



# PARTICIPATING LIFE INSURANCE

EstateMax<sup>®</sup> & Optimax Wealth<sup>®</sup>  
Product Guide

FOR ADVISOR USE ONLY

Insurance & Investments  
Simple. Fast. Easy.<sup>®</sup>



Whether your needs are focused on Wealth Accumulation or Estate Planning, Empire Life has the right Permanent Participating Life insurance plan for you!



### **Parents & Grandparents**

Parents & Grandparents looking to provide life insurance protection and a source of funds that could be used for post-secondary education, starting a business or buying a home, etc.



### **Young families**

Young families looking for affordable, permanent life insurance protection and long term cash values.



### **Small Business Owners**

Small Business Owners who need life insurance protection and may need access to cash values in the early years



### **Individuals planning to retire**

Individuals planning to retire soon who are looking for life insurance protection with early cash accumulation



### **Retirees**

Retirees interested in estate preservation and/or leaving a legacy for families or a specific charity

## Which of our Participating Whole Life Insurance products is best for your client?



### Optimax Wealth<sup>®</sup>

Optimax Wealth is designed for individuals:

- looking for higher cash values in the first 20 years
- planning to retire soon and want access to cash values
- who own a business and want to add an asset to their business that offers life insurance protection and flexibility when accessing cash values
- want to accumulate funds to help their children or grand children pay for post secondary education, start a business, buy a home, etc.

### EstateMax<sup>®</sup>

EstateMax is designed for individuals:

- who want to build wealth through long term cash values
- who want to provide affordable permanent life insurance protection for their families
- focused on increasing life insurance coverage for estate planning purposes
- who want access to cash values in the long term for future retirement income



# CUSTOMIZE THE COVERAGE TO FIT YOUR CLIENT'S LIFESTYLE

## Product Details

### Premium Options

**Optimax Wealth 8 Pay & EstateMax 8 Pay** – Premiums payable for the first 8 years (then coverage is fully paid-up)

**Optimax Wealth 10 Pay & EstateMax 10 Pay** - Premiums payable for the first 10 years (then coverage is fully paid-up)

**Optimax Wealth 20 Pay & EstateMax 20 Pay** – Premiums payable for the first 20 years (then coverage is fully paid-up)

**Optimax Wealth 100 & EstateMax 100** – Premiums payable to age 100 (then coverage is fully paid-up)

### Issue Ages

0 – 75 (age nearest)

### Minimum Basic Coverage

Age	Minimum Basic Coverage
0 – 17	\$10,000
18 – 65	\$25,000
66+	\$10,000

### Premium Bands

There are no premium rate bands on this product.

### Administration Fee

The annual Administration Fee is \$50.00



## Method of Payment

Premium payments can be made on a monthly basis using pre-authorized debit, or paid annually.

## Guaranteed Cash Surrender Values

All Optimax Wealth and EstateMax policies include a schedule of guaranteed cash surrender values. Guaranteed cash surrender values start at the end of:

- EstateMax – the 4th policy year
- Optimax Wealth – the 1st policy year

**Tip:** Participating life insurance Joint First to Die coverages cannot be split after the first policy anniversary.

## Joint-life Coverages (2 Lives)

Coverage available on either a Joint-First Death or Joint-Second Death basis. The Joint First Death coverage contains survivor and policy exchange options that provide the survivor with insurance after the first death.

## Smoker Rates

A smoker is considered someone who, in the past 12 months, has used more than 12 large cigars, or used any other tobacco, cigarette, e-cigarette, cigarello, a pipe, chewing tobacco, nicotine patches or gum or betel nuts.

## Juvenile Policies

For life insureds less than insurance age 18, Optimax Wealth and EstateMax Policies use "Juvenile" rates.

# **DIVIDENDS - THE POWER BEHIND EMPIRE LIFE PARTICIPATING LIFE INSURANCE PLANS**

Empire Life determines, each year, whether to declare dividends and the amount of any dividends to distribute to its participating policy owners. The then current dividend scale for a product determines the dividend amount to be distributed to each policy owner on the policy anniversary. Dividends are not guaranteed and the dividend scale may change annually based on a number of factors such as our operating expenses, return on investments, and the costs of paying out death benefits. Any dividend, once declared cannot be taken back.

Optimax Wealth & EstateMax dividends are calculated for each life insured based on age, sex, smoking status, coverage amount and the duration of the policy. Dividends are expressed as a rate/1000.

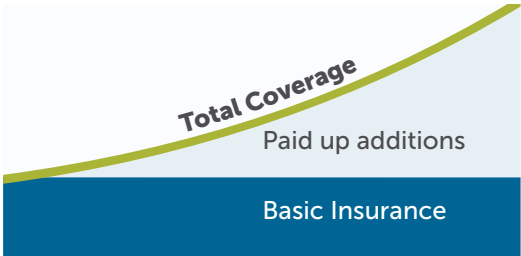
Optimax Wealth & EstateMax offers a choice of five different dividend options. These options give policy owners flexibility with how a dividend is used. The dividend option can be changed by written request from the policy owner, subject to some limitations. Only one dividend option for the policy can be elected at any time.

# Dividend Options

The following examples demonstrate policy performance based on the dividend option indicated and our current dividend assumptions. They are not intended to reflect values for a specific client and may not reflect actual policy performance, which depends on a number of factors, including the dividends declared on the policy, changes made to the policy and withdrawals from the policy.

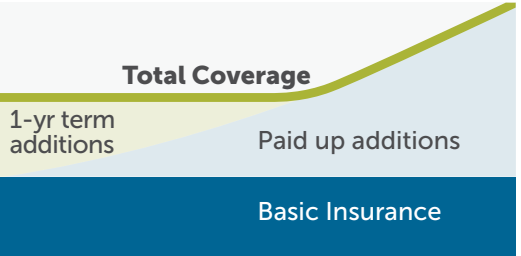
## Paid-Up Additions

Dividends are used to buy more participating life insurance on the life or lives insured. This additional participating life insurance (“paid-up additions”) earns dividends and cash values, and is paid-up, which means once it is purchased, no premium payments are required to keep it in force.



## Enhanced Coverage

Dividends are used to buy one year term life insurance (“term additions”) on the life or lives insured up to the maximum amount of term additions that is permitted. Any excess dividends will be used to purchase paid-up additions. Term additions do not earn dividends and terminate one year after being purchased.



If the total of all paid-up additions equals or exceeds the Enhanced Coverage Amount, no more term additions can be bought and all future dividends will only be used to buy paid-up additions.

## Cash Accumulation

Dividends are deposited into an account that will earn interest compounded annually at a rate set by Empire Life from time to time. The interest rate will never be less than 0%. The policy owner will have to report the interest earned on this account on the policy owner’s income tax return and may have to report some or all of the dividends deposited into this account on the policy owner’s income tax return. When the policy terminates due to the death of a life insured, any accumulated value in the Cash Accumulation account is paid to the beneficiary.

## Annual Premium Reduction

Each dividend is applied towards the next annual premium due on the policy and any deficiency is paid by the policy owner. If the dividend exceeds the next annual premium due, the excess will be applied to the Cash Accumulation option.

## Cash Payment

Each dividend is paid to the policy owner in a single lump sum. The policy owner may have to report all or a portion of the dividend on the policy owner’s income tax return.

# ADDITIONAL DEPOSIT OPTION (ADO) RIDER FOR ESTATEMAX AND OPTIMAX WEALTH PARTICIPATING WHOLE LIFE POLICIES

The Additional Deposit Option (ADO) Rider can be added to your client's eligible EstateMax or Optimax Wealth participating life insurance policies. This will enable your clients to make voluntary additional deposits to their life insurance plans in order to purchase Paid-Up Additions; over and above the Paid-Up Additions purchased by their annual policy dividends<sup>1</sup> subject to annual and lifetime ADO deposit maximums.

Available on EstateMax and Optimax Wealth 10 Pay, 20 Pay and Life Pay Plans with either Paid-Up Additions or Enhanced Coverage Dividend options for all issue ages 0 – 75 years (age nearest)

There are no additional underwriting requirements<sup>2</sup>, in most cases, when adding ADO to an eligible policy at issue. The ADO Rider can also be added to a policy after issue:

- To add the ADO Rider within 24 months of the Policy Date<sup>3</sup> complete the Application for Change, Addition or Reinstatement of Additional Deposit Option (ADO) (INS-2741) confirming the life insured's health<sup>4</sup> and smoking status has not changed since policy date<sup>3</sup>.
- To add the ADO Rider after 24 months since policy date, complete a full policy change form (C-0048) and provide satisfactory evidence of insurability.

The ADO Rider is also available on substandard cases with ratings up to 200% without flat extras.

The Envision Sales Illustration system will calculate the Maximum Annual ADO Deposit Amount and the Maximum Lifetime ADO Deposit Limit for the policy based on the sex, risk class and issue age of the life insured.

There are two ADO deposit maximums;

- **Maximum Annual ADO Deposit Amount** – this amount is based on the annual available exempt room for ADO deposits to the policy.
- **Maximum Lifetime ADO Deposit Limit** – this amount is based upon the Specified Annual ADO Deposit Amount multiplied by the number of years you choose to make ADO deposits. Once total ADO deposits equal the Maximum Lifetime ADO Deposit Amount, ADO deposits will stop. In order to increase the Maximum Lifetime ADO Deposit Amount a fully completed change form (C-0048), including satisfactory evidence of insurability, will be required.

**Empire reserves the right to limit annual deposits or to take corrective action to maintain the life insurance policies tax exempt status.<sup>5</sup>**

Minimum ADO Deposit Limits

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



## Flexibility

Your client can stop making ADO deposits at anytime. To reinstate ADO deposits within 36 months of the last Paid Up Addition purchase date, complete the Application for Change, Addition or Reinstatement of Additional Deposit Option (ADO) (INS-2741) confirming the amount of the ADO deposits and that the health<sup>4</sup> and smoking status of the life insured has not changed since the last PUA purchase date with ADO deposits. After 36 months from the last PUA purchase date complete a policy change form (C-0048) indicating the amount of the ADO deposit<sup>5</sup> and provide evidence of insurability.

## Term Conversion

The ADO rider is also available on EstateMax and Optimax Wealth 10 Pay, 20 Pay and Life Pay plans with Paid-Up Additions or Enhanced Coverage dividend option resulting from conversions:

- Without evidence of insurability, the total coverage amount on the EstateMax or Optimax Wealth plans including an ADO rider can be up to 75% of the term policy face amount eligible for conversion and the Maximum Lifetime ADO Deposit Limit is limited to 10 times the Maximum Annual ADO Deposit Amount.
  - Note that no evidence of insurability is required for conversion of up to 75% of the term policy **provided that any remaining term policy face amount is cancelled.**
  - For any remaining term policy face amount to remain in force (i.e. either it is left in the original term coverage or as a conversion to another new whole life coverage), evidence of insurability will be required for the conversion(s).

For all conversions adding ADO, Empire Life reserves the right to require evidence of insurability even if total coverage amount of EstateMax or Optimax Wealth coverage is 75% or less of term coverage face amount.

- With satisfactory evidence of insurability, the total coverage amount on the EstateMax or Optimax Wealth plans including an ADO rider can be up to 100% of the term policy face amount eligible for conversion. For such term conversions, complete the Life and Health Insurance Application (D-0082). The Maximum Annual ADO Deposit Amount can be obtained by running a new business illustration and completing the underwriting requirements for a new application.

## Take advantage of Tax Exempt Growth

Paid-Up Additions are purchased on a frequent (usually daily basis) after you make a deposit to the ADO account, which can almost immediately increase the Total Coverage Amount and Total Cash Surrender Value of the policy. Paid-Up Additions purchased with ADO deposits, or Paid-Up Additions purchased through policy dividends<sup>1</sup>, can contribute to the growth of the policy Total Cash Surrender Value and Total Coverage Amount.

<sup>1</sup> Dividends are not guaranteed and may be subject to taxation. Dividends will vary based on the actual performance of the participating account. <sup>2</sup> Empire Life reserves the right to request additional underwriting requirements as required based on our assessment of risk. <sup>3</sup> The Policy Date appears at the top of the Data Page for EstateMax and Optimax Wealth Plans. <sup>4</sup> There has been no change in the health of any Life Insured and, in the last 12 months, no Life Insured has consulted or been treated by a physician or been refused life insurance coverage or approved for life insurance coverage with an extra premium. <sup>5</sup> Increases or changes to ADO deposit amounts are subject to our administrative rules in effect at that time. Empire Life reserves the right to reduce or refuse an ADO deposit.

# LIFETIME GUARANTEE FEATURE<sup>†</sup> — DEATH BENEFIT WILL NEVER DECREASE, PREMIUMS WILL NEVER INCREASE

## **Lifetime Guarantee**

The Enhanced Coverage option includes a Lifetime Guarantee, which guarantees that, regardless of the dividend performance, the amount of one-year term life insurance (“term additions”) plus the amount of any paid-up additions on the life insured will never be less than the Enhanced Coverage Amount for the life insured if the following conditions are met:

- The coverage remains in force and the dividend option does not change; and
- The policy owner does not surrender any paid-up additions for cash or to pay premiums; and
- The basic insurance for that life insured does not change; and
- No conversion of any term additions and policy has not changed to a paid-up policy

## **Maximum Enhanced Coverage Amount**

- Policyowners may select any amount of Enhanced Coverage for a life insured up to the maximum amount allowed.
- The maximum amount of Enhanced Coverage is based on the age, gender, smoking status and basic coverage of the applicable life insured.

## **Conversion on Enhanced Coverage**

- Term additions are convertible to permanent life insurance coverage\*. When this occurs, an available dividend option other than Enhanced Coverage must be chosen for future dividends unless satisfactory evidence of insurability is provided.
- Conversion is allowed up to insurance age 75.
- Joint policies must convert to a similar joint coverage.

<sup>†</sup> Subject to certain conditions being met. See policy contract for details.

\* Current permanent life insurance products that qualify for conversion are: Solution 100, Optimax Wealth and EstateMax.

## Side Account (non-exempt)

Optimax Wealth & EstateMax allow payments to be made to an account attached to the policy to fund future premium payments. With this feature, called the **Side Account**, funds can be put in the side account at any time (subject to certain limits) to fund premiums that come due in the future. These funds do not receive tax-preferred treatment and the interest earned is taxable income and should be declared on the policy owner's income tax return.

Additional funds can be used to cover;

- Base premiums required under the policy
- Policy administration fees
- Premiums for added riders and benefits

Funds in the Side Account will earn interest on a daily basis using a favourable interest rate as determined from time to time by Empire Life. Interest will be paid on the policy anniversary.

A request can be made to withdraw funds at any time without fees or penalty. If the policy terminates due to death of the life insured, the Side Account funds will be paid to the beneficiary. If the policy terminates for any other reasons, these funds will be paid to the policy owner.

## Maximum Deposit

Maximum Deposit Amount = (Total Annual Premium) X (100 - Youngest Insurance Age)

## Additional Benefits

### Waiver of Premium

- Issue Ages 16 – 55
- If selected must be added to all Riders and Additional Benefits.
- Does not apply to payments made to the Side Account

### Payor Death and Disability

- Child, issue ages 0 – 15; Payor, issue ages 16 – 45
- If selected must be added to all Riders and Benefits.

### Guaranteed Insurability

- Issue Ages 0 – 40
- Minimum option \$5,000; Maximum is the lesser of \$50,000 and the total sum insured\*

### Accidental Death & Dismemberment

- Issue Ages 16 – 55
- Minimum option \$10,000; Maximum is the lesser of \$250,000 and the total sum insured\*

### Children's Life Rider

- Issue Ages: 15 days to age 17
- Minimum Option \$1,000; maximum \$25,000

### Children's Critical Illness (CI) Rider

- Family Rider that covers all eligible children to a maximum of \$50,000
- Covers 15 critical illnesses

\*Total Sum Insured includes the Enhanced Coverage amount.

## Available Riders

- Solution ART, Solution 10, Solution 20, Solution 30 & Solution 100
- CI Protect & CI Protect Plus
- Spousal Rider – Solution Series, CI Protect & CI Protect Plus
- NEW** • Empire Life Disability Credit Protect™

## Miscellaneous Provisions

### Policy Loans

The policy owner may obtain a loan from Empire Life, secured by the policy and the Side Account, in an amount not greater than an amount determined by Empire Life based on the cash surrender value of the policy and according to the terms set out in the policy. Outstanding policy loans will reduce payments of the cash surrender value of the policy, the accumulated value of the Cash Accumulation account, the accumulated value of the Side Account, and any death benefit payable under the policy. Interest on the policy loan will be based on a variable loan rate that is determined by Empire Life.

# WEALTH ACCUMULATION OR ESTATE PLANNING, WE HAVE YOU COVERED

## OPTIMAX WEALTH & ESTATEMAX

### Premium Options

- 8 Pay
- 10 Pay
- 20 Pay
- Pay to 100

### Coverage Options

- Single Life
- Joint First or Second Death Basis (2 Lives)

### Dividend Options

- Paid-Up Additions
- Enhanced Coverage – Lifetime Guarantee
- Cash Accumulation
- Cash Payment
- Annual Premium Reduction

### Side Account

- Premiums on Deposit

### Full Range of Additional Benefits

- Waiver of Premium (Disability Waiver)
- Payor Death and Disability (Child's Waiver)
- Guaranteed Insurability
- Accidental Death & Dismemberment
- Children's Life Rider
- Children's Critical Illness Rider

### Riders

- Solution Series plans (Term & Permanent)
- CI Protect & CI Protect Plus (Critical Illness)
- Additional Deposit Option (ADO)

**NEW**

- Empire Life Disability Credit Protect™

## **The Empire Life Insurance Company**

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### **FOR ADVISOR USE ONLY**

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 Canada<sup>1</sup> and is rated A (Excellent) by A.M. Best Company<sup>2</sup>. Our mission is to make it simple, fast and easy for Canadians to build wealth, generate income, and achieve financial security.

Follow us on social media @EmpireLife or visit [www.empire.ca](http://www.empire.ca) for more information.

<sup>1</sup> Based on total assets as reported in December 31, 2019 OSFI filings

<sup>2</sup> As at June 24, 2020. For the latest rating, access [www.ambest.com](http://www.ambest.com).

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INS-1350-EN-03/21

