

**DATE:** December 23, 2020  
**CATEGORY:** INSURANCE  
**TO:** Managing General Agents, Associate General Agents, General Agents, National Accounts and Advisors  
**SUBJECT:** Important Changes to Solution 100 Guaranteed Cash Values & Paid-Up Values

N°2020-37

Effective **January 28, 2021**, we will be implementing the following changes to our Solution 100 plan:

- Guaranteed cash surrender values & paid-up values will start in **year 10** instead of **year 4**
- Lower Solution 100 guaranteed cash surrender values and reduced paid-up values from **Year 10 to Year 17**

There is no impact on the following features for Solution 100:

- Guaranteed cash surrender values & paid-up values from year 18 and after
- Premium rates for all ages and face amounts.

**Our premiums and guaranteed cash values (GCV) for Solution 100 remain competitive in the industry. See examples below of annual premiums including policy fees and guaranteed cash values at the end of years indicated for Solution 100 compared to competitive products\* for the Male and Female life insureds indicated with \$100,000 of coverage:**

Age 40 <u>Male</u> NS \$100,000	Company A*	Company B*	Company C*	Solution 100 Current	Solution 100 @Jan. 28 <sup>th</sup>	Solution 100 Ranking @Jan. 28 <sup>th</sup>
Annual Premiums	\$1,091	\$1,027	\$942	\$1,016	\$1,016	2
GCV@ YR 5	\$0	\$1,388	\$0	\$841	\$0	2
GCV@ YR 10	\$3,800	\$4,809	\$0	\$6,334	\$3,167	3
GCV@ YR 15	\$8,790	\$9,410	\$8,232	\$14,718	\$12,510	1
GCV@ YR 20	\$15,600	\$15,319	\$15,015	\$21,394	\$21,394	1
GCV@ YR 30	\$30,420	\$31,381	\$30,996	\$37,954	\$37,954	1

Age 40 <u>Female</u> NS \$100,000	Company A	Company B	Company C	Solution 100 Current	Solution 100 @Jan. 28 <sup>th</sup>	Solution 100 Ranking @Jan. 28 <sup>th</sup>
Annual Premiums	\$958	\$940	\$824	\$860	\$860	2
GCV@ YR 5	\$0	\$1,001	\$0	\$707	\$0	2
GCV@ YR 10	\$2,800	\$3,745	\$0	\$5,324	\$2,662	3
GCV@ YR 15	\$6,580	\$7,535	\$5,342	\$12,378	\$10,521	1
GCV@ YR 20	\$11,880	\$12,569	\$11,466	\$18,021	\$18,021	1
GCV@ YR 30	\$24,440	\$27,053	\$26,729	\$32,521	\$32,521	1

\*Annual premiums, including policy fees, and guaranteed cash values for the three competitive products are based on each company's illustration software on November 30, 2020. The three companies A, B and C and their products are respectively, Industrial Alliance L100, Desjardins guaranteed whole life and Foresters Non-Par whole life. CSVs start in year 10 for Industrial Alliance L100 and year 5 for Desjardins guaranteed whole life

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## Transition Rules

- Applications received in Head Office after 5:00 pm EST on January 27, 2021, upon approval of the application, will be issued with the new Solution 100 cash surrender values & paid-up values.
- Pre-January 28, 2021 Solution 100 cash surrender values & paid-up values will apply to all pending “in the mill” business that arrives at Head Office prior to January 28, 2021, provided it is settled by February 18, 2021.
- Any requests to reopen an application that has been closed must be received in Head Office by 5 pm EST on January 27, 2021 in order to qualify for the pre-January 28, 2021 value structure.
- To ensure that clients receive the pre-January 28, 2021 Solution 100 cash surrender values & paid-up values, applications must be received in Head Office no later than January 27, 2021, by 5:00 p.m. EST. Please make sure you allow time for courier service and delivery.

If you have any questions, please contact your Empire Life Sales Representative or the Sales Centre by calling 1-866-894-6182 or by email at [salescentre@empire.ca](mailto:salescentre@empire.ca).

## Illustration software updates

The new guaranteed cash surrender values & paid-up values for Solution 100 will be available in the **Envision 12.1** software release scheduled for January 28, 2021.

## Reference

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