TRIPS

Tax, Retirement, Investment & Insurance Planning Strategies and Solutions

Succeeding in a Digital and Non-Face to Face World

Peter A Wouters
Director, Tax Retirement & Estate Planning

Important notes

Past performance is no guarantee of future performance.

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A description of the key features of the individual variable insurance contract is contained in the Information Folder for the product being considered. **Any amount that is allocated to a Segregated Fund is invested at the risk of the contract owner and may increase or decrease in value.**

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. **Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.**

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Consumer interest in Life and Health insurance is growing

Investors increasingly desire to reach out to advisors

Agenda

- Benefits of Digital
- Target market segmentation
- Digital and Non-Face to Face Process for New Business
- Digital Strategies using Fast and Full

Benefits of Digital

Empire Life

Benefits of Digital

Grow Your Business…..and Your Wallet

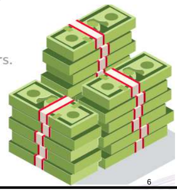
Tech savvy advisors are outpacing their tech-indifferent peers in key metrics:

97% of FlexGen Advisors use technology to provide value to their clients

86% personalize advice with technology

94% of FlexGen advisors report a growth in AUM
Their AUM growth is 2X greater than that of their peers.

86% are experiencing household growth
that is 50% greater than that of their peers.

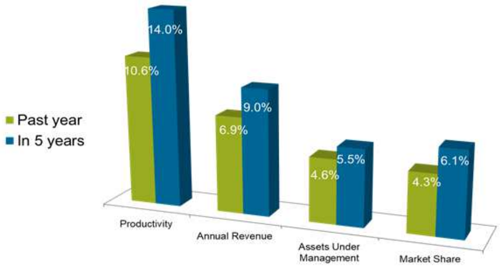


Fidelity Financial Advisor Community – FlexGen Study 2018

Benefits of Digital
Grow Your Business…..and Your Wallet

Going digital can grow your business in numerous ways:

Technology is boosting advisors' performance



The Next Generation Wealth Advisor - Broadridge/ESI Thoughtlabs 2018

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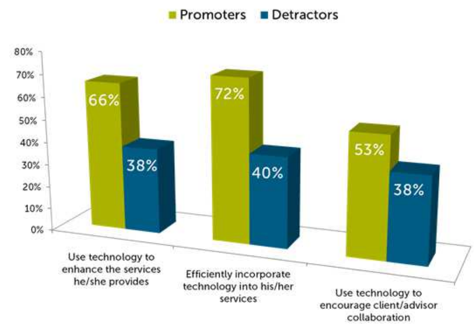
Benefits of Digital
Strengthen Client Relationships



Fidelity 2016 eAdvisor Study

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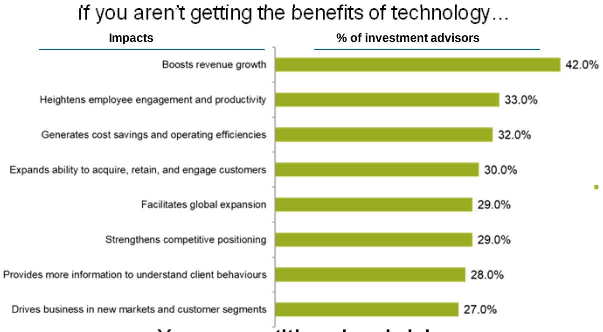
Benefits of Digital
Remain Competitive

If you aren't getting the benefits of technology…



Your competition already is!

The Next Generation Wealth Advisor - Broadridge/ESI Thoughtlabs 2018

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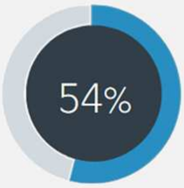
Benefits of Digital

Take Advantage of Client Segmentation



of tech-savvy advisors already have a client segmentation strategy vs. 40% of their tech-indifferent peers

How are you:

1. Segmenting your existing clients?
2. Segmenting your future clients?

Fidelity 2016 eAdvisor Study

Target market segmentation

Empire Life

Target Market Segmentation

Types of Target Markets

Table 1 – Types of Financial Professional Target Markets

Market Type	Percent
Age/Life Stage	62%
Wealth	32%
Profession/Industry	24%
Families/Home Ownership*	19%
Need	8%
Other	4%

Note: The percentages total to more than 100 percent due to many FPs describing either multiple target markets or a target that has multiple characteristics.
**Includes families, couples, households with children, people owning their home, etc.*

Target Markets of Financial Professionals (LIMRA 2017)

Target Market Segmentation
Age and Life Stage Segmentation

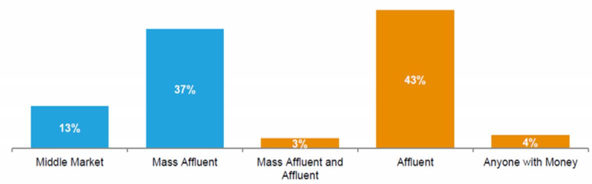
Figure 2 – Age and Life Stage Target Markets

Base: FPs defining their target markets in terms of age or life stage.
**In many cases, Working Years includes younger adults as well.*

Target Markets of Financial Professionals (LIMRA 2017)

Target Market Segmentation
Wealth-Based Segmentation

Figure 3 – Wealth-Based Target Markets



Base: FPs describing their target markets in financial terms

Target Markets of Financial Professionals (LIMRA 2017)

Fast & Full Digital and non face to face process for new business

Empire Life

FOR 2ND CONSECUTIVE YEAR AND THE 3RD TIME IN FOUR YEARS!

Empire Life

For our commitment to constantly improve and innovate, especially for our Fast & Full online solution.

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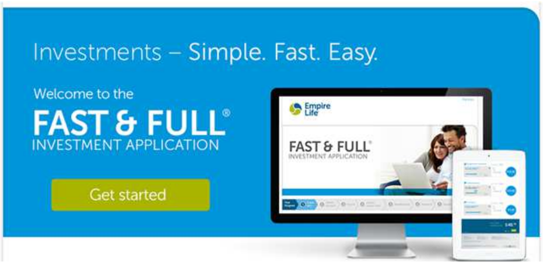
Fast & Full Investment Application



The industry's first 100% digital application for independent financial advisors for all segregated fund products*

*Empire Life industry survey as of June 2017

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Why the Fast & Full® Investment Application?

1. Reduce Administrative Work

- T2033 transfer forms completed online and submitted by Empire Life
- Practically eliminates Not In Good Order (NIGO) follow ups from customer service
- Eliminates sending any paper applications, forms, and cheques via courier

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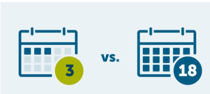
Why the Fast & Full® Investment Application?

2. Have Applications Processed Faster

- Same-day trade date before 4pm for investments
- No mail/courier delays
- Reduces/eliminates not in good order business
- Get paid faster!

The Fast & Full Life App is…

FAST!



- 41% of applications issued within 3 business days[1]
- Median time to issue: 3 days vs. 18 days for paper apps[1]
- Some applications can be issued in under 2 hours![1]
- eHealth Questionnaire, eSignature, eContract Delivery, instant approval[2], electronic pay-on-approval or pay-at-issue

[1] Median time to issue for Fast & Full Life Applications using eHQ auto-approval vs. paper applications, Jan 1 – March 31, 2020 - Empire data on file. [2] Subject to applicable eligibility requirements. Figures for life insurance; health insurance may take longer.

Why the Fast & Full® Life App?

3. Serve More Clients

- Non Face-to-Face sales
  - expand sales reach
  - distance and scheduling are longer restrictions
  - Need to be licensed where you and client located
- Spend more time selling and less time travelling and completing applications
- Available 24/7
- More cost effective

The Fast & Full® Investment Application?

Key Features

- **Easy 5 step 100% digital process**
  - Docusign e-signatures
- **Available for all Empire Life Segregated Fund & GIC products**
  - Guaranteed Investment Funds: GIF 75/75, GIF 75/100, GIF 100/100
  - Guaranteed Withdrawal Benefit, Class Plus 3.0
  - Guaranteed Interest Contracts (GIC)
  - **Available for all tax types**
  - Registered Plans (RRSP, RRIF, TFSA, etc…)
  - Locked-In Plans (LIRA, LIF, etc…)
  - Non-Registered

The Fast & Full® Investment Application?

Key Features

- **Non Face-to-Face Sales**
- **Efficient, advisor-friendly client management**
  - Save and recall applications in progress
  - Pre-complete client applications
  - Automated T2033 transfer process (or print and scan if "wet" signature" required)
- **Designed for mobile and iPad**

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Key feature: Serve clients remotely with integrated screen sharing

Meeting Non-Face-to-Face (NFTF) with clients is now even more simple, fast and easy.

Improved client user experience
Clients can participate in completing the application and view progress.

Reduced margin for error
Advisors can guide clients through each step and switch control between client and advisor.

Initiate a video chat
Initiate a video chat for a more personal non-face-to-face meeting.

No additional software installation needed
Web-based and integrated directly into Fast & Full!

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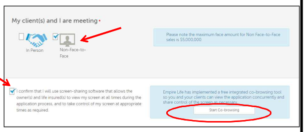
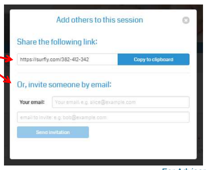
Free Built-in Co-Browsing tool for non face to face

On Preliminary page
•Check the Non-Face-to-Face and confirmation boxes, and click on the “Start Co-browsing” button

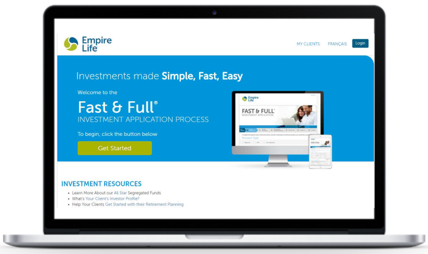


•Simply just share co-browsing link with client, or invite client via email



Fast & Full® Reminder

Fast & Full doesn’t replace your sales process…



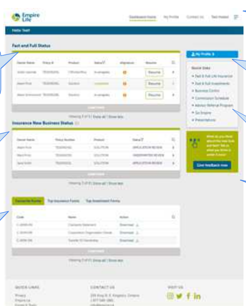
It makes it more efficient!

More reasons to use Fast & Full® – Landing Page & Dashboard to keep you informed!

Fast and Full Apps
Real-Time Status

New Business
Real-Time Status

Download Forms
Favourites and Top Forms



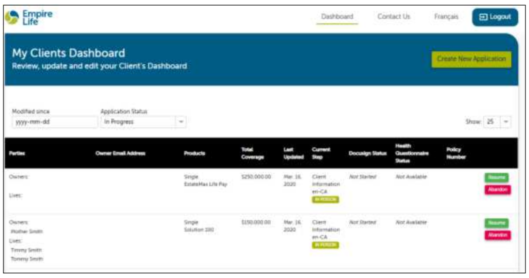
Drop-down Menu

Your Profile
details, with a link to update

Quick Link
shortcuts to useful Tools and Apps

Feedback
Tell us what you think **AND** what you want

More reasons to use Fast & Full® – My client dashboard to help you manage clients!



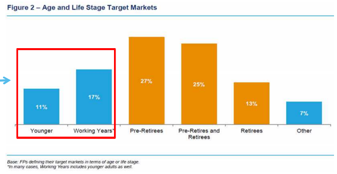
Digital Customer Segmentation Strategies

Fast and Full Strategy: Underserved & under-saved clients

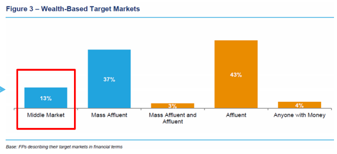
Digital Customer Segmentation Strategy

#1: Target Underserved & Under-saved Clients

Only 28% of advisors identified young and working years clients as their Target Market



Only 13% of advisors identified the middle market as their target market



Target Markets of Financial Professionals (LIMRA 2017)

Digital Customer Segmentation Strategy

#1: Target Underserved & Under-saved Clients

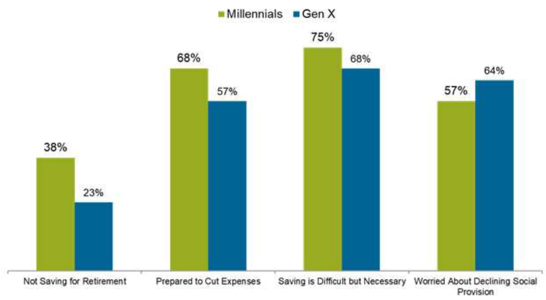
After tax income of major income earner	RRSP, RPP, or TFSA	RRSP	RPP	TFSA	ALL
Under $10,000	17.0%	2.6%	1.1%	14.9%	0.1%
$10,000 to $19,999	19.5%	2.5%	1.6%	17.0%	0.1%
$20,000 to $29,999	32.9%	6.3%	4.2%	26.6%	0.3%
$30,000 to $39,999	46.0%	13.3%	11.1%	32.4%	1.2%
$40,000 to $49,999	57.8%	21.5%	18.9%	37.1%	2.9%
$50,000 to $59,999	66.0%	28.1%	25.3%	40.4%	4.6%
$60,000 to $69,999	73.1%	35.2%	31.7%	43.2%	6.7%

Household contribution rates for selected registered savings accounts, by income (after-tax) of major income earner

Statistics Canada, Census of Population, 2016.

Digital Customer Segmentation Strategy

#1: Target Underserved & Under-saved Clients



Question:

What can you do to make it easier to begin saving?

HSBC Future of Retirement: Canada Report, 2017.

Digital Customer Segmentation Strategy

#1: Target Underserved & Under-saved Clients

Your Challenge:

How do you target underserved & under-saved clients and make it easy for them to begin saving?

Your Solution:

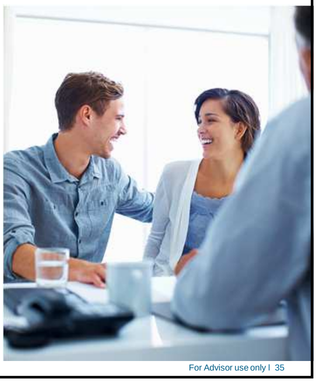
Use Fast & Full to simplify the client onboarding experience to make it easy to save and easy to insure

Digital Customer Segmentation Strategy

Fast & Full Use Case: Quick & Easy Onboarding

Client Profile: Sara & Stew

- 34 & 33 years old
- Self-employed
- Want to start saving for retirement
- Don't have a lot of time to meet
- Income: $85K pre-tax



Digital Customer Segmentation Strategy

Fast & Full Use Case: Quick & Easy Onboarding

Client Profile: Sara & Stew

Fast & Full Solution:

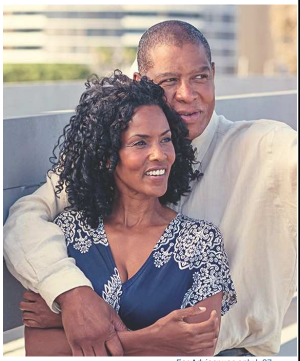
- Fast & Full Investment
- Guaranteed Investment Funds: GIF 75/75 RRSP
- GIF Investor Profile Questionnaire
- One-time pre authorized deposit

Digital Customer Segmentation Strategy

Fast & Full Use Case: Digital Retirement Income Solution

Client Profile: Mike & Leanne

- 55 & 49 years old
- Two children in university
- Each have Defined Benefit pension plans
- Ready to ramp up retirement non-registered savings
- Looking to consolidate assets & generate retirement income
- Income: $125K pre-tax



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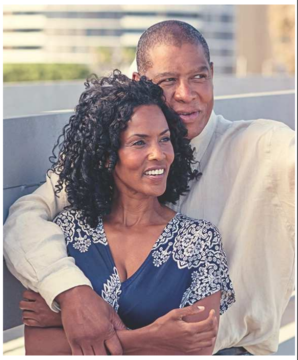
Digital Customer Segmentation Strategy

Fast & Full Use Case: Digital Retirement Income Solution

Client Profile: Mike & Leanne

Fast & Full Solution:

- Fast & Full Investment application process
- Class Plus 3.0 non-registered Guaranteed Withdrawal Benefit Plan
- One-time pre authorized deposit plus T2033 form to handle transfers of registered assets
- And now consolidated with you



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Fast and Full Strategy: The Great Wealth Transfer

Empire Life

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Digital Customer Segmentation Strategy

#2: Target the Great Wealth Transfer

$1 trillion

In Canadian wealth will be transferred from one generation to their heirs (Millennials/Gen X) by 2026

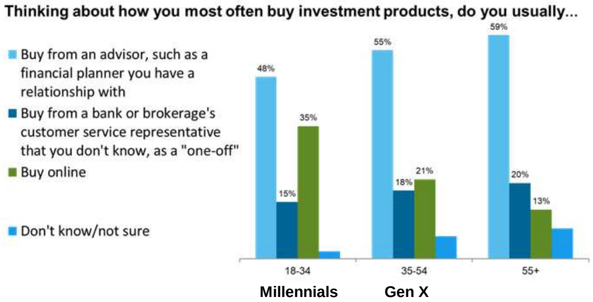
Small accounts today may be large accounts tomorrow.

"Investor Economics Insight." Strategic Insight, January 2019.

Digital Customer Segmentation Strategy

#2: Target the Great Wealth Transfer

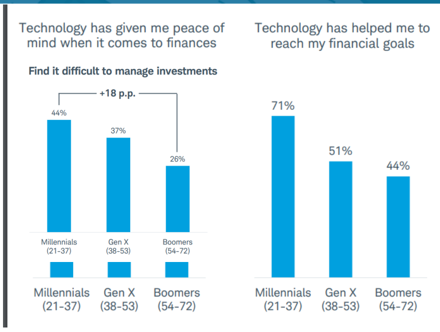
Thinking about how you most often buy investment products, do you usually...



Angus Reid Canadian Personal Finance Survey, 2019

Digital Customer Segmentation Strategy

#2: Target the Great Wealth Transfer



Charles Schwab Consumer Digital Demands Survey, 2018

Digital Customer Segmentation Strategy

#2: Target the Great Wealth Transfer

Your Challenge:

How do you appeal to beneficiaries of the wealth transfer who are looking for advice but are used to managing their finances online?

Your Solution:

Use Fast & Full to provide the simple, fast and convenient online experience that they expect.

Fast and Full Strategy:

Make unprofitable clients profitable

Empire Life

Digital Customer Segmentation Strategy

#3: Make Unprofitable Clients Profitable

Age	Average TFSA
Under 20	$2,582
20 to 24	$4,557
25 to 29	$5,836
30 to 34	$6,292
35 to 39	$7,123
40 to 44	$8,563
45 to 49	$10,442
50 to 54	$12,789
CANADA	**$12,913**

Question:

Does it make sense to drive across town to sell a TFSA?

Canada Revenue Agency, Tax-Free Savings Account 2016 Statistics (Table 3A)

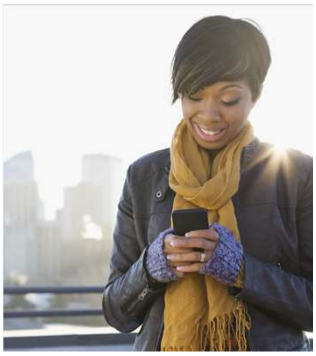
Digital Customer Segmentation Strategy
#3: Make Unprofitable Clients Profitable

Client Profile: Tanya

- 19 years old full time student
- Part time job (minimum wage)
- Looking to invest a portion of her weekly paycheque
- Wants a quick & easy digital solution

Fast & Full Solution:

- Fast & Full Investment
- Non Face-to-Face Sale
- GIF 75/75 TFSA
- One-time pre authorized deposit + weekly PAD



Fast and Full Strategy:

Expand your Sales Territory

Empire Life

Digital Customer Segmentation Strategy
Fast & Full Use Case: VIP Client Request

Client Profile: The Bakers

- Only daughter (36 years old) of VIP client ($1M+ in AUM)
- Lives across the country with her husband and young family
- Your client wants you to manage their savings
- Income: $115K pre-tax

Solution:
- Get licensed in that province
- Use Fast & Full Investment
- Non Face-to-Face Process
- GIF 75/100 RRSPs
- Automated T2033 transfer

Digital Customer Segmentation Strategy

Fast & Full Use Case: Keep Your Clients Anywhere

Client Profile: Kate & Melissa

- 41 & 38 years old
- Recently moved across the province
- Value your service & advice
- Want to transfer Defined Contribution Pension Plan assets from previous employer

Fast & Full Solution:

- Fast & Full Investment
- Non Face-to-Face Process
- GIF 75/100 LIRA
- Automated T2033

Digital Customer Segmentation Strategy

#5: Maximize Seasonal Selling Opportunities

RRSP Season (February 27th)	Empire Life Paper Application	Fast & Full Investment Non-Face-to-Face
Working hours in a day	9	8
Average Meeting Time	1 hour	30 minutes
Average Travel Time	30 minutes	0 minutes
Clients Per Day	6	16
Average new RRSP account size	$10,000	$10,000
Additional AUM	$60,000	$160,000
Low Load Deposit Commission (@ 2.5%)	**$1,500**	**$4,000**

Question:
Would you rather drive all over town for $1,500 or work from your office and make $4,000?

New paths to success

Advisors seeing the most success are the ones who are

- Meeting the needs of the underserved markets
- Utilizing technology to future-proof client relationships
- Providing a client experience that is both interactive and collaborative

2018 Fidelity Financial Advisor Community – FlexGen Study

Fast & Full Investment App

$50 Bonus – Try It Today

15% Fast & Full Life eBundle Bonus

Until June 30, 2020, you can earn up to 15% more FYC when you submit Life and Health applications electronically using the Fast & Full Life App.

You'll earn 10% more FYC just for using Fast & Full and now you can earn an additional 5% more if you select both the Electronic Health Questionnaire (eHQ) and the ePolicy Delivery options when completing your application.

Policy Year 1 (FYC) Commission Rates Details		Paper FYC	Fast & Full	Fast & Full with eHQ & ePolicy
EstateMax® & Optimax Wealth®	Life Pay & 20 Pay	50%	55%	**57.5%**
EstateMax & Optimax Wealth	10 Pay	35%	38.5%	**40%**
EstateMax & Optimax Wealth	8 Pay & Solution ART®	25%	27.5%	**29%**
Solution 10® & Solution 20®		45%	50%	**52%**
Solution 30® & Solution 100®		50%	55%	**57.5%**
Guaranteed Life Protect		35%	38.5%	**40%**
CI Protect & CI Protect Plus		45%	50%	**52%**
Additional benefits (does not apply)		70%	70%	**70%**

[1] The additional FYC is bonusable. Available on all life insurance products and applications using the Fast and Full Application. This promotion can be withdrawn by Empire Life at any time

Remember the Fast & Full Life App is…

FAST!

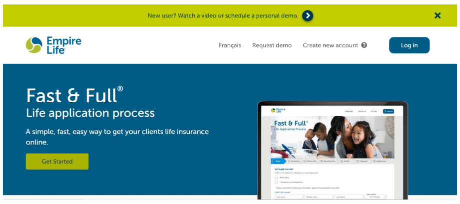
- 41% of applications issued within 3 business days[1]
- Median time to issue: 3 days vs. 18 days for paper apps[1]
- Some applications can be issued in under 2 hours![1]
- eHealth Questionnaire, eSignature, eContract Delivery, instant approval[2], electronic pay-on-approval or pay-at-issue

[1] Median time to issue for Fast & Full Life Applications using eHQ auto-approval vs. paper applications, Jan 1 – March 31, 2020 - Empire data on file. [2] Subject to applicable eligibility requirements. Figures for life insurance; health insurance may take longer.

Review

- **Benefits of Digital**
  - Grow your business and your wallet
  - Strengthen client relationships
  - Remain competitive and take advantage of client segmentation
- **Target market segmentation**
  - Types of target markets
  - Age and life stage segmentation
  - Wealth Based Segmentation
- **Digital and non-face to face process for new business**
  - Why Fast and Full?
  - Key Features
- **Digital Strategies using Fast and Full**

Ready to try Fast & Full for live sales?



Visit FastandFull.ca

- Login with your Business Centre I.D. and password
- Or learn more at **empire.ca/earn-more**

Your Empire Life Sales Team

NATIONAL SALES TEAM

REGIONAL SALES ASSOCIATES — INVESTMENTS

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