

EMPIRE LIFE INFORMATION CIRCULAR

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| DATE: | October 26 th , 2023 | Nº 2023-21 |
| CATEGORY: | INSURANCE | |
| TO: | Managing General Agents, Associate General Agents, Advisors, General Agents, Independent Financial Advisors and National Accounts | |
| SUBJECT: | Announcing a NEW Term to 100 permanent life insurance product and new pricing and commission enhancements to Solution 100! | |

Effective October 26, 2023, Empire Life is pleased to announce the following updates to our product suite:

Term to 100 – NEW Product Launch

- Term to 100 offers guaranteed level premiums, guaranteed level death benefit and is fully paid-up at age 100
- Available for both Fast & Full® and paper applications

Solution 100 – Product Reprice and Commission Increase

- The reprice results in an average premium decrease of 2% with rates for most age and amounts decreasing, while rates for some age and amounts are increasing
- Increase of First Year Commission (FYC) by 5% to 55% FYC for paper applications and 60% FYC for Fast & Full® applications. Refer to Information Circular 2023-24 for additional details.
- Juveniles will no longer be required to provide proof of smoking status at age 18
- No change in the guaranteed cash values or guaranteed reduced paid-up values
- Available for both Fast & Full® and paper applications

| Product details | Term to 100 | Solution 100 |
|--------------------------|--|--|
| | Issue ages (age nearest) | 18 – 75 |
| Target market | Business Market <ul style="list-style-type: none"> • Key person insurance • Fund buy/sell agreements • Tax-efficient estate planning on death of a shareholder • Corporate insured annuity concept • Corporate legacy builder Family Market <ul style="list-style-type: none"> • Estate preservation • Inheritance for children or grandchildren • Charitable giving | Business Market <ul style="list-style-type: none"> • Key person insurance • Fund buy/sell agreements • Cash value growth to support their business • Corporate insured annuity concept • Corporate legacy builder Family Market <ul style="list-style-type: none"> • Estate preservation • Inheritance for children or grandchildren • Charitable giving • Access to cash value throughout their life |
| Coverage duration | Lifetime coverage, fully paid-up at age 100 | Lifetime coverage, fully paid-up at age 100 |

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| Minimum coverage | \$25,000 up to age 65 \$10,000 for ages 66 to 75 | \$25,000 up to age 65 \$10,000 for ages 66 to 75 |
| Maximum coverage | \$10,000,000 | \$10,000,000 |
| Policy values | Not available | Guaranteed cash surrender and guaranteed reduced paid-up values starting in year 10 |
| Underwriting classification | All Amounts <ul style="list-style-type: none"> • Standard non-smoker • Standard smoker | All Amounts <ul style="list-style-type: none"> • Standard non-smoker • Standard smoker |
| Coverage types | <ul style="list-style-type: none"> • Single life • Joint First-to-die (2 lives) • Joint Last-to-die (2 lives) • Multi-life (2 lives) | <ul style="list-style-type: none"> • Single life • Joint First-to-die (2 lives) • Joint Last-to-die (2 lives) • Multi-life (2 lives) |
| Premium | Guaranteed level premium rates to age 100 | Guaranteed level premium rates to age 100 |
| Premium banding | Under \$100,000 \$100,000 – \$249,999 \$250,000 – \$499,999 \$500,000 – \$999,999 \$1,000,000 + | Under \$100,000 \$100,000 – \$249,999 \$250,000 – \$499,999 \$500,000 + |
| Conversion | Not convertible (Available as a conversion option for other products) | Not convertible (Available as a conversion option for other products) |

Price Ranking in the Market^{1/2}

Term to 100

- Expected average rank of 2 for all ages, risk classes and face amounts when it launches

Solution 100

- Expected average rank of 2 for non-smokers, all ages and face amounts when it launches
- Expected average rank of 3 for smokers, all ages, and face amounts when it launches

Expected LifeGuide Ranking

| Term to 100 ¹ Coverage: \$500,000 | Age 45 | | Age 55 | | Age 65 | |
|--|------------|--------|------------|--------|------------|--------|
| | Non-Smoker | Smoker | Non-Smoker | Smoker | Non-Smoker | Smoker |
| Male | 2 | 1 | 2 | 2 | 2 | 2 |
| Female | 2 | 1 | 2 | 1 | 2 | 2 |

| Solution 100 ² Coverage: \$250,000 | Age 30 | | Age 40 | | Age 55 | |
|---|------------|--------|------------|--------|------------|--------|
| | Non-Smoker | Smoker | Non-Smoker | Smoker | Non-Smoker | Smoker |
| Male | 2 | 3 | 2 | 3 | 2 | 3 |
| Female | 2 | 3 | 2 | 3 | 2 | 3 |

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| <p>Commissions</p> | <p>To see the revised commission schedule for both Solution 100 and Term to 100, refer to information circular 2023-25</p> <p>Both Solution 100 and Term to 100 qualify for the Fast & Full® eBundle Bonus. Refer to information circular 2023-24 for details</p> |
| <p>Illustrator updates</p> | <p>Starting October 26, 2023, Term to 100 can be illustrated on our eVision Insurance Illustrator™. Note, our desktop based Envision illustration software will <u>not include</u> Term to 100.</p> <p>Starting October 26, 2023, the updated premium rates for Solution 100 will be in both the eVision Insurance Illustrator™ and our desktop Envision illustration software (version 13.2). For our Envision illustration software, be sure to visit our advisor site and download the new version on your desktop.</p> |
| <p>New applications</p> | <p>Simply apply online using our Fast & Full® life application process. For Fast & Full® Life applications using eHQ and eContract delivery options— contracts may be issued nearly 5X faster vs. paper applications – with 45% issued in under 5 days³.</p> <p>If using our paper application process, please complete:</p> <ul style="list-style-type: none"> • Life and Health Insurance Application (D-0082) |
| <p>Transition rules</p> | <p>Solution 100 (ages 18+)</p> <ul style="list-style-type: none"> • For pending “in the mill” Solution 100 business received in Head Office before October 26, 2023, if approved, policies will be automatically issued with the lower of the current (pre-October 26) premium rate or the new (post-October 26) premium rate. • Solution 100 applications received in Head Office on or after October 26, 2023 that are approved will be issued with the new premium rates. • Solution 100 policies issued before October 26, 2023 but not yet settled must be returned to Head Office by November 9, 2023 at 5:00 p.m. (EST) to be re-issued in order to receive the new rates. • Requests to reopen a Solution 100 application must be received by December 29th, 2023 and will be issued with the lower of the current (pre-October 26) premium rate or the new (post-October 26) premium rate. <p>Solution 100 (Juveniles, ages 0-17)</p> <ul style="list-style-type: none"> • For pending “in the mill” Solution 100 Juvenile applications received in Head Office before October 26, 2023, if approved and issued prior to December 29th, 2023 will be issued with the current (pre-October 26) premium rates. • Solution 100 Juvenile applications received on or after October 26, 2023 will be issued with the new (post-October 26) premium rates which are aggregate rates. • Requests to reopen a Solution 100 Juvenile application must be received by December 29th, 2023 and will be issued with the applicable premium rates based on the initial application received date. |

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| Sales support | If you have any questions or to request product illustrations, you can contact your Empire Life Sales Representative or the Sales Centre by calling 1-866-894-6182 or by email at salescentre@empire.ca . |
| Reference | Matthew LoFranco , Insurance Product Manager, Retail Insurance Product and Marketing |

¹ Expected rankings are based on a comparison of Term to 100 premium rates as of October 24, 2023 against LifeGuide quotes for 10 comparable T100 products as at September 14, 2023 for the ages, coverage amounts, and risk classes shown for standard male and female life insureds.

² Expected rankings are based on a comparison of Solution 100 premium rates as of October 24, 2023 against LifeGuide quotes for 9 comparable non-participating whole life products as at September 14th, 2023 for the ages, coverage amounts, and risk classes shown for standard male and female life insureds. Excludes participating whole life, simplified issue and Term to 100 products, including Beneva's Enhanced Term to 100 product.

³ Median time-to-issue contracts based on Fast & Full Life Applications that use eHQ, are "auto-approved", and where eContract delivery is selected and owner(s) and life insured(s) validate email addresses when application is signed, vs. paper application. Empire Life data on file from July 1, 2023 to September 30, 2023.