

EMPIRE LIFE INFORMATION CIRCULAR

DATE: OCT 14, 2014

No. 2014-30

CATEGORY: INVESTMENTS

TO: Managing General Agents, Associate General Agents, Brokers, General Agents and National Accounts

SUBJECT: Launch of new products and other product changes

Launch of new product suite

We are pleased to announce a new suite of products built on the principles of simplicity and choice, available November 3, 2014, pending regulatory approval.

Highlights of Empire Life GIF 75/100:

- Access to "over age 80" market - policies can be opened and deposits made until age 90; 100% death benefit guarantee if policy opened before age 80
- Automatic annual death benefit guarantee resets until age 80
- Emblem GIF Portfolios, a tactically managed packaged program offering enhanced trailer commissions
- 100% equity investment options

Highlights of Empire Life GIF 100/100:

- Access to "over age 80" market – policies can be opened and deposits made until age 90; 100% death benefit guarantee if policy opened before age 80
- Automatic annual death benefit guarantee resets until age 80
- Two client-initiated maturity benefit guarantee resets per calendar year
- Emblem GIF Portfolios, a tactically managed packaged program offering enhanced trailer commissions
- 100% equity investment options

Highlights of Class Plus 2.1:

- 5% annual Income Base Bonus
- 4% LWA at age 65 for single tiered
- Automatic Income Base Resets mean income may be bumped up
- 75% Death and Maturity Benefit Guarantees
- 80% equity investment options

Highlights of Empire Life Guaranteed Interest Contract (GIC):

- Available in client name and nominee
- New on-line application called iGIC, lets advisors place GIC business 24/7
- Enhanced rates based on total policy value

Please visit Launch Central for complete details at launchcentral.empire.ca

Other product changes

Elite, Elite XL Investment Program and Class Segregated Fund changes:

- The Elite and Elite XL Investment Program and Class Segregated Funds are being closed to new policies effective Friday, October 31, 2014 (4pm ET).
- Customers with an existing Elite, Elite XL Investment Program or Class Segregated Funds policy can continue to make deposits.
- There are no changes to the features or guarantees of existing policies

Class Plus 2 changes:

- Class Plus 2 is being closed to new policies effective Friday, October 31, 2014 (4pm ET)
- Customers with a Class Plus 2 policy as of November 3, 2014 will be subject to a \$25,000 deposit limit for the remainder of 2014. The deposit limit for 2015 is \$25,000
- Annual Fund Fee Rates will increase by 0.25% per fund. The new Class Plus 2 fees will be collected beginning January 30, 2015
- There are no changes to the features or guarantees of existing policies

Please visit **Launch Central** for complete details at launchcentral.empire.ca

Administrative details

- No new applications for Elite, Elite XL, Class Segregated Funds or Class Plus 2 will be accepted after October 31, 2014 at 4pm ET
- If you have set up a new policy through FundSERV before the October 31 deadline, paper applications will be accepted until T+3, as per normal settlement requirements
- Please destroy your existing stock of Elite, Elite XL Investment Program, Class Segregated Funds and Class Plus 2 applications.

Customer notification

- A notice will be posted to our customer website on November 3, 2014.
- Customers will be notified of the Class Plus 2 fee increase and the 2015 deposit limit in their December 31, 2014 statements.

Information Folders, Fund Facts and Applications

The following items will be posted to Launch Central on October 20 and available for order October 20. You can begin using these documents and applications with your clients and prospects no sooner than November 3.

Empire Life GIF 75/100:

- INV-911 Empire Life Guaranteed Investment Funds 75/100 Application
- INV-912 Empire Life Guaranteed Investment Funds 75/100 Application for a Nominee/Intermediary Account
- INV-913 Empire Life Guaranteed Investment Funds 75/100 Application for a Tax-Free Savings Account (TFSA)
- INV-943 Empire Life GIF 75/100 Information Folder and Contract Provisions
- INV-941 Fund Facts

Empire Life GIF 100/100:

- INV-914 Empire Life Guaranteed Investment Funds 100/100 Application
- INV-915 Empire Life Guaranteed Investment Funds 100/100 Application for a Nominee/Intermediary Account
- INV-916 Empire Life Guaranteed Investment Funds 100/100 Application for a Tax-Free Savings Account (TFSA)
- INV-942 Empire Life GIF 100/100 Information Folder and Contract Provisions
- INV-941 Fund Facts

Class Plus 2.1:

- INV-917 Class Plus 2.1 Application
- INV-918 Class Plus 2.1 Application for a Nominee/Intermediary Account
- INV-919 Class Plus 2.1 Application for a Tax-Free Savings Account (TFSA)
- INV-944 Class Plus 2.1 Information Folder and Contract Provisions
- INV-941 Fund Facts

Empire Life GIC:

- INV-908 Empire Life Guaranteed Interest Contract (GIC) Application
- INV-909 Empire Life Guaranteed Interest Contract (GIC) Application for a Nominee Account
- INV-910 Empire Life Guaranteed Interest Contract (GIC) Application for a Tax-Free Savings Account (TFSA)
- The GIC Applications are instant issue

Resources Visit Launch Central at launchcentral.empire.ca to find complete details about our new suite of products including marketing materials, as well as details of product closures.

A frequently asked questions document is attached

Reference Julie Yoshikuni, Vice-President, Retail Investment Products and Marketing



EMPIRE LIFE LAUNCHES NEW SUITE OF INVESTMENT PRODUCTS FREQUENTLY ASKED QUESTIONS

Q: *What is happening?*

A: We are pleased to announce a new suite of products built on the principles of simplicity and choice, available for sale on Monday, November 3, 2014, pending regulatory approval:

- Empire Life Guaranteed Investment Funds (GIF) 75/100
- Empire Life Guaranteed Investment Funds (GIF) 100/100
- Class Plus 2.1
- Empire Life Guaranteed Interest Contract (GIC)

With the launch of these new products, the following products will no longer be open to new contracts after 4pm ET on October 31, 2014:

- Elite/Elite XL Investment Program (including GIO and TIO)
- Class Segregated Funds
- Class Plus 2

For Class Plus 2 only, additional deposits made after October 31, 2014 will be subject to a \$25,000 deposit limit for the remainder of 2014. The annual deposit limit for 2015 is \$25,000.

Annual Fund Fee Rates for Class Plus 2 will increase by 0.25% per fund. The new Class Plus 2 fees will be collected beginning January 30, 2015.

Please contact your Empire Life Investments sales representative or visit launchcentral.empire.ca for details.

Q: *When will new applications, information folders and fund facts be available for Empire Life GIF 75/100, Empire Life GIF 100/100, Class Plus 2.1 and Empire Life Guaranteed Interest Contract?*

A: The following items will be posted to Launch Central on October 20 and available for order October 20. You can begin using these documents and applications with your clients and prospects no sooner than November 3.

Empire Life GIF 75/100:

- INV-911 Empire Life Guaranteed Investment Funds 75/100 Application
- INV-912 Empire Life Guaranteed Investment Funds 75/100 Application for a Nominee/Intermediary Account
- INV-913 Empire Life Guaranteed Investment Funds 75/100 Application for a Tax-Free Savings Account (TFSA)
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- The GIC Applications are instant issue

Q: *What is the cut-off date to transfer funds from another institution into a new Empire Life Elite/Elite XL Investment Program, Class Segregated Fund or Class Plus 2 contract?*

A: The T2033 (or equivalent transfer form) and the Empire Life Elite/Elite XL Investment Program, Class Segregated Fund or Class Plus 2 application must be received in good order at Empire Life c/o Citi (Mississauga, Ontario) on or before 4pm ET, Friday, October 31, 2014. The funds must be received by January 31, 2015.

Q: *Can Elite/Elite XL Investment Program and Class Segregated Fund customers continue to add to their policies?*

A: Customers who currently have an Elite/Elite XL Investment Program or Class Segregated Fund contract, or whose application has been submitted in good order by the October 31, 2014 deadline, can continue to add to their policy. No changes are being made to the investment options or guarantees.

Q: *Can Class Plus 2 customers continue to add to their policies?*

A: Customers who currently have a Class Plus 2 contract, or whose application has been submitted in good order by the October 31, 2014 deadline, can deposit up to \$25,000 for the remainder of 2014. Customers may deposit up to \$25,000 in 2015. No changes are being made to the investment options or guarantees.

Q: *Do Pre-Authorized Debits (PADs) count towards the \$25,000 annual deposit limit for Class Plus 2?*

A: Yes. The \$25,000 limit for the remainder of 2014 and for 2015 includes PADs. PADs can be changed at any time, subject to the \$25,000 deposit limit.

Q: *Can Empire Life limit deposits into Elite/Elite XL Investment Program, Class Segregated Funds and Class Plus 2 at a later date?*

A: Yes, Empire Life has the right to limit deposit amounts at any time. We also have the right to refuse deposits.

Q: *When will marketing materials for the new products be available for me to view?*

A: You can view marketing materials on Launch Central at launchcentral.empire.ca beginning October 14, 2014.

Q: *When will marketing materials for the new products be available for me to order?*

A: You can begin ordering marketing materials from www.empire.ca on Monday, November 3, 2014.

Q: *Are you communicating these changes to customers?*

A: An announcement of the new products (pending regulatory approval) and closures will be posted to our customer website on Monday, November 3, 2014. We will not be communicating directly with Elite, Elite XL Investment Program or Class Segregated Fund customers directly since there are no changes to their existing policy features and guarantees.

All Class Plus 2 customers will receive notification of the Annual Fund Fee Rate increase and the \$25,000 annual deposit limit for 2015 on their December 31, 2014 annual statement. Customers will receive their statements in late January 2015.

Q: *Where can I go to find out more information?*

A: Please contact your Empire Life Investments sales representative or visit Launch Central at launchcentral.empire.ca to access support documents and marketing materials.

KEY DATES TO KNOW

Key dates	Description
October 14, 2014	Visit launchcentral.empire.ca for details regarding our new products, including marketing materials, and product closures
October 20, 2014	GIC applications posted on Launch Central and available to order Applications, Information Folders and Fund Facts for GIF 75/100, GIF100/100 and Class Plus 2.1 posted on Launch Central and available to order
October 31, 2014 after 4pm EST	Elite/Elite XL Investment Program, Class Segregated Funds and Class Plus 2 no longer open to new contracts Class Plus 2 \$25,000 maximum deposit limit, for remainder of 2014 and for 2015, comes into effect
November 3, 2014	Empire Life launches new suite of investment products, pending regulatory approval: <ul style="list-style-type: none"> • Empire Life Guaranteed Investment Funds 75/100 • Empire Life Guaranteed Investment Funds 100/100 • Class Plus 2.1 • Empire Life Guaranteed Interest Contract Marketing materials available to order Consumer notice posted to empire.ca website
Late January 2015	Customers receive notification of Annual Fund Fee Rate increase for Class Plus 2 on December 31, 2014 annual statement
January 30, 2015	Increased Annual Fund Fee Rates for Class Plus 2 are collected
January 31, 2015	Final day for T2033 funds to be received into Elite, Elite XL and Class Segregated Fund policies for T2033s received by Citi in good order before the October 31, 2014 deadline

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.**