

OPTIMAX[®]

**Permanent Participating
Life Insurance**

Tools for your
financial future





YOU NEED INSURANCE

Everyone needs insurance, but the insurance world can be utterly confusing – Term 10, Term to 100, Universal Life, Permanent Insurance, Participating Life Insurance – sometimes it seems impossible that there could be so many products out there that do basically the same thing – protect your family, or your business when you die.

Insurance can be so much more than just a death benefit, though. It can help you and your family achieve long-term financial goals. Perhaps you'd like to travel when you retire, fund your children's education, or renovate your home.

Or maybe your goals are more practical. Perhaps you need insurance to cover a business need, or to protect your estate from taxation. The reason there are so many different kinds of insurance is there are so many different needs. Some types of insurance fit different needs better than others.

In this booklet, we're going to spend some time talking about Empire Life OPTIMAX Permanent Participating Life Insurance.



So, what's it all about?

The cost of buying participating life insurance can be spread over a whole lifetime, or over a short period of time. That means the cost of the insurance is kept at an affordable level throughout your lifetime.

If your goals include any of these, Optimax is probably your best insurance solution:

- to have your life insurance coverage increase over time to meet changing needs
- to save for the children's education
- to grow your investments in a tax-sheltered environment
- to provide a tax-free inheritance for your beneficiaries
- to supplement retirement income

Empire Life Optimax Permanent Participating Life Insurance gives you options for your changing needs, and the security of knowing that your money is stable, especially in volatile investment markets.

The decision is yours

As a consumer, your primary question is about cost. This is where Optimax's options become very valuable. The fact of the matter is that all insurance has a cost associated with it. Optimax lets you decide how long you need to pay for your permanent coverage.

Optimax has two payment options:

20 Pay: pay for your insurance in 20 years and then you don't have to pay another cent into your policy.

Pay to 100: premiums stay at a low, level cost until you reach age 100. After that your premiums cease but your insurance continues.



Dividends: There's power in security

Empire Life Optimax is "participating" meaning the insurance company will usually pay you dividends on your life insurance policy. Dividends represent a refund of the portion of your premium payments that are in excess of the company's actual costs for mortality and administration.

Empire Life has never failed to pay a dividend since 1923, and we take a lot of pride in that. It means that you can feel confident about your money. We take a conservative approach to estimating future dividends. This is key to delivering dividends to our policyholders that can meet—or may even exceed—original projections. And here's the best part—once a dividend is paid, it can never be taken back—unlike fluctuating investment returns that can see the value of your investments rise, and then quickly decrease in value. Our dividend scale on all Optimax plans is guaranteed never to fall below zero.

Extend the value of a dollar

As you can see dividends are as good as having money in the bank, but they can do a lot more for your policy than just bump up the cash value. They can also be used to pay the premiums in the policy, or to increase the death benefit. Here's how it works:

At some point in the future, the dividend could be used to pay the premiums in the policy. This means that at a time when your income could be dropping, you could stop making premium deposits, while maintaining the benefit of the coverage.

If you decide to continue making deposits to your policy, you could enjoy greater cash values, and an increasing death benefit. Economic factors, such as inflation, make an increasing death benefit a valuable feature.



Putting your money to work for you

Dividends are the workhorse of your Empire Life Optimax policy, and the policy has several options that help you put that extra money to work for you.

You might decide to opt for the Cash Option. That means the dividends are paid directly to you to invest or use as you please.

Or you could choose to invest the dividends in the Tax-Exempt Investment Account Options. Your money could be invested in any one of Optimax's investment account options. Choose from:

- Daily Interest Option
- Guaranteed Interest Options (GIOs) with terms of 1,2,3,4,5 and 10 years
- 21 Indexed Investment Options representing a wide range of investment options with exposure to cash, fixed income, and equities in Canadian, U.S., and Foreign markets

Reduce or pay your premium by applying your annual dividend to the annual premium of your policy.

The Paid-Up Additions Option uses dividends to purchase participating paid-up additional insurance. Paid-up Additions generate additional dividends that can rapidly escalate the insurance coverage and grow on a tax-deferred basis.

If you choose to take advantage of the Extender Plus Paid-Up Additions Option your dividends will be used to purchase a participating one-year term addition to the basic sum insured. Excess dividends, if any, will be used to purchase a Participating Paid-Up Addition to the basic sum insured.



TOOLS FOR YOUR FINANCIAL FUTURE

Take a look at your goals now. We think you'll agree that they look a lot more achievable. Empire Life Optimax is the financial tool that puts the power in your hands. You decide. You choose. You put your money to work for you.

Talk to your financial advisor about how whole life insurance can help you with your specific financial needs. Empire Life Optimax has the flexibility, security, and guarantees that make it a valuable addition to any financial toolkit.

The Empire Life Insurance Company (Empire Life) offers competitive individual and group life and health insurance, investment and retirement products to help you build wealth and protect your financial security.

Empire Life is among the top 10 life insurance companies in Canada¹ and is rated A (Excellent) by A.M. Best Company². Our vision is to be the leading, independently-owned, Canadian financial services company committed to simplicity, being easy to do business with and having a personal touch.

¹ *Financial Post Magazine*, June 2010, based on revenue

² As at June 10, 2010

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