

# EMPIRE LIFE INFORMATION CIRCULAR

DATE: February 22, 2022

N° 2022-04

CATEGORY: **INSURANCE**

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

SUBJECT: **Improved initial premium rates and rankings for Solution 10, 20, 25 and 30 term products (up to a 6.2% decrease with an average overall market ranking of 2)**

Effective March 15, 2022, we are pleased to announce new initial premium rate adjustments for our Solution 10, 20, 25, and 30 term products. Our initial premium rates have decreased for most ages and insurance amounts with an average decrease of 5.3%.

## Rate Change Details

Below we've listed the average initial premium rate decrease for each product\*:

Solution 10	Solution 20	Solution 25	Solution 30
-5.4%	-4.7%	-6.2%	-4.9%

Note that 90% of rate adjustments are decreases, 8% of rate adjustments are increases and 2% remain unchanged.

## Improved Overall Competitive Positioning

Our new rates significantly improve our overall competitive positioning\* in our target market ages of 25-50 and we have moved to an average overall rank of **#2 in the marketplace** against 20 comparable products.

## Sample ranking changes

Age 35	\$500,000								\$1,000,000							
	Non-Smoker				Smoker				Non-Smoker				Smoker			
	Female		Male		Female		Male		Female		Male		Female		Male	
SOLUTION	Old	New	Old	New	Old	New	Old	New	Old	New	Old	New	Old	New	Old	New
10	2	2	3	3	2	2	3	2	3	1	5	1	3	2	5	2
20	5	3	8	3	3	2	5	3	6	2	10	2	4	3	6	3
25	4	1	7	2	6	1	3	2	6	1	6	1	4	1	5	2
30	7	1	9	2	7	3	6	1	9	2	9	2	7	2	6	1

Age 40	\$500,000								\$1,000,000							
	Non-Smoker				Smoker				Non-Smoker				Smoker			
	Female		Male		Female		Male		Female		Male		Female		Male	
SOLUTION	Old	New	Old	New	Old	New	Old	New	Old	New	Old	New	Old	New	Old	New
10	3	1	2	1	4	2	4	2	4	1	5	1	7	2	7	2
20	4	2	8	2	4	2	5	2	7	1	9	2	4	3	4	3
25	5	1	5	2	6	1	3	2	7	1	5	2	7	1	4	2
30	8	2	9	1	6	2	7	1	8	1	9	2	7	2	7	2

Age 45	\$500,000								\$1,000,000							
	Non-Smoker				Smoker				Non-Smoker				Smoker			
	Female		Male		Female		Male		Female		Male		Female		Male	
SOLUTION	Old	New	Old	New	Old	New	Old	New	Old	New	Old	New	Old	New	Old	New
10	3	1	6	1	3	2	4	2	5	1	9	3	3	2	7	2
20	4	3	6	2	5	2	7	2	7	1	10	2	6	2	9	3
25	9	2	6	1	6	2	4	2	9	2	6	1	7	2	6	3
30	9	3	9	2	6	2	6	2	9	3	9	3	7	2	6	2

\* Rankings are based on LifeGuide quotes dated Feb 16, 2022, comparing old and new Solution 10, 20, 25 and 30 initial premium rates with the initial premium rates of 20 other comparable term products for life insureds and amounts as indicated.

### Illustrator updates

Starting March 15, 2022, the new rates will be updated in both our Envision illustration software (version 13.0.0) and on our web-based illustrator included with our Fast & Full online life application. For our Envision illustration software, be sure to visit our advisor site and download the new version in your desktop.

### Early access to the new rates

**Starting March 1<sup>st</sup>**, these new rates will be updated in LifeGuide®, an independent external premium quote software. As a result, all new Solution 10/20/25/30 applications submitted between March 1<sup>st</sup> and March 15<sup>th</sup> will be given the lower of the new rates or the current rates, based on the transition rules detailed below.

### Transition Rules

- For pending “in the mill” Solution 10, 20, 25, and 30 business received in Head Office before March 15, 2022, if approved, policies will be automatically issued with the lower of the new initial premium rates or the current initial premium rates, but must be settled by 11:00 a.m. March 31, 2022 (EST).
- For applications received in Head Office on or after 5:00 p.m. March 14, 2022 (EST) that are approved, Solution 10, Solution 20, Solution 25 and Solution 30 coverages will be issued with the new rates.
- Any Solution 10, 20, 25 or 30 policies issued before March 15, 2022 but not yet settled must be returned to Head Office by March 31, 2022 at 5:00 p.m. (EST) to be re-issued in order to receive the new rates.
- Any requests to reopen closed Solution 10, 20, 25 or 30 applications in order to benefit from the current lower rates, must be received in Head Office by March 15, 2022 at 5:00 p.m. (EST).

### Reference

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