

IMPORTANT CHANGES TO EQUITABLE LIFE'S UNIVERSAL LIFE PLANS EFFECTIVE 5:00 P.M. EDT, MARCH 14, 2011

Effective Monday, March 14, 2011 at 5:00 p.m. EDT, Equitable Life of Canada is making changes to its universal life products to ensure their continued viability in this low interest rate environment.

WHAT'S CHANGING?

Equation Generation IV universal life

- Increased minimum premiums and Cost of Insurance (COI) charges for Level COI
- Increase in the Equivalent Single Life Age (ESA) on Joint Last-to-Die policies
- Increased YRT commissionable Target Premiums for all YRT and YRT to 85 plans resulting in higher compensation paid to advisors
- Increased First Year Commission rate on minimum Level COI premium from 45% to 55%

EquiLife Limited Pay universal life

- Increased premiums and Cost of Insurance charges for all COI types
- Increase in the Equivalent Single Life Age (ESA) on Joint Last-to-Die policies

These changes apply to new business, conversions, replacements and changes.

WHY ARE WE MAKING THESE CHANGES?

The low interest rate environment we have experienced in recent years adversely affects insurance products with built-in investment return guarantees. Level Cost of Insurance (COI) and guaranteed options within universal life products are particularly sensitive to low interest rates. Since interest rate assumptions are a key element in the pricing of life insurance products with long-term investment guarantees, we are making changes to our universal life products to ensure their continued viability.

As a mutual company, our participating policyholders also have an ownership interest in the Company and voting rights on important company issues. Equitable Life of Canada is one of the largest mutual life insurance companies in Canada and is committed to building long-term value for our policyholders and advisors through strong and profitable products.

HOW DO THESE CHANGES AFFECT OUR COMPETITIVENESS?

Equitable Life remains competitive with other major insurance companies who have already increased their Level COI rates. Percentage increases will vary for specific ages, sex, amounts and smoker status but on average, for males and females, ages 40 – 65, smoker and non-smokers:

- Equation Generation IV Level COI rates will increase by an average of 11%.
- EquiLife Limited Pay rates will increase by an average of 16%.

WHEN WILL THESE CHANGES TAKE EFFECT?

The changes will take effect on Monday, March 14, 2011 at 5:00 p.m. EDT. EquiLife and Equation Generation IV Level COI applications received at our Waterloo Head Office will be handled as follows:

Applications received ...	What happens?
By 5:00 p.m. EDT, Monday, March 14, 2011	Will be processed using the current rates and the Joint Last-to-Die Equivalent Single Life Age (ESA) in the existing 2011-1 version of the Equitable Sales Illustration Software.
After 5:00 p.m. EDT, Monday, March 14, 2011	<p>Will be processed using the new rates and the Joint Last-to-Die Equivalent Single Life Age (ESA) in the 2011-2 version of the Equitable Sales Illustration Software.</p> <p>Applications received with an illustration using the 2011-1 version of the Equitable Sales Illustration Software will require a new signed illustration using the 2011-2 version.</p>

WHEN WILL THE EQUITABLE SALES ILLUSTRATION SOFTWARE BE UPDATED?

The updated version 2011-2 of the Sales Illustration Software will be available after 9:00 a.m. EDT on Monday, March 14, 2011. See the [Equitable Sales Illustrations Update](#) for information on how to download or check for updates.

WHAT OTHER PRODUCTS CAN HELP YOUR CLIENTS CREATE AND ACCESS VALUE WITHIN THEIR POLICY?

Equitable Life offers a selection of products and riders providing the flexibility and guarantees your clients want to meet their pre-retirement and post-retirement needs.

The Need	The Solution
Maximizing cash accumulation, minimizing costs	Equation Generation IV YRT with Calibrator provides clients who have maxed out their RRSPs with a tax-sheltering vehicle for their non-registered investments. The lower YRT COI costs in the early years allow more of your clients' deposits to be invested, increasing the cash accumulation that can be accessed down the road to supplement their retirement income. Calibrator can help reduce the higher COI costs at older ages when clients typically have a lower debt load and therefore a decreased life insurance need.
Accelerating tax-sheltered growth to supplement retirement income	Equimax with Exceleator Deposit Option (EDO) provides clients with the ability to access cash value to supplement their retirement income. It offers accelerated tax-sheltered growth; guaranteed cash values, premiums and death benefit; and the flexibility to meet their changing needs.

The Need	The Solution
Creating, preserving and maximizing an estate	<u>Equimax Joint Last-to-Die with Paid-up Additions Dividend Option and EDO</u> can ensure the tax-efficient transfer of your clients' estate to their heirs. Since the death benefit from the life insurance policy creates an inheritance for their heirs, your clients can spend their entire retirement savings. No need to earmark part of it to leave something to the kids.
Accessing cash to supplement retirement income	<u>The Collateral Loan program with TD Canada Trust</u> let's Equimax policyholders borrow up to 90% of the cash surrender value of their policy, to a maximum of \$450,000, to supplement their retirement income, travel or do whatever they want.

WHO CAN YOU CONTACT FOR MORE INFORMATION?

Contact your Regional Marketing Manager for more information on these changes and other sales ideas.