

EMPIRE LIFE INFORMATION CIRCULAR

DATE: April 23, 2012

Nº. 2012-10

CATEGORY : INSURANCE

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

SUBJECT : **Premium re-rate for Term to 100 Plans**

We are now approaching the 20th anniversary re-rate point for the Term to 100 plan sold from July 1992 to May 1997. This plan has a five-year re-rate period, with premiums guaranteed for the first ten years.

The results of our review are as follows:

- The deterioration of investment yields on fixed income securities will require an increase in premium at this time
- Favorable mortality trends will partially offset this increase

The combined effect of these two trends indicates a premium increase that varies by Issue Age is appropriate at this time. The increase will range from 0% at the older issue ages to 20% at the younger issue ages. Policyholders will be notified in advance of the applicable increase in premiums.

Reference **Steve MacCharles**, Vice-President and Product Actuary, Product Actuarial