E-mail Broadcast – to Alberta Advisor and MGA email addresses

SUBJECT LINE: Increase in Alberta Provincial Premium Tax on universal life plans

BODY TEXT:

In the October 2015 budget, the Government of Alberta announced an increase to the provincial premium tax rate levied on life insurance policies.

As a result of the change, effective **April 1, 2016**, the premium tax rate on deposits made into universal life policies in Alberta will increase from 2% to 3%. In addition, the minimum premium amount will be re-calculated to reflect the new tax rate.

Letters will be mailed to inforce UL policy owners in Alberta to advise them of changes to the tax rate, minimum premium and, where necessary to meet minimum premium requirements, billing amounts on their policies. Letters will be sent for policies that are inforce by March 31, 2016. These changes to policy premiums will take effect on April 1, 2016.

The Wave v32.1 illustration software will be available for download on April 1, 2016 and will reflect the new minimum premiums for universal life policies in Alberta.

Policies that are pending after March 31, 2016 must submit a Wave v32.1 illustration as a requirement to settle the policy.

Policies issued on or after April 1, 2016 will display the new minimum premium and tax rate on the Policy Information Pages.

Note: This change in premium tax rates in Alberta does not change any of the premiums or billing amount of any Term, Critical Illness, or Traditional Whole Life plans.

If you have any questions about this change, please do not hesitate to contact our Western Regional Office at 1-877-877-1272.

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