

October 15, 2007

Neil Mohindra
Acting Policy Manager
Joint Forum Project Office
5160 Yonge Street
Box 85, 175th Floor
North York, Ontario M2N 6L9

Re: CLHIA Submission in Response to the Joint Forum of Financial Market Regulators *"Proposed framework 81-406: Point of sale disclosure for mutual funds and segregated funds"*

I would like to take this opportunity on behalf of The Empire Life Insurance Company (Empire Life) to voice several concerns over the proposed framework on the point of sale disclosure for mutual funds and segregated funds.

A subsidiary of E-L Financial Corporation Limited, Empire Life has been in business since 1923 and in the segregated funds business since 1964. We provide financial security and wealth management solutions for the changing needs of Canadians. Our company is rated "A Excellent" by A.M. Best Company and is among the Top 10 life insurance companies in Canada based on revenue. We have more than 370,000 individual clients, 6,300 group employer clients with 148,000 certificate holders and administer 675 group retirement plans. We have more than 700 employees across the country and have distribution partnerships with more than 18,000 financial advisors, brokers, managing general agents and group producers.

While we wholly support the Joint Forum's vision of providing investors with meaningful information before they purchase a fund, we feel that the proposed framework, in its current form, may counteract the rights of our policyholders and lead to decreased consumer choice and increased transaction delays.

Policyholders who purchase segregated funds receive disclosure information about the product before or at the time of sale. They have a contract that provides a number of contractual rights, including guarantees and the right to transfer between fund options within the contract. Many of the changes proposed in the framework, such as the issue of rescission rights, do not seem to capture the essence of an individual variable insurance contract. It is our belief that, in many cases, policyholders would be better served by their existing contract than the proposed changes.

Neil Mohindra
October 15, 2007
Page 2

In short, we agree that a principles-based regulatory approach is the most effective way to achieve our common goal of providing investors with meaningful information, and we endorse the CLHIA recommendation to move towards this type of system.

Respectfully,

D. G. Hogeboom
President and Chief Executive Officer

DGH:co