BMO Life Assurance Company
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IMPORTANT – Order Your Supply of New Forms & Material Today!

September 23, 2014

Dear Valued Partner,

Thank you for supporting BMO Insurance's entry into the segregated fund business over the past year. We have received great feedback from many advisors on our new BMO GIFs, in particular on the value of our *automatic monthly maturity guarantee reset* feature. What's more, BMO Insurance is pleased to announce the following product enhancements, effective October 1, 2014.

1) New Death Guarantee Reset Option

BMO GIF is now adding an optional *death guarantee reset feature* that can lock-in market gains and increase the death guarantee for beneficiaries in the event of an annuitant's death. For a small additional fee (15 to 20 bps), the "Death Guarantee Reset Option" will allow for death guarantee resets every 3 years on the policy anniversary, up to and including the last policy anniversary before the Annuitant's 75th birthday. Combined with our market leading Maturity Guarantee resets, we believe the new Death Guarantee Reset Option makes BMO GIF unbeatable in 'guarantee' value.

Normally this Death Guarantee Reset Option must be elected at time of application. **BMO Insurance is, for a limited time (October 1 to December 31, 2014), making this optional new feature available to existing BMO GIF contract holders.** A separate mailing to these existing clients with advance notice to their advisors will be implemented by October 14. Further details on this offer are covered in copies of the client & advisor letters, election form and the formal Policy Amendment, the "Death Guarantee Reset Option & Prestige Class Endorsement" (attached). Clients must contact their advisor to apply. The election form for the Death Guarantee Reset Option will also be available on our website www.bmoinsurance.com/advisor/GIF under Administration & Regulatory Documents.

2) New Prestige Class

Advisors asked for lower management fees for affluent clients and we are delivering with the new Prestige Class. ***Prestige Class offers a 35 bps reduction to the Class A fund management fees*** (about 40 bps incl tax). Prestige Class is available only in the No-Load sales charge option with trailer commission set at .75% and no change to deposit commission. Our No-Load option is a popular choice, representing 55% of BMO GIF sales.

The Prestige Class is available to existing and new contract holders, if eligible. Eligibility for Prestige Class is based on all BMO GIF contracts held by family members living at the same address and where the minimum aggregate holding is $250,000. Our threshold to obtain reduced fees is among the lowest in the industry.

Existing clients and their advisors will be notified by mail (included in Death Guarantee Reset Option & Prestige Class Endorsement mailing referenced above). Clients must contact their advisor to apply for

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Prestige Class. Prestige Class application forms will be available on our website www.bmoinsurance.com/advisor/GIF under Administration & Regulatory Documents).

3) New Locked-in Registered Savings and Retirement Income Plans and TFSA

We are pleased to announce that BMO GIFs now offer a full suite of:

- Registered and locked-in savings plans - RSP, SRSP, LIRA, LRSP, RLSP
- Registered and locked-in retirement income plans - RIF, SRIF, LIF, RLIF, LRIF, PRIF
- Tax Free Savings Account

New BMO GIF Application Forms 592 (Client Name) and 589 (Nominee) dated 2014/10/01 have been updated to support the product enhancements and additional locked-in registered plan types. Note there is a separate new BMO GIF - TFSA Application Form 642.
Also please remember for locked-in registered plans, the applicable provincial or federal endorsement form must be completed and submitted together with the application form. These registered plan endorsement forms will be available on our website www.bmoinsurance.com/advisor/GIF under Administration & Regulatory Documents.

Short-term Incentive Program

We are following through on our commitment to re-introduce the incentive promotion this Fall. All deposits to new and existing BMO GIF policies made between October 10 and December 31 will receive an extra 1% commission bonus to the deposit commission.

Effective Oct 10 to Dec 31 /14	DSC	No-Load
Deposit Commission (gross)	6.0% (20+ years)	4.0% (20+ years)
	5.5% (< 20 years)	3.5% (< 20 years)

The promotion starts October 10 and is scheduled to end December 31, 2014. This is a temporary increase in the deposit commission rates for the Deferred Sales Charge Option and the No-Load sales charge options. Not available with Front-End Load sales charge option. There are no changes to trailing commissions. We reserve the right to either withdraw or extend this promotion at any time with one week's notice. Advisors should recommend only products that are suitable for their clients and provide the most current disclosure of the Fund Facts included in the Information Folder & Policy Provisions dated October 1, 2014.

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It is important that your advisors begin using the new Investor Kits (includes 2014/10/01 updated BMO GIF Information Folders & Policy Provisions (including Fund Facts)) and the new 2014/10/01 Application Forms as soon as possible. Advisors will be directed to order material through their MGA / dealer. New Investor Kits and Application Forms have been printed and are available for order today by going to BMO Insurance's Dataonline ordering website. Updated Advisor Guides as well as other marketing collateral

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material can also be ordered separately. A reference guide to the complete list of BMO GIF forms and marketing materials is attached. All forms, regulatory and marketing material will also be available by October 1 on our website www.bmoinsurance.com/advisor/GIF under Administration & Regulatory Documents or Sales Support. We will accept only 2014/10/01 version application forms after October 31st.

Next Steps

Order supply of updated Investor Kits, Application Forms, Advisor Guides etc	Today
Email broadcast introducing GIF product enhancements to Advisors	Sep 29 (copy attached)
Email broadcast re-introducing incentive program	Oct 6
DGRO Endorsement letters mailed to Advisors of existing clients	Oct 6 (copy attached)
DGRO Endorsement letters mailed to existing GIF clients	Oct 14 (copy attached)

We trust you'll agree that these are important enhancements to what is already a great segregated fund investment program. Further details are available online in the updated Product Overview and Advisor Guide at www.bmoinsurance.com/advisor/GIF under Sales Support.

We appreciate your business and your continued support.

BMO Insurance
Product Management & Development