

DATE: July 31st, 2020

N° 2020-25

CATEGORY: INSURANCE

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

SUBJECT: 2020/2021 Dividend Scale Announcement for Empire Participating Plans.

Continuation of Current Dividend Scale until June 30th, 2021

We are pleased to announce that the dividend scale for Empire Life participating products will be maintained at current levels until June 30, 2021, as approved by our Board of Directors earlier this year. **We are also maintaining the Empire Life dividend scale interest rate of 6.0% until June 30, 2021.**

To provide additional information related to this announcement, please review the following list of frequently asked questions:

What factors affect the dividend scale?

The funds in the participating account are affected by a number of factors, including investment returns, claims experience, expenses, lapses and taxes related to our participating coverages.

The total amount of dividends that may be declared each year on our participating policies is based on the overall performance of the participating account. When dividends are declared, the dividend scale for a participating product determines how the total amount of dividends will be distributed to each holder of that participating product.

Will the dividend scale change again in the future?

Dividends are not guaranteed and the amount paid each year may change in the future. Empire Life has paid dividends to its participating policyholders every year since 1923 when we first started providing insurance solutions to Canadians, and once declared, they cannot be taken back. The dividend scale for a policy is also not guaranteed. We will continue to monitor interest rates and other factors affecting the participating account and may increase or decrease the dividend scale affecting policies in the future.

Which policies are affected by this announcement?

Empire Life participating life and endowment policies, former Montreal Life participating life and endowment policies, former Concordia Life participating life and endowment policies, former Dominion Life participating life and endowment policies, former Citadel Life participating life and endowment policies and former Franklin Life participating life and endowment policies.

How will policyholders with policy renewal notifications occurring between August 1, 2020 and September 30, 2020 be impacted by this announcement?

Our last dividend scale announcement occurred on October 1, 2019 indicating an effective date of the current dividend scale until September 30, 2020. Clients receiving annual policy notifications between August 1 and September 30, 2020 will continue to receive notifications for last year's dividend scale change up to September 30, 2020. Following that date, no client notifications will be sent as the current dividend scale is being maintained until June 30, 2021.

If you have any questions, please contact our Customer Service Team at [1 800 561 1268](tel:18005611268).

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