

EMPIRE LIFE INFORMATION CIRCULAR

DATE: June 7, 2012

N^o. 2012-13

CATEGORY: INSURANCE

TO: Managing General Agents, Associate General Agents, Brokers,
General Agents, Independent Financial Advisors and National Accounts

SUBJECT: **Trilogy and Trilogy Plus Guaranteed Interest Rate change**

We will be reducing the interest rate guarantee from 2.5% to 1.75% on our 10- and 20-year guaranteed investment options (GIO) within Trilogy and Trilogy Plus. These changes will take effect on **June 29, 2012**.

There has been a lot of downward pressure on long-term interest rates over the last couple of years, including those offered within Universal Life insurance products. The degree of our changes reflects our commitment to all our stakeholders, which include our advisors and customers.

Trilogy and Trilogy Plus continue to offer competitive interest rates on their long-term guaranteed investment options. Combined with five other guaranteed interest options, 23 indexed options, including 7 market indexed accounts, 16 managed index accounts and unlimited fund transfers between investment choices, Trilogy and Trilogy Plus remain competitive players in the Universal Life insurance market in Canada.

Transition Rules Applications received at Head Office no later than **June 29, 2012** will receive the current 2.5% interest rate on the 10- and 20-year GIOs. These applications, in addition to all pending "in the mill" business already in Head Office on June 29, 2012, must be settled by **September 28, 2012** in order to receive the current 2.5% interest rate on the 10- and 20-year GIOs. In order to maintain old rates, an application that is submitted on or before June 29, 2012 cannot be closed and subsequently re-opened during this period. All outstanding requirements must be in Head Office no later than **September 14, 2012** to ensure adequate settlement time.

Reference **John Quirt**, Product Manager, Retail Insurance Product Marketing