



## The strength and security of Empire Life

As Canada and the world navigates through the disruption caused by the COVID-19 pandemic, we at Empire Life understand our customers and business partners are seeking reassurance that we are able to continue to do business, are well-capitalized to weather this storm and that our investment team is making smart, strategic investment decisions to protect our customers' investment assets during these uncertain times.

Rest assured, our top priority is the health and financial well-being of our customers, business partners and employees, and we have taken a number of measures to ensure continued service to our customers while ensuring the safety of our employees and the general public.

Although it is not "business as usual", we remain open for business. Our technology and digital capabilities are allowing us to increase the use of virtual meetings and work-from-home arrangements, resulting in more social distancing and peace of mind for our employees and continued responsiveness to the needs and expectations of our customers and business partners. As always, we are committed to making it simple, fast and easy for our customers to access the products and services they need to build wealth and achieve financial security.

The volatility of the equity market is understandably making people nervous. Ian Hardacre, our Chief Investment Officer reminds us of the importance of staying calm and riding out market movements over time. Our investment management team has a long history of staying true to its disciplined focus, looking beyond short-term returns and embracing longer-term results with the investment time horizon measured in years, not weeks or months.

As part of our regular business operations, we plan for significant adverse events that could result in a substantial drop in the markets and other impacts to our business. Over the past five years, we have taken a number of steps to increase our capital as part of our strategy to ensure the financial strength of our organization in any event.

Our federal regulator, the Office of the Superintendent of Financial Institutions Canada (OSFI), uses a measurement called the LICAT ratio to assess the financial resiliency of a life insurance company. At the end of 2019, Empire Life had the highest LICAT ratio of those publicly disclosed by Canada's five largest life insurance companies. It is important to note that we hold reserves against all expected claims and an additional margin to cover fluctuations in the level of expected claims. In addition to the conservative amounts available for contract liabilities, we also hold required capital on our balance sheet. This regulatory capital is common shareholder equity, preferred share equity and corporate debt. At the end of 2019, our available regulatory capital was over \$2.3 billion--more than enough to weather the current economic shocks and pay all claims when they are due.

We continue to closely monitor the COVID-19 developments and follow the advice of health professionals and government. As events unfold, we will post any changes and updates to our current situation on our website at [empire.ca/updates](http://empire.ca/updates).

We wish you, your families and friends continued good health.

A handwritten signature in black ink, appearing to read "MS", written in a cursive style.

Mark Sylvia  
President and Chief Executive Officer