



INFORMATION CIRCULAR

DATE: APRIL 17, 2023

No. 2023-11

CATEGORY: INVESTMENTS

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

SUBJECT: Empire Life Product Changes

Announcement

To align with upcoming regulatory changes, deferred sales charge (DSC) and the low load (LL) purchase fee options will be closed to additional deposits effective on or about May 29, 2023. These changes will apply to all Empire Life segregated fund contracts, with the exception of the Elite and Concordia Investment Funds contracts (where DSC is the only available purchase option). If your clients have existing Pre-Authorized Deposits (PADs) into a LL or DSC fund, these will be automatically switched to the front-end load (FE) option of the same fund, in the same guarantee fund class, with a sales charge of 0%.

Additional details of changes

Effective May 29, 2023, the low load (LL) and deferred sales charge (DSC) purchase fee options will be closed to deposits

The following products which currently offer DSC/LL and additional purchase fee options are impacted and will be closed to any DSC/LL deposits:

- Guaranteed Investment Funds (GIF)
- Class Plus 3.0 (CP3)
- CI Empire Life Concentric GIF
- Class Segregated Funds (Class)
- Class Plus (CP)
- Class Plus 2.1 (CP 2.1)
- Class Plus 2 (CP 2)

Effective May 23, 2023, clients with existing Pre-Authorized Deposits (PADs) into a LL or DSC fund will be automatically switched to the front-end load (FE) option for the impacted products listed above

- The FE rate will be set to 0%

- Switch will be to the FE for the same fund
- The switch to FE is automatic; no client action is necessary

Based on current proposals, regulators are making an allowance for DSC to be able to continue in contracts where it is the only purchase option available, provided customers are provided with some additional disclosure about sales charge options available and are reminded that the DSC charges will continue to apply

Therefore, there will be no changes to the purchase fee options, PADs, or advisor compensation, for the following products:

- Elite
- Concordia Investment Funds

Reference

Please refer to the attached FAQ for further details.

Geoff Gibson, Vice-President, Investment Product and Marketing