

EMPIRE LIFE INFORMATION CIRCULAR

DATE: February 3, 2012

Nº. 2012-06

CATEGORY : INSURANCE

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

SUBJECT : **Changes to Trilogy and Solution level cost of insurance plans**

Empire Life will be making changes to the following permanent non-participating insurance plans. These changes will take effect **February 21, 2012**.

Solution 100 and 20 Pay Solution plan changes

- New rate increases on Solution 100 (with values) and 20 Pay Solution plans
- No change to the policy values
- No change to the commission schedule

Trilogy® and Trilogy Plus plan changes

- Rate increases will be introduced for the level cost of insurance only
- Withdrawal of the 'Level plus Return of Premium' sum insured option
- No change to the Wealth Plus bonus structure
- No change to the 10 and 20 year minimum rate guarantee
- No change to the commission schedule

If market conditions dramatically change in the ensuing weeks, we reserve the right to withdraw the option of 'Level plus Return of Premium' at an earlier date.

Increase to Joint Last-to-Die Single Equivalent Age (SEA) calculations

- Age calculation will increase the SEA on joint last-to-die plans by either one or two years.

Impact of Rate Increase

Plan Name and Type	Average Increase (%)
Solution 100 (<i>life pay with values</i>)	7.9 %
20 Pay Solution (<i>limited pay with values</i>)	14.0 %
Trilogy and Trilogy Plus Level Cost of Insurance	8.3 %

Transition Rules

- Applications received in Head Office after **February 21, 2012** 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 February 21, 2012 will be eligible for the existing plan/rates structure, but must be settled by **April 30, 2012**.

- Any request to reopen an application for old rates that has been closed must be received in Head Office by **February 21, 2012** in order to qualify for existing rate and/or plan structures.

To guarantee that clients receive the old rates and plan, applications must be received in Head Office no later than **February 21, 2012**. Please make sure you allow time for courier service and delivery.

Reference **Peter Wouters**, Director, Retail Insurance Products & Marketing and Director, Tax & Estate Planning