



OPTIMAX WEALTH[®]

The Power of Participating Life Insurance

Insurance & Investments
Simple. Fast. Easy.[®]





Why Optimax Wealth?

Whether you are:

- a parent or grandparent interested in helping a child pay for their post-secondary education, start their own business, buy a home, etc.,
- a small business owner who recognizes the need for permanent life insurance but also may need access to cash values as early as the first policy anniversary.
- preparing for your retirement and looking to ensure both your estate planning and income needs are met

Optimax Wealth can provide the permanent life insurance protection you need and access to cash values as early as the first policy anniversary.

**COVERAGE YOU CAN CUSTOMIZE
TO FIT YOUR LIFESTYLE.**



What is Optimax Wealth?

Optimax Wealth is a participating whole life insurance product offered by Empire Life that combines permanent life insurance with the unique opportunity to 'participate' annually in the profits of the pool of assets specifically held by Empire Life for its participating policies.

This combination of features gives participating policyholders the benefits of life insurance with the ability for growth in their policy values and coverage. Optimax Wealth is designed to offer attractive short-term and long term value using a combination of guaranteed cash values and dividends, which are not guaranteed.



What is a Dividend?

A dividend is simply a portion of the profits of the Empire Life participating account that may be distributed annually to each person that owns an Empire Life participating life insurance coverage.



Dividends Are Unique To Participating Insurance

Each year Empire Life decides the amount of dividends (if any) that participating policyholders are eligible to receive on their next policy anniversary. While these dividends are not guaranteed, the dividend scale used to determine the amount each participating policyholder may receive is guaranteed never to fall below zero. This means that once a dividend is paid, Empire Life cannot take it back. Empire Life also has a track record of paying dividends every year since 1923 when we first began offering participating life insurance.

Five different dividend options are available

- ♥ **Paid-up Additions** – Each dividend is used to purchase more participating life insurance that requires no additional premiums to keep it in force (paid-up).
- **Enhanced Coverage** – Each dividend is used to buy one year term life insurance up to a permitted maximum amount, which is the Enhanced Coverage amount less any PUAs. Any excess dividends are used to buy paid-up participating life insurance. This option includes a Lifetime Guarantee, which guarantees that, regardless of dividend performance, the amount of one year term life insurance plus the amount of paid-up participating life insurance will never be less than the Enhanced Coverage amount if all conditions are met.¹
- **Cash Accumulation** – Each dividend is placed into an account that earns a favourable interest rate.
- **Cash Payment** – Each dividend is paid directly to the policyholder.
- **Annual Premium Reduction** – Each dividend is used to pay part or all of the next annual premium.

¹ See policy contract for full details and conditions.

² Based on all Empire Life participating policies as of Dec. 2019.

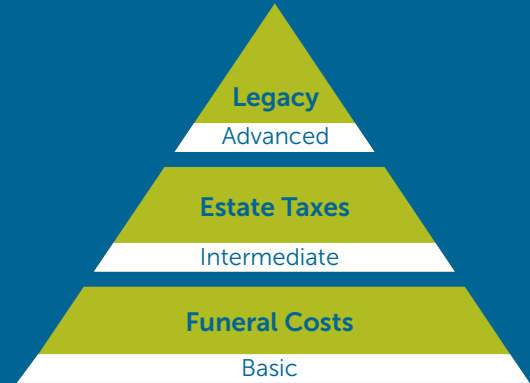




Designed for Financial Planning Needs

Optimax Wealth is suitable for those interested in guaranteed coverage and short-term and long-term cash value growth. Cash values can be accessed, while the coverage is in force, to supplement a policyholder's income while working or to provide additional funds for retirement. Optimax Wealth life insurance coverage can be used for a variety of different estate planning needs, including;

- **Basic needs** – paying funeral costs and other final expenses
- **Intermediate needs** – covering the basic needs plus the final income tax bill payable by the estate
- **Advanced needs** – covering the basic and intermediate needs, plus leaving funds to benefit beneficiaries or favorite charities



Lifetime Insurance Protection

Optimax Wealth can offer peace of mind with its ability to provide insurance protection for life. Premiums and the base coverage amount are fully guaranteed, as long as the premiums are paid when due. Depending on the dividend option selected and the amount of dividends paid, the overall coverage may increase.

Optimax Wealth also includes guaranteed cash surrender values that start after the first policy anniversary, and will grow each year the coverage remains in force until they equal the base coverage amount at age 100.



Our New Additional Deposit Option (ADO) can be added to your eligible Optimax Wealth 10 Pay, 20 Pay or Life Pay participating life insurance policy, with either the Paid-Up Additions or Enhanced Coverage dividend option, to enable you to make voluntary additional deposits to your life insurance plan in order to purchase Paid-Up Additions; over and above the Paid-Up Additions purchased by your annual policy dividends¹.

Additional Deposit Option (ADO) Highlights:

Purchasing additional Paid-Up Additions can add to the total cash surrender value and the total life insurance coverage provided by your Optimax Wealth participating life insurance policy. Paid-Up Additions purchased through deposits to your Additional Deposit Option (ADO) also earn annual policy dividends, compounding the growth of your life insurance policy total cash surrender value and total coverage amount. Once you make a deposit to your ADO account, the Paid-Up Additions (PUAs) are purchased as soon as possible, immediately increasing the total cash surrender value and total life insurance coverage provided by your policy.

The Additional Deposit Option (ADO) is available for all issue ages.

Deposit Minimums are:

- Juvenile 0 – 17 **\$25.00 per month / \$300.00 per year**
- Issue age 18 – 75 **\$100.00 per month / \$1,000 per year**

The Maximum Annual Deposit amount varies depending on the sex, risk class and issue age of the life insured.

¹ Dividends are not guaranteed and may be subject to taxation. Dividends will vary based on the actual performance of the participating account. Note: Empire Life will ensure your Optimax Wealth life insurance policy will remain tax-exempt. We reserve the right to reduce or refuse ADO deposits that may jeopardize the tax-exempt status of your policy.



KID-START

Case Study



John & Mary

John & Mary are proud grandparents. They have a healthy new grandson Liam.



Insurance Needs

John & Mary want to give their new grandson the gift of a participating whole life insurance policy. They choose Empire Life's Optimax Wealth 20 Pay, with the Paid-Up Additions dividend option that can provide Liam with permanent life insurance protection for the rest of his life and the ability to access cash values that accumulate in the policy.



Optimax Wealth® 20 Pay Life Insurance with Paid Up Additions

Life insured is a male, age 0

Initial coverage amount of **\$50,000**

Annual premium is **\$691.00** per year for 20 years, then the policy is fully paid up.

Guaranteed cash values start to accumulate at the end of the first policy year.



Accessing Cash Values

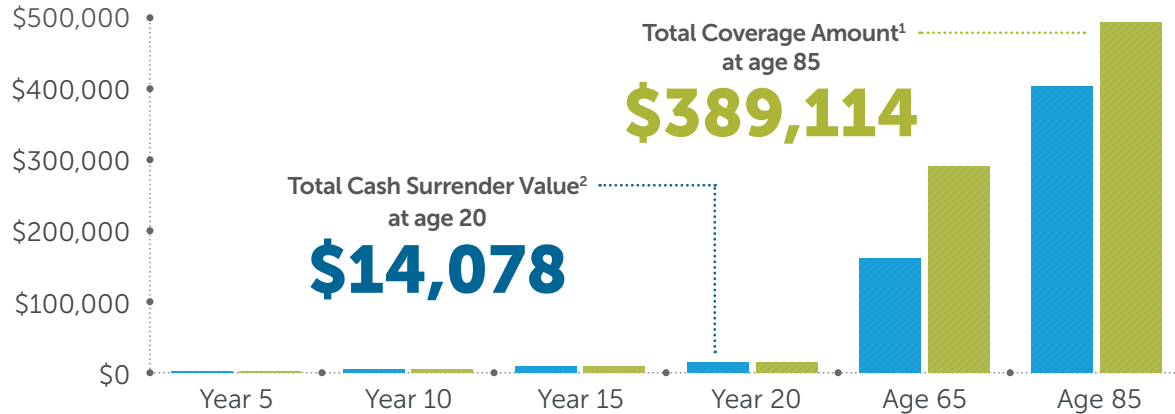
If Liam needs cash in the future, for post-secondary education, buying his first home, or whatever he chooses, he will have the option of accessing accumulated cash values through a policy loan or by surrendering the policy.

This case study is for illustration purposes only. It is designed to show how an Empire Life Optimax Wealth 20-Pay policy with Paid-up Additions dividend option may perform. Results will vary depending on the life insured's insurance age, initial coverage amount, pay period, dividend scale used each year and life insurance premiums. Advisors should determine whether this concept is suitable for any particular client based on the client's specific circumstances and needs.

All figures and projected values shown are as of March 2020. Premium shown is based on the Empire Life coverage and life insured (standard rated) indicated. Total Coverage Amount and Total Cash Surrender Values shown are based on the Empire Life product and life insured (standard rated) indicated and assume paid-up additions will be purchased each year with dividends declared using the current Empire Life dividend scale, which is not guaranteed. Actual amounts may be more or less than those indicated. See insurance contract for details.

Case Study – John & Mary

Optimax Wealth 20-pay, is a participating insurance plan, which means dividends may be declared on policy anniversary. By choosing the Paid-Up Additions dividend option, declared dividends are used to buy more participating life insurance, called “paid up additions”, which is paid up insurance that also accumulates cash values and can earn dividends. As paid up additions increase, the Total Cash Surrender Value and Total Coverage Amount of the policy can increase.



Male, Age 0
Annual Premium \$691.00 for 20 years

Total Coverage Amount
Total Cash Surrender Value²

¹ Includes initial coverage amount, which is guaranteed, plus the amount of paid-up additions purchased with dividends, which is not guaranteed. Total Coverage Amount will decrease by the amount of any outstanding policy loans or if any paid-up additions are surrendered. If the policy is surrendered, no death benefit is payable.

² Includes cash value of the base coverage, which is guaranteed, and cash values of the paid-up additions purchased with dividends, which are not guaranteed. The total cash surrender value can be accessed through a policy loan or by surrendering the policy.



Where to start?

Always make sure to consult with an independent estate planning expert before making any decisions about your estate plan. Your insurance advisor can work with your estate planning expert to provide you with advice and the options available to suit your needs.

For more information on **Empire Life Optimax Wealth**[®] or other insurance solutions, please talk to your insurance advisor today.

The Empire Life Insurance Company

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The Empire Life Insurance Company (Empire Life) is a proud Canadian company that has been in business since 1923. We offer individual and group life and health insurance, investment and retirement products, including mutual funds through our wholly-owned subsidiary Empire Life Investments Inc.

Empire Life is among the top 10 life insurance companies in Canada¹ and is rated A (Excellent) by A.M. Best Company². Our mission is to make it simple, fast and easy for Canadians to get the investment, insurance and group benefits coverage they need to build wealth, generate income, and achieve financial security.

Follow Empire Life on Twitter @EmpireLife or visit our website, empire.ca for more information.

¹ Based on total assets as reported in December 31, 2018 OSFI filings

² As at June 14, 2019. For the latest rating, access www.ambest.com.

The information in this document is for general information purposes only and is not to be construed as providing legal, tax, financial or professional advice. The Empire Life Insurance Company assumes no responsibility for any reliance made on or misuse or omissions of the information contained in this document. Please seek professional advice before making any decision.

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