

Permanent Participating Life Insurance



Product Guide



Empire Life®

Highlights

Premium Options

Optimax 100
Optimax 20 Pay

Coverage Options

Single
Multi-Life (2 Lives)
Joint First or Second Death Basis (2 Lives)

Paid-Up Additions Rider

Tax-Exempt Investment Account

Daily Interest Option
Guaranteed Interest Options
Indexed Investment Options

Dividend Options

Cash
Paid-Up Additions
Reduction of Premium
Tax-Exempt Investment Account
Extender Plus Paid-Up Additions
– 10 year Guarantee or Lifetime Guarantee

Full Range of Additional Benefits

Waiver of Premium (Disability Waiver)
Payor Death and Disability (Child's Waiver)
Guaranteed Insurability
Accidental Death & Dismemberment
Children's Life Rider
Children's Critical Illness Rider

Riders

Solution 10, Solution 20,
Solution 100 (Term or with values),
20 Pay Solution, Vital Link (Critical Illness)

Contents

Premium Choices.....	1
Tax Status.....	1
Issue Ages	1
Minimum Basic Coverage.....	1
Premium Bands.....	2
Joint-life Coverages (2 Lives)	2
Multi-life Coverage (2 Lives)	2
Non-Smoker Rates.....	2
Juvenile Policies	3
Administration Fee	3
Method Of Payment	3
Paid-Up Additions Rider.....	4
Tax-Exempt Investment Option.....	5
Minimum Deposits	
Maximum Deposits	
Investment Options.....	6
Details of Indexed Investment Options.....	8
Minimum Interest Rate	13
Premium Tax.....	13
Making the right choice...TEI Account or PUA Rider	14
Dividends	15
Dividend Options.....	15
Maximum Extender	
Extender Guarantee	
Lifetime Guarantee Option	
Conversion.....	17
Premium Offset.....	17
Riders	17
Additional Benefits	17
Wavier of Premium	
Payor Death and Disability	
Guaranteed Insurability	
Accidental Death & Dismemberment	
Children's Life Rider	
Children's Critical Illness (CI) Rider	
Miscellaneous Provisions	19
Policy Loans	
Capital Access Benefit	



Premium Choices

Optimax 100 – Premiums payable to age 100 (then fully paid-up)

Optimax 20 Pay – Premiums payable for 20 years then fully paid-up coverage for life

Tax Status

Under current tax rules, Optimax is a tax-exempt life insurance plan. Investments in the Tax-Exempt Investment Account are part of the insurance coverage, and accumulate on a tax deferred basis payable tax-free at death.

Issue Ages

Optimax 100	0 – 85 (age nearest)
Optimax 20 Pay	0 – 70 (age nearest)

Minimum Basic Coverage

Minimum Age	Basic Coverage
0-17	\$5,000
18-64	\$15,000
65+	\$10,000

Or a monthly Automatic Payment Plan (APP) premium of \$75.00 excluding the administration fee, sub-standard extras or riders.

the financial safety net that makes living life to its fullest, affordable

Premium Bands

- Band 1: \$5,000 - 49,999
- Band 2: \$50,000 - 99,999
- Band 3: \$100,000 - 249,999
- Band 4: \$250,000 +

(Based on basic sum insured coverage only)

Joint-life Coverages (2 Lives)

Coverage available on either a Joint-First Death or Joint-Second Death basis.

The Joint First Death coverage contains survivor and policy exchange options that provide the survivor with insurance after the first death.

Multi-life Coverage (2 Lives)

Two lives can be insured within the same policy. Each life insured can choose one of the two available premium choices and coverage amounts, but only one dividend option is available per policy.

Non-smoker Rates

To qualify for non-smoker rates, the proposed Life Insured must not have used any tobacco or nicotine products (including marijuana) for the 12 months preceding the application date.

the future begins today

Juvenile Policies

At age 18, if the insured submits a declaration form stating that they have not used tobacco or nicotine products (including marijuana) for the 12 preceding months, a discount will be applied.

Administration Fee

- The annual Administration Fee is \$60.00
- This fee is reduced by \$30.00 for: additional policies issued on the life of the insured, or a child under 18, or spouse of the insured.

Method Of Payment

Payments will be accepted on a monthly Automatic Payment or on an annual billing basis.



Paid-Up Additions Rider

The Paid-Up Additions Rider will be attractive to clients interested in greater tax-sheltered accumulation, increased insurance coverage, or an earlier premium offset. This option is only available to clients who have chosen the Paid-Up Additions or Extender with Excess to Paid-Up Additions Dividend Option.

Extra deposits made through the Paid-Up Additions Rider are used to purchase participating Paid-Up Additions on the anniversary of the policy. They will have one of two effects on the policy depending on the dividend option: 1) If the dividend option is Paid-Up Additions, then the policyowner will see the total death benefit and the total cash value, grow as a result of the extra deposit. 2) If the dividend option is Extender with Excess to Paid-Up Additions, then there will not be an immediate increase in the death benefit, but the total cash value will increase as a result of the extra deposit. The extra deposit will purchase Paid-Up Additions that will buy out yearly term insurance. By accelerating the buy out of yearly term insurance, the policyowner will enjoy the benefits of an increasing death benefit sooner and higher total cash values.

- Increases in Paid-Up Additions rider deposits, or the addition of this rider after issue, may be subject to underwriting
- Not available for sub-standard risks

Minimum Deposits: \$15 per month; \$180 annual

Maximum Deposits: Empire will determine the maximum deposit available in any given year. These limits are calculated to ensure that the policy remains exempt under the Canadian Income Tax Act.

Policies on monthly pay will accumulate, and earn daily interest, until the policy anniversary each year, when the paid-up additions will be purchased. A 2% premium tax is deducted on deposits and an additional 5% expense load is deducted on the purchase of Paid-Up Additions.



Tax-Exempt Investment Option

Optimax allows dividends and additional deposits to be invested in a Tax-Exempt Investment Account. Investment earnings in the Tax-Exempt Account accumulate tax-free and may be used to pay for the life insurance coverage. At death, the accumulated value in this account is part of the insurance death benefit payable and is paid out to the beneficiary tax-free*.

Withdrawals prior to death (other than premium payments for the insurance coverages, Additional Benefits and Riders) are added to the client's income in the year of withdrawal and taxed accordingly.

As, under current tax rules the Tax-Exempt Investment Account is part of the life insurance protection under the policy, the accumulated value is included in the death benefit when calculating the amount of benefit Assuris will protect. For more complete information on Assuris, visit their website at www.assuris.ca.

**Based on the interpretation of current tax law (July 2005)*

Minimum Deposits

\$15	per month
\$180	annual, additional or single deposit

Maximum Deposits

Based on the total insurance coverage and other factors, the government limits the amount of money and tax-sheltered earnings that can be accumulated in the Tax-Exempt Investment Account.

Illustrations for Optimax will show estimates of the annual maximums that can be accumulated in the Tax-Exempt Account without the plan losing its tax-exempt status. The maximum should be used to determine the maximum deposit for the initial policy year.

solid fund management, consistent performance and diversity

Investment Options

Each deposit can be directed to any combination of the following:

- Daily Interest Option
- Guaranteed Interest Options (GIOs) with terms of 1, 2, 3, 4, 5, and 10 years. Interest for each Guaranteed Interest Option is earned daily and accrues until its reinvestment date. The interest rate applied to each GIO deposit is established on the date of deposit and is guaranteed for the investment term. GIO's may be subject to an early withdrawal charge if cashed before the end of the investment term.
- Indexed Investment Options
 - Canadian Equity Index Option
 - Canadian Bond Index Option
 - American Equity Index Option
 - American Growth and Technology Index Option
 - European Equity Index Option
 - Eurasian Equity Index Option
 - Japanese Equity Index Option
 - Indexed Balanced Investment Option*
 - Indexed Dividend Growth Investment Option*
 - Indexed Small Cap Equity Investment Option*
 - Indexed Income Investment Option*
 - Indexed American Value Investment Option*
 - Indexed Asset Allocation Investment Option*
 - Indexed Elite Equity Investment Option*
 - Indexed Bond Investment Option*
 - Indexed Global Equity Investment Option*
 - Indexed Conservative Portfolio Investment Option*
 - Indexed Balanced Portfolio Investment Option*
 - Indexed Moderate Growth Portfolio Investment Option*
 - Indexed Growth Portfolio Investment Option*
 - Indexed Aggressive Growth Portfolio Investment Option*



Details of Indexed Investment Options

American Equity Index

The American Equity Index Option offers investors the opportunity to participate in the growth of the US economy. It simulates the performance of the S&P 500 Composite Index¹.

American Growth & Technology Index Option

The American Growth & Technology Index Option offers investors exposure to The Nasdaq Stock Market in the United States. It simulates the performance of the Nasdaq 100 Composite Index².

Canadian Bond Index Option

The Canadian Bond Index Option offers investors participation in the returns earned by the Canadian bond market. It simulates the performance of the DEX Universe Bond Index³.

Canadian Equity Index Option

The Canadian Equity Index Option provides investors with exposure to the largest Canadian companies listed on the Toronto Stock Exchange. It simulates the performance of the S&P/TSX Composite Index⁴.

Eurasian Equity Index Option

The Eurasian Equity Index Option offers investors international equity diversification through participation in stock markets outside of North America. It simulates the performance of a basket of major stock market indexes, including Europe (Dow Jones Euro Stoxx 50 Index⁵), Japan (Nikkei 225 Index⁶), United Kingdom (FTSE 100 Index⁷), Hong Kong (Hang Seng Stock Index⁸), Australia & New Zealand (S&P/ASX 200 Index⁹).

European Equity Index Option

The European Equity Index Option offers investors the opportunity to share in the growth of the major European economies in the European Monetary Union (EMU). It simulates the performance of the Dow Jones Euro Stoxx 50 Composite Index¹⁰.

Japanese Equity Investment Option

The Japanese Equity Index Option provides investors with exposure to the Japanese stock market. It simulates the performance of the Nikkei 225 Stock Composite Index¹¹.

Indexed Elite Equity Investment Option*

Rate of return is based on the net return of Empire Elite Equity Fund – Class A less a charge for investment income tax. This Fund invests mainly in large market capitalization stocks of Canadian companies.



Indexed Global Equity Investment Option*

Rate of return is based on the net return of Empire Global Equity Fund – Class A less a charge for investment income tax. This Fund invests in stocks of Canadian and US companies with mainly a large to mid-market capitalization and units of Empire International Equity Fund – Class A.

Indexed Asset Allocation Investment Option*

Rate of return is based on the net return of Empire Asset Allocation Fund – Class A less a charge for investment income tax. This Fund invests in a mix of Canadian money market instruments, equity investments and fixed income investments. Holdings in each asset category may be in a range of 0%-100% at any one time based on the current market and economic conditions.

Indexed Bond Investment Option*

Rate of return is based on the net return of Empire Bond Fund – Class A less a charge for investment income tax. This Fund invests in fixed-income securities issued and guaranteed by Canadian governments and corporations. Investments are primarily in high quality government corporate bonds rated “BBB” or better.

Indexed Dividend Growth Investment Option*

Rate of return is based on the net return of Empire Dividend Growth Fund – Class A less a charge for investment income tax. The Fund invests the majority of its assets in equities, within a range of 80%-100% of total assets. Equities are primarily held in Canadian companies with a large to mid-market capitalization.

your protection, your savings, your growth, your way

Indexed Small Cap Equity Investment Option*

Rate of return is based on the net return of Empire Small Cap Equity Fund – Class A less a charge for investment income tax. The Fund invests the majority of its assets in equities, within a range of 75%-100% of total assets. Equities are primarily held in Canadian companies with a small to mid market capitalization. The fund is managed by Wealhouse Capital Management

Indexed Income Investment Option*

Rate of return is based on the net return of Empire Income Fund – Class A less a charge for investment income tax. The Fund invests primarily in investment grade Canadian corporate bonds and some government bonds, rated “BBB” or better.

Indexed American Value Investment Option*

Rate of return is based on the net return of Empire American Value Fund less a charge for investment income tax. The Fund invests the majority of its assets in US equity securities with mainly large to mid-market capitalization.

Indexed Balanced Investment Option*

Rate of return is based on the net return of Empire Balanced Fund – Class A less a charge for investment income tax. The Fund invests in a strategic mix of money market instruments, fixed income investments and equity securities. Equities and fixed income investments held in this Fund are maintained in a range of 40% - 60% of portfolio value.

Empire Indexed Portfolio Funds

Empire offers five different Indexed Portfolio Funds that make investing simple by reflecting the returns of a strategic mix of carefully selected segregated funds in one investment package. Investing in these indexed options gives your clients exposure to various asset classes such as fixed income and equities, and exposure to many of the world's biggest economies, including Canada, the US and international markets, all in one fund. The underlying segregated funds are managed by Empire, AllianceBernstein, and Wealhouse Capital Management, so your clients can expect the same solid, consistent performance as with all of our funds.

Conservative Portfolio Fund*

The objective of this fund is to provide stable long-term growth with an emphasis on capital preservation. It is for investors who have a medium to long-term investment horizon and who are willing to accept some fluctuation in the value of their capital.

Balanced Portfolio Fund*

The objective of this fund is to provide a balance between a high level of income and capital growth. It is for investors who have a medium to long-term investment horizon and who are willing to accept a moderate degree of fluctuation in the value of their capital.

Moderate Growth Portfolio Fund*

The objective of this fund is to achieve long-term growth with an emphasis on capital appreciation, while still providing some income. It is for investors who have a long-term investment horizon and who are willing to accept fluctuation in the value of their capital.

Growth Portfolio Fund*

The objective of this fund is to achieve long-term growth through capital appreciation, with some consideration given to generating income. It is for investors who have a long-term investment horizon and who are willing to accept a high degree of fluctuation in the value of their capital.

Aggressive Growth Portfolio Fund*

The objective of this fund is to provide long-term growth and capital appreciation. It is for investors who have a long-term investment horizon and who are willing to accept significant fluctuation in the value of their capital.

¹ Trademark of the McGraw-Hill Companies Inc.

² Trademark of The Nasdaq Stock Market.

³ Trademark of The Bank of Nova Scotia.

⁴ Trademark of The McGraw-Hill Companies Inc.

⁵ Trademark of Dow Jones & Company, Inc.

⁶ Trademark of Nihon Keizai Shimbun, Inc.

⁷ Trademark of FTSE International 2000

⁸ Trademark of HSI Services Ltd.

⁹ Trademark of Australian Stock Exchange

¹⁰ Trademark of Dow Jones & Company, Inc.

¹¹ Trademark of Nihon Keizai Shimbun, Inc.

OPTIMAX is not sponsored, endorsed, sold or promoted by these companies.

* For a more complete description of the investment strategies and practices of the underlying segregated funds refer to the Segregated Fund Highlights. Although the Optimax Index Options, based on the performance of one or more external indices, are not actively managed, there are costs associated with their administration. The guaranteed administration costs for these Index Options is 3.0%



Dividends – the power behind Optimax

Minimum Interest Rate

The effective annual interest rate that applies to a GIO deposit is established on the date of deposit and is guaranteed for the investment term. The effective annual interest rate that applies to a GIO deposit is guaranteed to be no less than 90% of the then current yield on Government of Canada bonds of the same investment term, less 1.75%.

There may be an Interest Adjustment (IA) on GIO's if cashed before maturity.

Funds surrendered from a GIO for the purposes of paying premiums will not be subject to an interest adjustment.

Premium Tax

A 2%* premium tax will be deducted for deposits to the Tax-Exempt Investment Account. This tax is built into the regular policy premiums.

**For all of Canada, based on Empire's current practice, subject to change.*



Making the right choice...TEI Account or PUA Rider?

With Optimax your clients can choose which option will help them to meet their financial objectives. Here is a quick overview that shows the preferred option for different objectives.

Objective	Tax-Exempt Investment Account (TEI)	Paid-Up Additions Rider (PUA)
Tax-deferred cash accumulation – with a 10-20 year timeframe before accessing the cash values	✓	
Tax-deferred cash accumulation – with a +20 year timeframe before accessing the cash values		✓
Increasing Death Benefit to meet an increasing insurance need		✓
Higher investment risk and potentially higher returns	✓	
Investment decisions are made by the insurance company with a goal of long-term growth and capital preservation		✓



Dividends

Empire determines, each year, whether to declare dividends and the amount of dividends to distribute to participating policy owners. The then current dividend scale for a product determines the amount of dividends distributed to each Policy Owner on the policy anniversary. Dividend scales are not guaranteed and may change based on operating expenses, the return on investments, and the costs of paying out death benefits. Our dividend scale is guaranteed never to fall below zero. Any dividend, once declared cannot be taken back.

Optimax Dividends are calculated for each insured based on age, sex, smoking status, duration of the policy and amount of insurance. Dividends are expressed as a rate/1000.

Dividend Options

1. Cash Option

Dividends are paid directly to the Policy Owner, or transferred to an existing Elite XL investment.

2. Tax-Exempt Investment Account

Dividends may be credited to any one of the Tax-Exempt Investment Account options which include the Daily Interest Option, Guaranteed Interest Options with terms of 1, 2, 3, 4, 5 & 10 years, and 21 Indexed Investment Options.

3. Reduction of Premium

Dividends are applied to reduce or pay the next annual premium due on the policy. If the dividend exceeds the annual premium payable, the excess dividends will be credited to the Daily Interest Option of the Tax-Exempt Investment Option unless otherwise directed.

4. Paid-Up Additions Option

Dividends are used to purchase participating paid-up additional insurance on the Life Insured. Paid-Up Additions generate additional dividends that can rapidly increase the insurance coverage, and cash values in the policy. Paid-Up Addition values grow tax-deferred unless surrendered.

Lifetime Guarantee Option – death benefit will never decrease, premiums will never increase

5. Extender Plus Paid-Up Additions Option

Dividends are used to purchase a participating one-year term insurance to the basic sum insured. Excess dividends, if any, are used to purchase a participating paid-up addition to the basic sum insured. While the dividend is sufficient, the current one-year term addition amount plus all paid-up addition amounts, purchased to-date, will equal the Initial Term Addition amount chosen.

Maximum Extender

- Policyowners may select any amount of Extender up to the maximum.
- The maximum Extender available is based on age, gender, smoking status and basic coverage of the applicable life insured.

Extender Guarantee

When you choose the Extender Plus Paid-Up Additions Option you receive a 10 Year Guarantee on the initial Extender coverage. This guarantee states that for the initial 10 year period, the Extender plus the Paid-Up Additions will equal the Initial Term Addition coverage. After 10 years the coverage may be adjusted lower if there are changes in the company's dividend scale

Lifetime Guarantee Option

This option provides a guarantee that the Extender plus the Paid-Up Additions will always equal the Initial Term Addition coverage. For this guarantee to continue the dividend option must remain as the Extender plus Paid-Up Additions Option. There must not be any partial surrenders of paid-up additions in cash, due to a loan, or to pay premiums, and there must not have been any change to the basic Optimax sum insured for that Life Insured.

Waiver of Premium automatically includes Paid-Up Additions Rider or Tax-Exempt Investment Account deposits

Conversion

- The Extender Term Additions coverage is convertible to permanent life insurance coverage*. When this occurs an available dividend option other than the Extender plus Paid-Up Additions must be chosen for future dividends unless satisfactory evidence of insurability is provided.
- Conversion is allowed up to age 75.

**Current permanent life insurance products that qualify for conversion are: Solution 100, 20 Pay Solution, Trilogy Level COI or ART 85, and Optimax.*

Premium Offset

After premiums have been paid for a number of years, Policy Owners may be able to pay their premiums from the current dividends, and the surrender of some of the accumulated value in their policy. Since dividends are not guaranteed, premium offset is also not guaranteed. The surrender of accumulated value could result in tax implications.

Riders

- Solution 10, Solution 20, Solution 100 (Term or with Values), 20 Pay Solution, Vital Link 10/75/100
- Spousal Rider – Solution 10, Solution 20, Solution 100 (Term or with Values), 20 Pay Solution, Vital Link 10/75/100

Additional Benefits

Waiver of Premium

- Issue Ages 16 - 55
- If selected must be added to all Riders and Additional Benefits.
- Deposits to the Tax-Exempt Investment Account or the Paid-Up Additions Rider are included in the waiver of premium coverage.



Payor Death and Disability

- Child, issue ages 0 - 15; Payor, issue ages 16 - 45
- If selected must be added to all Riders and Benefits.

Guaranteed Insurability

- Issue Ages 0 - 40
- Minimum option \$5,000; Maximum is the lesser of \$50,000 and the total sum insured*

Accidental Death & Dismemberment

- Issue Ages 16 - 55
- Minimum option \$5,000; Maximum is the lesser of \$250,000 and the total sum insured*

Children's Life Rider

- Issue Ages: 15 days to age 17
- Minimum Option \$1,000; maximum \$25,000

Children's Critical Illness (CI) Rider

- Family Rider that covers all eligible children to a maximum of \$50,000
- Covers 15 critical illnesses

**Total Sum Insured includes any Extender Coverage (if selected)*



catering to
your most
discriminating
lifestyle

Miscellaneous Provisions

Policy Loans

The Owner may obtain a policy loan from Empire against the cash surrender value according to the terms of the policy. Outstanding policy loans will reduce the cash surrender value and the death benefit of a policy. Interest on the loan will be based on a variable loan rate that will be determined by Empire.

Capital Access Benefit

In the event the Life Insured becomes totally disabled, payment may be requested for all, or part, of the Tax-Exempt Investment Option.

The total disability diagnosis is defined as one or more of the following conditions:

1. diagnosis of a state of incapacity which prevents the Life Insured from performing the essential duties of their own occupation
2. diagnosis of any Severe Condition as defined in the contract

Benefits paid in accordance with these Capital Access Benefit Provisions may be subject to taxation in accordance with the provisions of the Income Tax Act (Canada) as amended, at the date such payment is made.



High performance solutions

The mission of The Empire Life Insurance Company (Empire Life) is to provide solutions for the changing financial security and wealth management needs of Canadians. We offer a range of individual and group insurance and investment products, retirement and corporate services and employee benefits programs.

We are rated A (Excellent) by A.M. Best Company¹ and *Financial Post Business* magazine has ranked us among the top 10 life insurance companies in Canada.²

Our success is based on our commitment to being approachable and responsive to the needs of our clients and business partners, on consistently solid investment performance, and on faith in our employees as future leaders of the company.

¹ As at June 2, 2008

² June 2008, based on revenue

www.empire.ca

The information in this document is for general information purposes only and is not to be construed as providing legal, medical or professional advice. The Empire Life Insurance Company assumes no responsibility for any reliance made or misuse or omissions of the information contained in this document. Please seek professional advice before making any decision.

*Registered trademark of **The Empire Life Insurance Company**.™ Trademark of The Empire Life Insurance Company. Policies are issued by The Empire Life Insurance Company.



Empire Life®