



Advisor FAQ to the communication distributed Tuesday, November 23, 2010 regarding the implementation of segregated fund product changes, new segregated funds, and segregated fund Point of Sale requirements.

Pivotal Solutions and Pivotal Solutions DSC Product Changes

Q: What are the segregated fund product changes being implemented effective January 1, 2011?

A: Effective January 1, 2011, all new contracts issued will adhere to the new Pivotal Solutions and Pivotal Solutions DSC product, which is modified from the product sold today with the following changes:

- Maximum contract issue age is prior to December 31st in the year which the client turns 81;
- Maximum deposit age is prior to December 31st in the year which the client turns 81;
- Maximum contract maturity age is prior to December 31st in the year the client turns 105;
- Minimum contract-based maturity at 15 years;
- Resets are still permitted, provided they are requested prior to December 31st in the year the client turns 81;
 - Resets will be permitted with two client-initiated resets per year on the Death Benefit, and two client-initiated resets for the life of the contract on the Maturity Benefit.

Q: What effect do the product changes have on existing clients or contracts issued up to and including December 31, 2010?

A: None. Any contracts that are issued under the Pivotal Solutions and Pivotal Solutions DSC contracts prior to January 1, 2011 will be administered under the existing Info Folder and Contract. No other Equitable Life segregated fund products are impacted by these changes; only new contracts issued on or after January 1, 2011.

Q: Are there changes to any other Equitable Life Savings and Retirement products?

A: No. These changes do not impact any other Savings and Retirement products, nor do they impact existing clients in any way.

Q: What if my client would like the current contract and wishes to transfer external money under the existing contract, but the money will not be released from the relinquishing institution prior to January 1, 2011?

A: Have the client establish a policy now with \$500 minimum deposit, or \$50 PAC, and proceed with transfer. This will open an account under the current Pivotal Solutions and Pivotal Solutions DSC Contract for the transfer to flow into once processed and released by the relinquishing institution.

Q: Why is Equitable Life implementing segregated fund product changes?

A: Simply to realign the Equitable Life segregated fund product in an ever-evolving segregated fund industry. These changes do not reflect any financial constraint of Equitable Life. Many other insurance carriers are cutting back on segregated fund features; Equitable Life was exposed to some of the features that have caused an increase in insurance fees on other products. As a result, to prevent more drastic cut-backs in the future, Equitable has made these changes for future contracts, without impacting any existing clients. None of the product changes being implemented on new contracts effective January 1, 2011 are offside with the remainder of the industry. Increasingly volatile markets beginning in 2008 through to the present has caused an increase in insurance fees to continue to insure these segregated fund products. In an effort to value existing client and advisor relationships, Equitable Life has chosen to realign the product without increasing the cost of retirement.

Q: Why should I continue to do business with Equitable Life?

A: Equitable Life is a strong and stable company with a well-diversified balance sheet. Equitable Life continues to look for ways to improve the client and advisor relationship by distinguishing ourselves from our competitors through delivering excellent customer service with unique products to meet your clients' retirement needs.

New Segregated Funds

Q: Which Equitable Life segregated fund products will offer the new funds?

A: Effective January 10, 2011, the following Equitable Life segregated fund products will be eligible to hold the new funds:

- Pivotal Solutions and Pivotal Solutions DSC contracts issued on or after January 1, 2011,
- Pivotal Solutions and Pivotal Solutions DSC contracts issued prior to January 1, 2011, and
- Personal Investment Portfolio (PIP).

Q: What will happen if I submit an application prior to January 10, 2011 selecting the new funds?

A: The new funds will not be available on Fundserv until January 10, 2011, so they will not be eligible for selection. Any paper-based applications received for the new funds prior to January 10, 2011 will be held and processed within five business days of receipt at Head Office.

Q: Is there an addendum to the existing Information Folders for the new funds?

A: Yes, an addendum will be available on Equinet under the Savings & Retirement Marketing Materials page, as well as the Savings & Retirement administration forms page.

Q: When will the marketing materials be updated on Equinet?

A: All the Equitable Life Pivotal Solutions and Pivotal Solutions DSC marketing material will be updated and revamped to reflect enhanced branding, and will be available on Equinet on December 30, 2010.

Q: Where can I find the investment objective and investment details on the new funds?

A: Investment objectives and investment details can be found on the new Fund Facts document, required as part of the new Point of Sale requirements, as well as within the new Information Folder and Contract for new clients, and addendum for existing clients.

Q: Who manages each of the new funds?

A: The portfolio managers for each of the funds are as follows:

- Equitable Life Active Balanced ETF Portfolio is managed by Equitable Asset Management
- Equitable Life Acuity Diversified Income Fund is offered by Acuity Investment Management Inc.
- Equitable Life Dynamic Value Balanced Fund is offered by Goodman & Company, Investment Counsel Ltd.
- Equitable Life Mackenzie Founders Income and Growth Fund is offered by Mackenzie Financial Corporation
- Equitable Life Mackenzie Saxon Balanced Fund is offered by Mackenzie Financial Corporation
- Equitable Life Trimark Income Growth Fund is offered by Invesco Trimark Ltd.

New Point of Sale Requirements

Q: When will all the Point of Sale and marketing material be available reflecting the new product and funds?

A: All new marketing material has been produced reflecting the new funds and product changes to replace existing marketing material and will be made available on Equinet December 30, 2010. All distribution partners (both MGAs and WFG) will receive a stock of contracts, applications, information folders, and fund facts approximately late-December.

Q: What are the new Point of Sale requirements that are to take effect January 1, 2011?

A: Effective January 1, 2011, the Canadian Life and Health Insurance Association has implemented changes to the G2 Guidelines, whereby insurers issuing Individual Variable Insurance Contracts are required to fully disclose the product details, including the commission and any additional costs clients may inquire when purchasing the contract. It also explains each of the contract features and product structure at a simplified reading level. Each of the items that encompass the full Point of Sale requirements is as follows:

- The Information Folder must be delivered to the client before he or she signs the application for the segregated fund contract. This requirement is unchanged from current practice.
- The Information Folder must contain a Key Facts document that briefly describes the key features of the contract. This can be found at the beginning of the new Information Folder.
- Fund Facts documents for each segregated fund available under the contract must be delivered with the Information Folder. The Fund Facts documents may be physically included in the Information Folder or delivered separately – Equitable Life has created a separate document.
 - The client may choose to receive these disclosure documents either physically (in person, mail, or fax) or electronically (e-mail or viewed by the client on-line).
- The client must sign acknowledging receipt of these documents. The application has been modified to accommodate this new requirement. The new applications will be posted to Equinet on December 30, 2010. Copies will also be distributed to MGAs approximately mid-December.
- The insurer must offer a two-day rescission right (i.e., free exit) that applies to the decision to enter into the contract and/or any fund selection. The two-day rescission right is effective on the day the client receives the confirmation notice of purchase.

Q: Do the Point of Sale requirements apply to all my segregated fund business?

A: The new point of sale requirements apply to new contracts issued on or after January 1, 2011. While the Point of Sale requirements do not apply to subsequent deposits for existing clients (except for the rescission right), the Fund Fact(s) must be delivered if an existing client is purchasing one or more of the six new segregated funds. In this case, only the individual Fund Fact(s) are required for the applicable fund(s), and may be delivered physically or electronically.

Q: Who do I contact for more information?

A: Please contact your regional Investment Marketing Manager, or email SRMarketing@equitable.ca