUNDS PRODUCT/PROCESS CHANGES EFFECTIVE MONDAY, NOVEMBER 21, 2011



Contact information	
NEW address	Please send all documentation to: c/o Empire Life 2920 Matheson Blvd., Mississauga, ON, L4W 5J4
NEW fax number	1 866 762-6163 (use this number anytime after 4 p.m., Friday, Nov. 18)
Phone and email addresses—no change	Call 1 888 698-5554 for Class enquiries Email classfund@empire.ca
FundSERV information	
FundSERV trade suspension	Trades will be suspended from 4:00 p.m. EST Tuesday, November 15, 2011 to 8:00 a.m. EST Monday, November 21, 2011. For all financial transactions: please courier documentation and cheques during this time. Switches, redemptions and non-financial transactions: can be faxed during the FundSERV blackout period.
Product/process changes	
Deferred Sales Charge (DSC) free value	The DSC amount for surrenders will be calculated at the contract level instead of the fund level.
Excess Withdrawal Alert on Class Plus®	Withdrawals in excess of the maximum amount will be monitored manually until we can automate our EWA feature in January. We will contact the dealer/rep for confirmation if a withdrawal exceeds the maximum.
Front-end load default	If no sales charge is selected on purchase, the default will be 0% and no commissions will be generated.
Trailer commissions report	Trailer commissions will now be reported at the dealer/rep level by fund and will no longer include details such as the customer name or contract number.
Licensing, E&O & broker contracting	Some transactions will now reject at time of placement if license or E&O insurance is not current or if the broker is not contracted with us, eg. initial deposit. Contact our customer service teams so we can work with you to complete the transaction as quickly as possible.
Online access	
<i>For advisors</i> Advisortrax™	Class information will no longer be available on the Empire Business Centre as of November 21, 2011. Advisors can access account information online from Advisortrax™ 24-7. To self-register: 1) Click on the link from our advisor website, www.empire.ca/advisor 2) Once you self-register, you will receive a phone call within 24 hours from our Customer Service team to verify your personal information. You will be provided with your Advisortrax account password at this time.
<i>For customers</i> Investortrax™	Customers will now have access to their account information online starting in January, 2012. We will begin actively promoting customer online access with our year-end annual investment statement mailing.