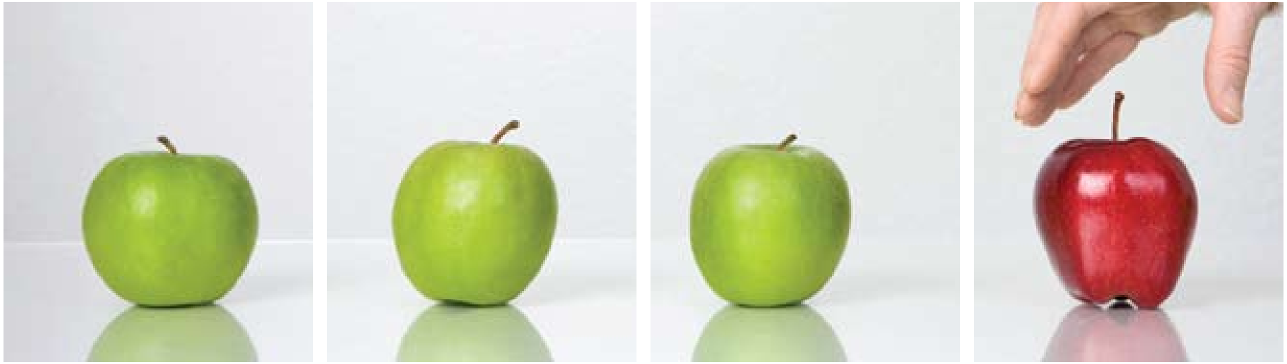

Class Plus Retirement Income Program

Your investment program for guaranteed income for life

Empire Life™

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Welcome to Class Plus from Empire Life

Class Plus is an income and investment solution for individuals about to retire, in the early retirement years, or investing for retirement. Empire Life has designed Class Plus to address the most important financial issues you face in your retirement years. Do you want to be worrying about market downturns, having enough funds to support your lifestyle, or outliving your money? With Class Plus, you can enjoy your retirement years instead of worrying about your investments and income.

Protect your retirement savings from market downturns

Around retirement, a severe market downturn takes on added significance. Losing value in your investments near the time you retire can be devastating – your income could suffer throughout your retirement years.

Class Plus safeguards you against market declines. As you save for retirement, you receive a 5% annual bonus[1] amount in any year in which you don't make a withdrawal – regardless of market performance. After you turn 65, you are guaranteed an income for life that will not decrease[2], even if markets plummet.

[1] *The Income Base Bonus is payable for the first 15 years from the initial deposit to Class Plus including the year of the initial deposit. The Income Base Bonus is not a guaranteed rate of return, has no cash value, and is not available for withdrawal.*
[2] *Withdrawals exceeding the allowable annual limit may reduce the amount of future guaranteed income payments. Please refer to the Information Folder for details*

Build a portfolio for investment growth

Many people choose very conservative investments, including GICs. That may help protect you from market volatility, but will you generate enough income to support your retirement lifestyle?

With Class Plus you are free to choose investments with higher potential returns. Your 5% annual bonus[1] during wealth accumulation years and guaranteed income during retirement act as a safety net. You can pursue the returns you want and best of all your investment growth may increase the amount of your guaranteed income.

You are guaranteed not to outlive your money

With Canadians having a longer life expectancy, it's natural to be worried about outliving your savings.
Class Plus alleviates the worry. You receive guaranteed retirement income for life, no matter how markets perform.

Choose a worry-free financial future and enjoy your retirement years.

Enjoy retirement income that's guaranteed for life

You can use Class Plus primarily to withdraw income during retirement, or you can start earlier and also use it to accumulate wealth before retirement.

Using Class Plus for income during retirement begins by investing a lump sum into your choice of 11 Empire Life Segregated Funds. You can use non-registered investments, RRSPs, a RRIF or other registered income plans. The value of this lump sum is always protected.

After age 65, you can begin receiving a guaranteed income for life. The amount of your retirement income payments will not decrease[2], no matter what happens in the markets as long as you don't withdraw more than your allowable annual limit.

The importance of securing retirement income

Canadians are living longer these days, so it's even more important to be financially prepared.

- A 65-year-old woman has a 50% chance of living to 86 and a 25% chance of reaching 92
- A 65-year-old man has a 50% chance of living to 83 and a 25% chance of reaching 89
- For a couple both aged 65, there's a 50% chance that at least one spouse will reach 90

Source: Canadian Institute of Actuaries, 2007

Your investment growth is locked in

Every three years your investment growth is automatically locked in.

It's called the Income Base Reset. The Income Base is the value used to determine your guaranteed retirement income.

The reset occurs every three years on the Class Plus Anniversary Date. If the market value of the Class Plus investments is higher than the current Income Base, the new amount is locked in and will not decrease[3]. The Income Base may increase again in the future when another reset is processed. (see graph on page 11)

Locked-in investment growth may increase your guaranteed retirement income, which is important to help offset inflation.

Income Base
The Income Base is the total of all deposits, minus any withdrawals, plus any increases from Income Base Resets and Income Base Bonuses. The Income Base value is used to determine the Lifetime Withdrawal Amount - the guaranteed retirement income.

How your guaranteed retirement income is calculated

Your guaranteed retirement income – the maximum amount available for withdrawals in a calendar year – is called the Lifetime Withdrawal Amount (LWA). The LWA is equal to 5% of your Income Base, which includes all deposits and locked-in growth less withdrawals.

The LWA may increase if your Income Base increases, but the LWA will not decrease (provided your withdrawals don't exceed the allowable annual limit). The Lifetime Withdrawal Amount is available after December 31 of the year you turn 65.

[3] *Withdrawals from Class Plus, except the Class Plus Fee, will reduce the Income Base. The Income Base does not impact the market value of Class Plus investments and is not available for withdrawal.*

Gain peace of mind by knowing the exact amount of your retirement income, every year, for life.

You can also use Class Plus to accumulate wealth before retirement

Class Plus is also an exceptional RRSP or non-registered investment vehicle for the years leading to retirement.

You benefit from potential market growth while being insulated – every year – from market declines.

Your Income Base can grow two ways:

- 5% annual bonus[1]: Each year, for the first 15 years, your Income Base will be increased if no withdrawals are made during that year. This Income Base Bonus takes place even if the market value of your portfolio decreases.

  The bonus is a credit to the Income Base and increases your potential retirement income, but is not a cash payment.
- Growth locked in: Every three years, the market value of your Class Plus investments is compared to the Income Base, which includes any increases from the annual 5% Income Base Bonus[1]. If the market value of the Class Plus investments is higher, the Income Base is reset to lock in the market value of the Class Plus investments. This is called the Income Base Reset.

In both cases, a greater Income Base means potential increased income during retirement.

You win no matter how markets perform. When markets rise, your investment growth is locked in. If there is a market downturn, you may still receive the annual 5% Income Base Bonus[1]. (refer to graph on page 11)

In fact, with the annual 5% Income Base Bonus[1] alone, the Income Base of a one-time investment would increase by 75% in 15 years. $200,000 would grow to $350,000 (provided no withdrawals are made). Add Income Base Resets for potential market gains and you can see why Class Plus is a powerful tool for building wealth.

Income Base Bonus Increases a Deposit by 75% in 15 years

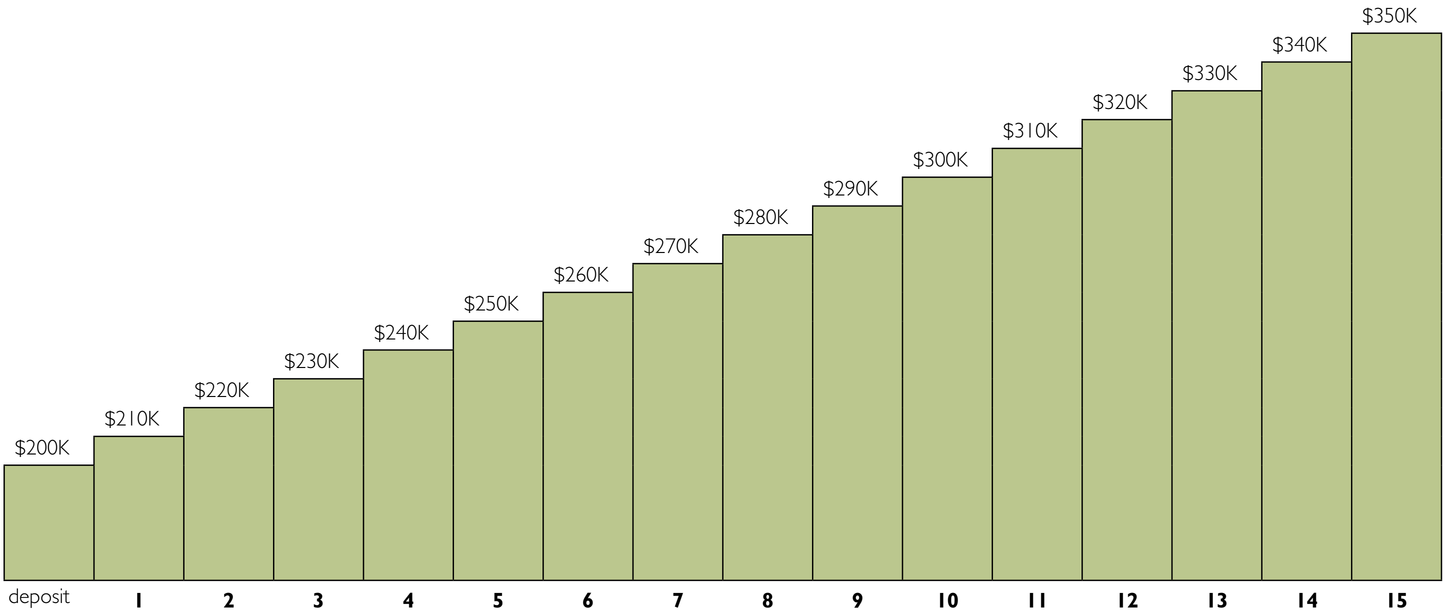


Table is for illustrative purposes only. Year 1 represents the calendar year in which the initial deposit was made. The Income Base Bonus is not pro-rated. The Class Plus Fee is included. The 5% annual bonus is not a guaranteed rate of return, has no cash value, and is not available for withdrawal.

Gain protection in the retirement risk period

Class Plus offers you protection from market declines at any time, but this benefit is especially important in the critical years immediately preceding and following retirement.

At this time, a significant downturn can be devastating to your retirement plans, dramatically reducing your portfolio value and retirement income.

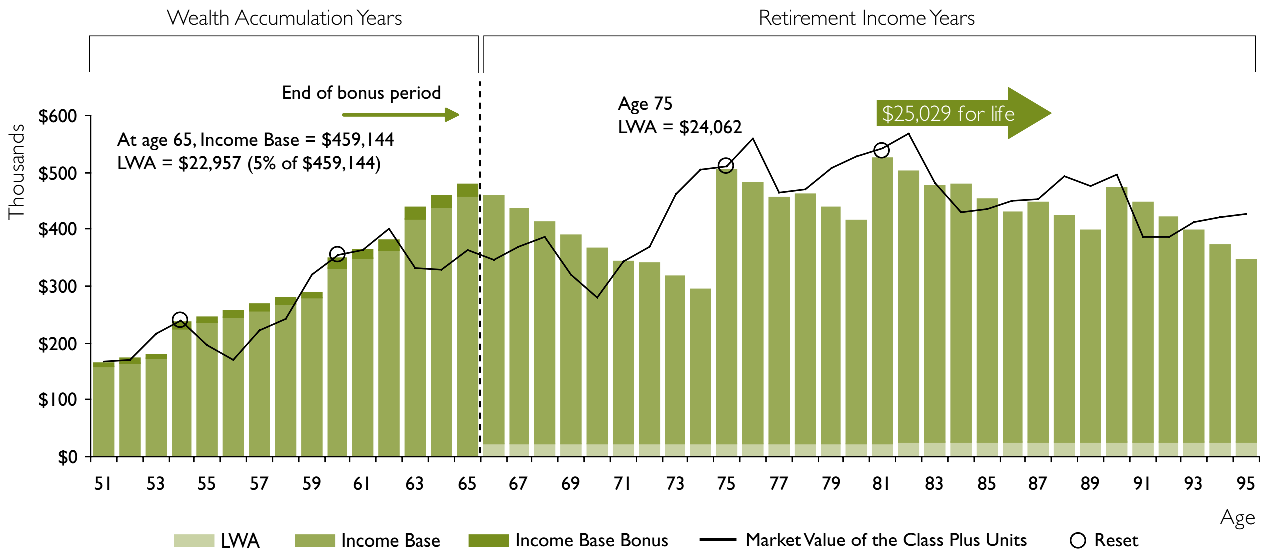
Retirement Risk Period

Class Plus protects you during this critical period:

- If there's a market downturn before you turn 65, you may still receive your annual 5% Income Base Bonus[1] for the first 15 years, provided no withdrawals are made during that calendar year.
- If a downturn occurs after age 65, you still receive your guaranteed retirement income.


With Class Plus, you win no matter how markets perform.

How Class Plus provides wealth accumulation and guaranteed retirement income for life



<u>This chart is for illustration purposes only.</u> *Rates of return are hypothetical, based on an 80% equity and 20% fixed income allocation. Illustrated performance is net of Class Plus fees of 0.75%. No withdrawals are made in the first 15 calendar years, and after age 65 no withdrawals exceed the allowable annual limit. The Income Base Bonus is payable for the first 15 years from the initial deposit to Class Plus, including the year of the initial deposit. In this example, the Anniversary Date is January 1, and each Lifetime Withdrawal Amount is payable on December 31.*

In this illustration, Class Plus helps an investor who requires additional secure income to meet retirement income needs for life. At age 51, Jane invests $150,000 in Class Plus with a mix of 80% equities and 20% fixed income. Jane is able to pursue the higher potential returns of equities thanks to the bonuses, locked-in growth and guarantees that Class Plus offers.

Wealth Accumulation Years

Income Base Bonuses
For the first 15 years, Jane benefits from the annual 5% Income Base Bonus[1]. In this case, the Income Base Bonus particularly helps her from ages 62 to 65 when markets plummet.

Normally, a sharp decline in the Retirement Risk Period would cause anxiety and potentially upset retirement plans. But with Class Plus, even though the Market Value drops tens of thousands of dollars, the Income Base rises. And it's the Income Base that determines retirement income.

Income Base Resets
Every three years on the Anniversary Date, the market value of the Class Plus investments is locked in when it's higher than the current Income Base. Here, the Income Base Reset first occurs when Jane is age 54. Each reset increases the Income Base and the resulting retirement income amount.

Retirement Income Years

At age 65, Jane's Income Base has grown to $459,144. (If Jane used Class Plus only at retirement, the Income Base would have equalled the amount of her initial deposit.)

The first year Jane withdraws $22,957, which is 5% of the Income Base.

During the first years of retirement, the markets go on somewhat of a roller-coaster ride. But Jane rests easy, receiving $22,957 each year.

The Income Base is reset at age 75, locking in a market value increase. With this Income Base Reset, Jane's guaranteed retirement income increases to $24,062.

At age 81, there is another Income Base Reset, to $25,029.

In this illustration, annual withdrawals reduce the Income Base after age 81. But that does not affect the retirement income amount. From age 81, the Lifetime Withdrawal Amount remains $25,029 – guaranteed for Jane's life.

The bottom line
Jane receives guaranteed income for life, without worrying about market downturns or outliving her money.

You can safely pursue investment growth, even around the time you retire.

Class Plus offers additional retirement planning benefits

Tax advantages of non-registered investments

When Class Plus is held in a non-registered Contract you receive income that's tax-efficient. The payment stream is mainly return of capital and capital gains.

Income advantages of using a RRIF

The legislated minimum RRIF payment may sometimes be greater than the Class Plus guaranteed income amount. In these years you can withdraw the RRIF minimum without impacting your Lifetime Withdrawal Amount. Every year, you receive the greater of the LWA or the RRIF minimum annual payment. Your LWA is still available even when the RRIF minimum is not applicable.

Estate planning benefits

When a beneficiary is named, the Death Benefit Guarantee amount is paid directly to the beneficiary, bypassing the probate and estate settlement process. Long delays are avoided as well as costly probate and estate fees. Also, beneficiaries receive proceeds in complete privacy.

Spousal continuation

The Contract can be set up so that the surviving spouse may continue to receive a guaranteed retirement income. Please consult your financial advisor for more information.

Investment flexibility

Investments can be changed to other eligible Empire Life Segregated Funds and in time of need you can access your investments.

Potential creditor protection

Assets in Class Plus may be protected from creditors provided the Contract has proper beneficiary designations and deposits were made well before the occurrence of bankruptcy.

Invest in Empire Life Segregated Funds

Class Plus offers 11 Empire Life Segregated Funds, which include five Portfolio Funds.

You may choose one of the following five Portfolio Funds that provides a customized and diversified portfolio of funds designed for your specific needs and goals:

- Conservative Portfolio Fund
- Balanced Portfolio Fund
- Moderate Growth Portfolio Fund
- Growth Portfolio Fund
- Aggressive Growth Portfolio Fund

Empire Life Segregated Funds follow a conservative, value-oriented investment management style which has provided above-average results for over 40 years.

To find out more about Empire Life Class Plus, please contact your financial advisor.

About Empire Life

In business for 85 years, The Empire Life Insurance Company (Empire Life) provides financial security and wealth management solutions for the changing needs of Canadians.

Through a nationwide network of professional financial advisors, managing general agents, brokers and group producers, Empire Life offers competitive individual and group life and health insurance, investment products and segregated funds.

The Company's success comes from a commitment to being approachable and responsive to the needs of its clients and business partners, consistently solid investment performance, and faith in its employees as future leaders.

A Company You Can Count On

When investing your retirement savings, it's important to be assured of the financial strength of the company you choose.

Empire Life is ranked among the top 10 life insurance companies in Canada based on revenue*, and is rated A (Excellent) by A.M. Best Company**. This rating is given to companies that have, in the opinion of A.M. Best, an excellent ability to meet their ongoing obligations to policyholders.

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[3] *Withdrawals from Class Plus , except the Class Plus Fee, will reduce the Income Base. The Income Base does not impact the market value of Class Plus investments and is not available for withdrawal.*

**Financial Post Business magazine, June 2, 2008*

***As at June 2, 2008*


Sound investing made simple,
It's in our nature

Focused Solutions. Superior Service.

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 Company[1] 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.

[1] *As at June 2, 2008*
[2] *June 2008, based on revenue*

Past performance is no guarantee of future performance. Empire Life Portfolio Funds currently invest in Class A units of the underlying Empire Life Segregated Funds.

The information in this document is for general information purposes only and is not to be construed as providing legal, tax, financial 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 presentation. Please seek professional advice before making any decision.

A description of the key features of the individual variable insurance contract is contained in the Information Folder for the product being considered. Subject to any applicable Death and Maturity Benefit Guarantee, **any part of the premium/deposit or other amount that is allocated to a segregated fund is invested at the risk of the Plan/Contract Owner and may increase or decrease in value** according to the fluctuations in the market value of the assets of the Segregated Fund.

Empire Life™

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