

EMPIRE FOR LIFE[®] LOYALTY PROGRAM

Segregated Funds

ADVISOR FAQ

Overview

What is the “Empire for Life” Loyalty Program?

The “Empire for Life” Loyalty Program (“the Program”) rewards customer loyalty with a credit equal to 5% of the annual management fee after owning an eligible Empire Life segregated fund contract for 10 consecutive years after the launch of the program.

The Program was included in certain Empire Life segregated fund contracts; it is no longer included in any currently sold contracts.

How does the Program work?

To qualify for the credit, a customer must own an eligible segregated fund contract for 10 consecutive years. Customers who purchased an eligible segregated fund contract were automatically enrolled into the Program.

The Program was started on January 9, 2012 and the first customers who will qualify for their management fee credits after 10 years of consecutive ownership will do so in 2022.

Once qualified, the contract will be eligible to receive a credit equal to 5% of the annual management fee each year, provided they continue to own their contract.

The credit will be calculated using the customer’s funds and market value on December 31st. Customers must own their eligible Empire Life segregated fund contract on December 31st of each subsequent year after they have qualified in order to be eligible to receive the credits going forward. If the customer has surrendered their contract prior to year-end, they will forfeit that year’s management fee credit.

The credits will be deposited proportionately based on the market value of each fund on December 31st of that year, and will be deposited into the same purchase fee option that the credit was generated in.

What are the benefits of the Program to customers and advisors?

For customers, the “Empire for Life” Loyalty Program rewards loyalty with a 5% credit of their annual management fees, which provides a credit on fees and accumulate wealth sooner.

For advisors, as their clients receive additional units deposited into their contracts, their segregated fund assets with Empire Life will grow. These credits will also generate ongoing trailer commissions (where applicable). The Program will also strengthen client relationships as customers will receive a benefit for following their advisor’s advice to remain invested with Empire Life.

What are the Empire Life segregated fund contracts that are eligible for the Program?

The following contracts are eligible for the Program:

- Elite Investment Program (Elite)
- Elite XL Investment Program (Elite XL)
- Class Segregated Funds
- Class Plus 2
- Class Plus 2.1
- Guaranteed Investment Funds (GIF) issued before May 28, 2018

Not eligible are Group Option Plus, other legacy Empire Life segregated fund contracts, Single Premium Immediate Annuities (SPIAs), Guaranteed Interest Options (GIOs), and Trilogy. It does not apply to our Universal Life (UL) policies, which may hold our segregated funds.

How can my clients sign up for the Program?

Customers who previously purchased an eligible segregated fund contract were automatically enrolled. The Program is no longer offered in any currently sold Empire Life segregated fund contract.

What are the conditions to qualify for the Program?

To initially be eligible for the Loyalty Program, customers must:

- 1) Have invested the required minimum amount in an eligible Empire Life segregated fund contract
and
- 2) Have owned that contract for a period of 10 consecutive years.

What are the conditions to continue to qualify for the Program?

Customers must continue to own their eligible Empire Life segregated fund contract on December 31st of each year after they have qualified in order to be eligible to receive the credits. If the customer has surrendered their contract prior to year-end, they will not be eligible for that year's management fee credit, and any future year's credits.

If one of my clients owned an eligible segregated fund contract, and then sold that contract to purchase a different eligible contract, when does my client qualify for the Program?

10 years of consecutive ownership in a specific contract is required to qualify for the program. In this case, your client would qualify for the Program only after the contract's 10th anniversary. The years they owned their initial eligible contract would not be recognized.

Does switching between segregated funds in the same eligible contract during that 10 consecutive year period affect the qualification period?

No. Qualification for the Program is based on the customer owning their eligible segregated fund contract for a period of 10 consecutive years; switching between funds within the same contract does not affect eligibility.

Why were Elite/Elite XL segregated funds not available for the Program when it was first introduced?

The Program was first launched on January 9, 2012, whereas Elite and Elite XL were available for sale prior to this. Empire Life subsequently made a decision to add these contracts into the Program and details of the Program were included in the regulatory point of sales documents. All Elite and Elite XL customers were enrolled in the program on January 9, 2012, regardless of whether the Program was included in their regulatory documents (see below).

My client owned an Elite or Elite XL contract prior to January 9, 2012. Are they included? And when will they become eligible?

Yes, customers who owned an Elite or Elite XL contract prior to January 9, 2012 were automatically enrolled. However, the Loyalty Program was introduced on January 9, 2012, so any period of investment prior to the starting date of Jan. 9, 2012 will not be considered in the determination of the 10 consecutive year qualifying period.

For example, if one of your clients purchased an Elite XL contract in 2007, the starting date for continuous ownership for the purpose of qualifying for the Program is January 9, 2012.

If a different client purchased an Elite contract on March 2, 2013, the starting date for continuous ownership for the purpose of qualifying for the Program is March 2, 2013.

I have additional questions. Who should I contact?

Please contact Empire Life customer service with additional questions you may have.

A description of the key features of the individual variable insurance contract is contained in the Information Folder for the product being considered.

Any amount that is allocated to a Segregated Fund is invested at the risk of the contract owner and may increase or decrease in value. Please read the information folder, contract and fund facts before investing.

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. Contracts are issued by The Empire Life Insurance Company.

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INV-3475-EN-07/22



LOYALTY HAS ITS REWARDS

Empire for Life[®] Loyalty Program



The Empire for Life Loyalty Program rewards customers like you for staying invested with us¹

Much has happened in 10 years. Through market highs and lows, you have remained invested with us and for that Empire Life would like to thank you for your loyalty.

To reward you for your loyalty, we are pleased to inform you that you own an eligible Empire Life segregated fund contract that will, as of its 10th anniversary, qualify to receive a credit equal to 5% of the annual management fee for the eligible contract as part of the Empire for Life Loyalty Program.²

How did I qualify?

By simply owning an eligible Empire Life segregated fund contract for 10 consecutive years after the program was launched¹ the contract automatically qualifies.

How will I receive my credit?

The Empire for Life Loyalty Program annual management fee credit will be calculated based on the market value of the underlying funds in your eligible Empire Life segregated fund contract on December 31 of each year following the 10-year anniversary, provided the contract remains in effect. The credit will be paid to you in the form of additional Fund Class Units.³

Invest more and save

Once your eligible Empire Life segregated contract has qualified, any additional deposits into the contract will be eligible to receive the management fee credit at the end of each year that you own the contract.⁴ So the more you invest the more you save!

¹ Empire Life reserves the right to change the terms, or cease offering, the Empire for Life Loyalty Program at any time without prior notice. The Empire For Life Loyalty program was launched on January 9, 2012. To qualify for the management fee credit, eligible Empire Life segregated fund contracts must meet the program requirements; see your Information Folder and Contract Provisions for details on the program.

² Contract owners must have owned an eligible Empire Life segregated fund contract continuously for 10 years after the program launched. Eligible contracts include: All Empire Life Elite Investment Program, Elite XL Investment Program, Empire Life Class Segregated Funds, Empire Life Class Plus 2, and Empire Life Class Plus 2.1 contracts. Empire Life Guaranteed Investment Funds (GIF) contracts issued between November 1, 2014 and May 28, 2018 are also eligible for the program.

³ The management fee credit will be equal to 5% of the management fee of the Fund Class Units that are attributed to the client's contract following the qualification period. The management fee credit will be used to purchase additional Fund Class Units and will be allocated proportionately based on the Market Value of each Fund(s) that the client is invested in on December 31 of each year (or the last valuation date of the year, if earlier).

⁴ Additional deposits available for Empire Life Guaranteed Investment Funds, Empire Life Class Segregated Funds, Empire Life Elite Investment Program, and Elite XL Investment Program.

Policies are issued by The Empire Life Insurance Company. A description of the key features of the individual variable insurance contract is contained in the Information Folder for the product being considered. **Any amount that is allocated to a Segregated Fund is invested at the risk of the contract owner and may increase or decrease in value.** Past performance is no guarantee of future performance.

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➤ For more information, please speak with your Financial Advisor

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