



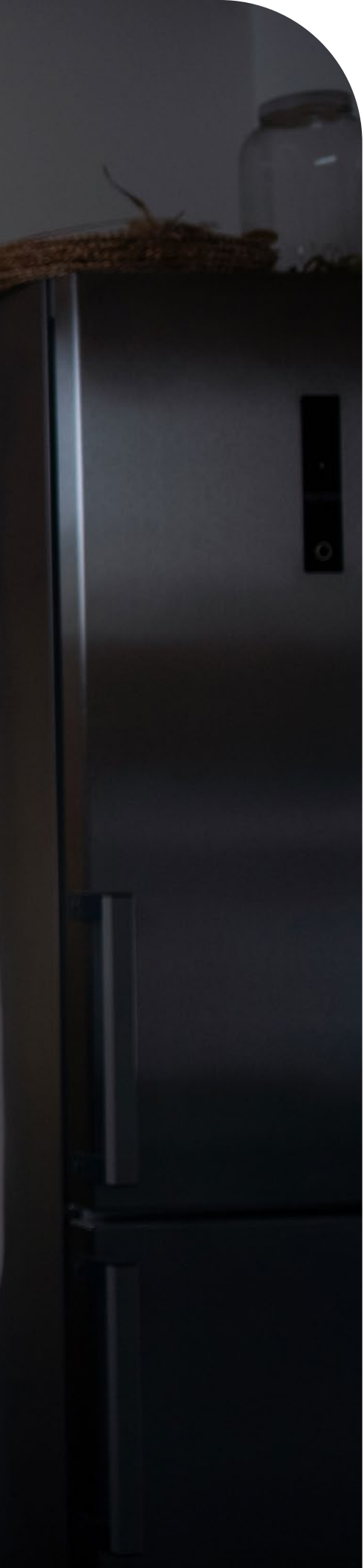
Insurance | Investments | Group Benefits

# Your guide to Equitable Generations

Client guide







## About Equitable

### Together. Protecting today. Preparing tomorrow.

We're clients, we're partners, we're employees.

As a mutual, we provide financial security differently by focusing exclusively on our clients. We're not owned by shareholders, which means we can focus on the long term and use our profits to reinvest in Equitable for our clients.

We're proud to be built on more than 100 years of serving Canadians with excellence. With a strong financial position, clients can count on Equitable to live up to our promises, today and in the future. Our financial strength allows us to invest in our products and services to always do better for our clients.

Wherever you see our logo, you will know our commitment. Always there for our clients. Focused on you, today and throughout your unique life journey.

### About this guide

This guide will help you learn about Equitable Generations™ universal life insurance. If you want to know all the terms and details of your contract, you should look at your policy. Equitable has done its best to make sure this information is accurate, but your policy prevails in all cases.

Equitable is here to help you and give you the support you need. If you have any questions or need more information, talk to your Equitable Regional Sales Manager.



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# About Equitable Generations

## Equitable Generations...designed for your life

Equitable Generations is a universal life insurance plan. It may offer affordable permanent protection as well as a way to help save and invest your money.

Life insurance protection	Savings and investments
Universal life is built on insurance coverage. Insurance coverage is an important part of any financial plan. It can help provide protection for your loved ones or business in the event of your passing.	You can use Equitable Generations to help you save money for things like your kids' schooling, your retirement, or emergencies. This plan has tax advantages and can help you reach your goals.

**Equitable Generations offers you the flexibility to change your premiums, insurance coverage, and investment options to meet your changing needs.**

For you and your family — life changes can affect what kind of insurance and investments you need:

- starting a new career,
- having children,
- providing for your children's or grandchildren's education,
- retiring,
- suffering from an unexpected illness.

For you and your business — the right financial protection is important to the success of a business:

- replacing a key person,
- funding a buy-sell agreement,
- planning for retirement and business succession,
- building a cash reserve for your business,
- funding retirement compensation packages,
- financing business opportunities,
- providing collateral.

Protecting your estate — building an estate to leave to your family takes careful planning. Equitable Generations can help you pass on what you have built in a tax-efficient way.

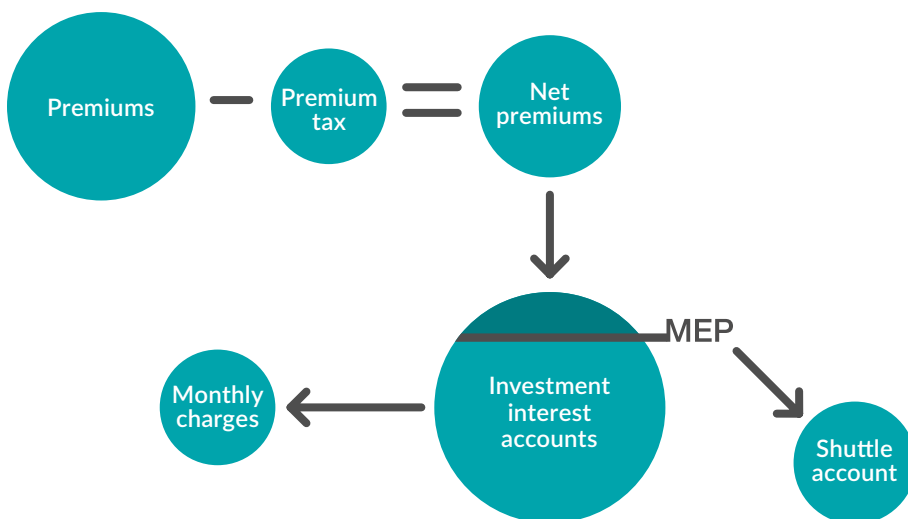
**It's an insurance plan truly designed for your life.**



## How Equitable Generations universal life works

Here is a summary of how your Equitable Generations universal life policy works. Please see your policy contract for more information.

1. You pay your premium.
2. We deduct premium tax from the premium you pay.
3. The net amount is put into the investment interest accounts you choose.
4. Monthly charges are taken out of your investment interest accounts.
5. The money left after paying monthly charges stays in your investment interest accounts. This makes up the account value of your policy.
6. The maximum exempt premium (MEP) is how much you can pay into the investment interest accounts and still have no tax consequences. If you pay more, the extra goes into a separate account called the shuttle account. Later, if the MEP increases, money from the shuttle account is paid as a premium into your investment interest accounts.



## Key Terms

Terms to know for the insurance portion of your policy:

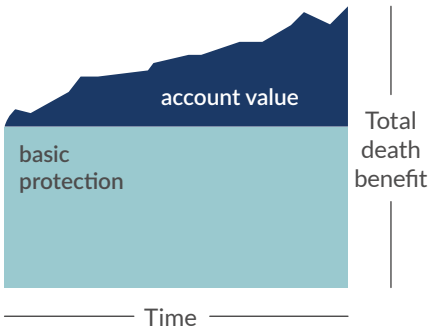
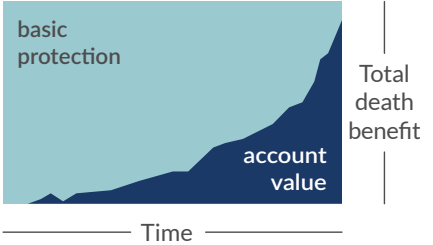
<b>Premiums</b>	When you make a yearly or monthly premium, the premium tax is taken out first. Then, the rest of the premium goes into the investment interest accounts you chose.
<b>Tax exempt</b>	This is how much money you can have in your investment interest accounts without tax consequences. A life insurance policy is tax exempt if it follows the limits set by the government.
<b>Investment interest accounts</b>	These are the accounts you choose to put your premiums into. There are different investment interest accounts available to help you meet your risk profile and goals. Choosing more than one option will help give you a wider range of savings options in your policy.
<b>Monthly charges</b>	<p>Each month, charges are taken from your investment interest accounts. They are made up of the following:</p> <ol style="list-style-type: none"> <li>1. Cost of insurance charges,</li> <li>2. Linked interest option administration fees,</li> <li>3. Charges for any optional riders or benefits that you have selected.</li> </ol> <p>You can choose to have the monthly charges deducted from specific investment interest accounts at set percentages, or from all accounts on a pro-rata basis. You would tell us on the application how you want the monthly charges deducted.</p>
<b>Account value</b>	Any amount of money in your policy that is more than what is needed to pay your monthly charges is your account value. Your account value can go up or down over time, depending on how your investments are doing.
<b>The maximum exempt premium (MEP)</b>	The MEP is how much you can pay into the investment interest accounts and still have no tax consequences. If you pay more, the extra goes into a separate account called the shuttle account. Later, if the MEP increases, money from the shuttle account is paid as a premium into your investment interest accounts.
<b>Shuttle account</b>	<p>The shuttle account is a separate account for premiums on deposit. It is used to keep your policy tax exempt. If there is more money in your policy than the maximum exempt premium (MEP), any amount over the MEP will be moved to the shuttle account. This maintains your policy's tax exempt status. There may be a tax consequence for this.</p> <p>Money put into the shuttle account does not count as a premium and there is no premium tax taken off. Each year, if the MEP increases, money from the shuttle account can go back into the investment interest accounts in your policy. This transfer would be treated like a premium payment.</p> <p>Money in the shuttle account is invested in the daily interest account (DIA), where it can earn interest. Interest earned is taxed each year. Money in the shuttle account does not get the Investment Bonus. (For more information, see the Bonus section of this guide.)</p> <p>The money in the shuttle account will be paid out if you cancel the policy or if the insured person passes away.</p> <p>For details on the shuttle account, please see the policy contract.</p>

# Life insurance protection

Equitable Generations is a flexible life insurance plan that can meet the changing needs of your family or business.

## What death benefit options are available?

You have two death benefit options to choose from:

Account Value Protector	Level Protector
<ul style="list-style-type: none"> <li>Available for either cost of insurance (COI) option: yearly renewable term (YRT) and level                             <ul style="list-style-type: none"> <li>Provides a level amount of insurance plus the payout of any account value.</li> </ul> </li> </ul> 	<ul style="list-style-type: none"> <li>Available only for the yearly renewable term (YRT) cost of insurance (COI) option                             <ul style="list-style-type: none"> <li>Provides an insurance amount that typically remains level for the life of the policy.</li> </ul> </li> </ul> 

The amount of basic protection could go up on a policy anniversary. This would happen if it needed to make sure your policy stays tax exempt. The increase can't be more than what the current tax rules allow. The total death benefit will include those increases as well. Any money in the shuttle account is paid out if the policy is cancelled or if the insured person passes away.

## Cost of insurance

### How much will my Equitable Generations policy cost?

There are two “cost of insurance” options available

Cost of insurance options	
Yearly renewable term (YRT)	The cost of insurance rates will increase each year until the insured's age 100. There is no more cost of insurance charged after that.
Level	The cost of insurance rates are level until the insured's age 100. There is no more cost of insurance charged after that.

For both options, the rates are guaranteed when your policy is issued. They are shown in your policy contract. The cost of insurance options available depend on your age at issue.

Cost of insurance type	Account value protector	Level protector
YRT (issue ages 0 – 80)	•	•
Level (issue ages 16 – 80)	•	

### Can I insure multiple people under one policy?

Yes. An Equitable Generations policy can cover up to two people. The death benefit can be paid either after the first insured person passes away or last person passes away.

### Can I change my insurance coverage in the future?

Yes. You have the option to change your insurance coverage as your situation and needs change over time. Available changes include:

- Increasing or decreasing the death benefit
- Adding or canceling a rider
- Changing your premiums,

To change your coverage, you may need proof that you still qualify for insurance. You also have to follow Equitable’s current administration rules.

## Premiums

### What payment options are available?

You can pay premiums annually or monthly. Payments are made in Canadian dollars. You can send payment by mail or have it taken out of your chequing account automatically.

### Can I make additional payments for tax-advantaged investment growth?

You can make extra payments to your policy if you would like. However, if you pay more than the maximum exempt premium (MEP), the extra money goes into a separate account called the shuttle account. Money put into the shuttle account does not count as a premium and there is no premium tax taken off. Any **interest earned** in the shuttle account **would be taxed** each year.

Each year, if your policy’s MEP increases, money from the shuttle account automatically transfers back into the investment interest accounts in your policy. This transfer would be treated like a premium. Refer to your contract for a more detailed explanation.

### Can I ever skip a premium payment?

Yes. You can skip a payment if your policy has enough account value to cover the policy’s monthly charges. Keep in mind, skipping or changing your payments could affect your policy’s account value and growth. This might make it harder to reach your long-term goals.

### How are my premiums allocated to my policy?

We take premium tax out of the premium you pay. The net amount is put into your investment interest accounts. You tell us how much to put into each account.



## Savings and investments

Equitable Generations doesn't just provide life insurance protection. It also has savings with tax advantages.

### Investment interest accounts

Whether you prefer to play it safe or take some risks, Equitable Generations provides different ways to invest your money. This means you can choose the kind of investments that work best for you. You can choose different investment interest accounts, where you can spread your money across different investments. This can help reduce risk as your money grows in a tax advantaged way. You can also change your investment choices later if your needs change.

#### What investment interest accounts are available?

You can invest in any combination of the following...	
<b>Daily interest account</b>	<p>The daily interest account works like a regular savings account you might find at a bank. The interest rate is set by Equitable and can change over time. It is guaranteed to never be less than 0%.</p> <p>For details on the interest rate, please see the policy contract.</p>
<b>Guaranteed deposit accounts</b>	<p>Guaranteed deposit accounts (GDAs) are available for 1, 5, and 10 year terms. When you put money into one of these accounts, you get a guaranteed interest rate for the term you choose. You must deposit at least \$500 to invest in a GDA. The interest rate is set by Equitable and can change over time. The interest rate is guaranteed to never be less than 0%.</p> <p>We reserve the right to change or discontinue the guaranteed deposit account terms available at any time.</p> <p>For details on the interest rate, please see the policy contract.</p>
<b>Linked interest options</b>	<p>Linked interest options let you invest in accounts where the money grows in a tax advantaged way. The growth depends on how well domestic, global and bond markets perform.</p> <p>There are five types of linked interest options available:</p> <ul style="list-style-type: none"><li>● <b>Index options</b> The interest your money earns is based on the movement of well-known indexes.</li><li>● <b>ESG index options</b> The interest your money earns is based on the movement of indexes applying ESG (Environmental, Social and Governance) principles.</li><li>● <b>Managed fund options</b> The interest your money earns is based on funds managed by some of the world's best money managers.</li><li>● <b>Portfolio interest options</b> The interest your money earns is based on the performance of the portfolios being tracked.</li><li>● <b>Target date options</b> The interest your money earns is based on the portfolios with the target date option you choose.</li></ul> <p>To learn more about these investments, go to the <a href="#">Rates and Performance</a> page on Equitable.ca.</p>

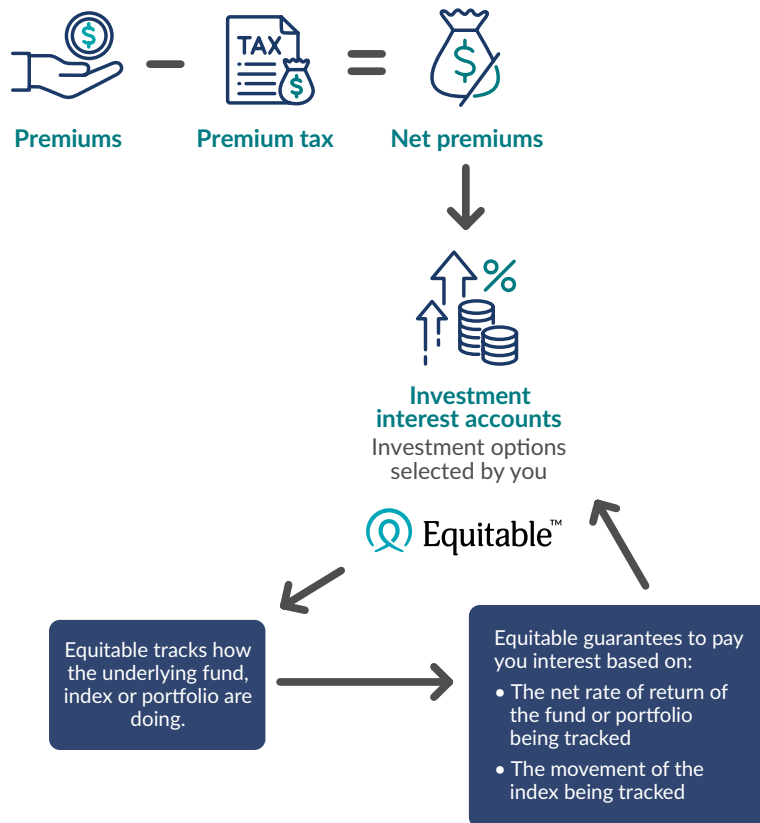
## How do the linked interest options work?

Linked interest options let you invest in accounts where money grows in a tax advantaged way. The growth depends on how well the domestic, global and bond markets perform.

With linked interest options, you are not investing in or buying into an index or a fund. Instead, your net premiums go into an interest account with Equitable. Monthly charges are taken out to pay for your insurance.

The interest you earn will match:

- the net return of the fund or portfolio being tracked, or
- the movement of the index being tracked.



## Will market ups and downs affect the value of my linked interest options?

The value of your linked interest options will go up and down with the market.

The results you get will depend on the linked interest options you selected as well as when and how much money you put into each. The interest you earn will match:

- the net return of the fund or portfolio being tracked, or
- the movement of the index being tracked.

Interest earned for both assumes that dividends paid by the underlying investment are reinvested rather than distributed as cash.

## What are the administration fees on the linked interest options?

An administration fee will be deducted monthly from money in linked interest options. This fee will be calculated using the below annual percentages of the account value:

Administration fees	
Index options	1.75%
ESG index options	1.75%
Managed fund options	0.00%
Portfolio options	0.00%
Target date options	0.00%

## What impact do the returns in the investment interest accounts have on my account value?

Your Equitable Generations account value is the total amount of all of the investment interest accounts.

- A positive rate of return will increase your account value.
- A negative rate of return will decrease your account value.

### Example:

Starting account value	Rate of return of the linked interest option	Interest amount	Your new account value
\$2000	2%	$\$2000 \times 2\% = \$40$	\$2,040
\$2000	-3%	$\$2000 \times -3\% = -\$60$	\$1,940

- While linked interest options can offer higher returns over time, they also come with more risk than a daily interest account or the guaranteed deposit accounts. Money deposited in the linked interest options are not guaranteed and can go up or down at any time. It's important to think about how much risk you're comfortable with before choosing how to invest.

The daily interest account and the guaranteed deposit accounts are different because they are guaranteed to grow your money. There is no risk of losing the amount you put in.

## How do I know which investment interest accounts are right for me?

Knowing your risk profile is the best place to start. Ask your advisor about the [Equitable Generations universal life investor profiler questionnaire, 2057](#). It can help you better understand your personal risk profile, helping you to make informed decisions about your investment selections.

## Accessing the cash in your policy

You can access the cash surrender value of your Equitable Generations policy if you need it. The cash surrender value is the money in your investment interest accounts\*, minus any loans and surrender charges. If you have money in the shuttle account, it is not part of your cash surrender value. Any money in the shuttle account will be used first if you ask for a withdrawal. Any money in the shuttle account will be paid to you if you cancel your policy.

Note: If you access cash from your policy, you may have to pay taxes on it.

### Can I withdraw cash from my policy?

You can take money out of your policy's cash surrender value if there is enough in the policy\*.

- A surrender charge will apply to withdrawals made within the first 9 years of the policy. For details on surrender charges, please see the policy contract.
- You tell us from which investment interest accounts the withdrawal is to be made.
- If you do not indicate a withdrawal order, the withdrawal will be made from the investment interest accounts in the same order used for the monthly charges.
- If there is any value in the shuttle account, withdrawals will be made from this account first.

Note: To keep your policy in effect, make sure there is enough account value to pay the monthly charges until your next premium. Also keep in mind that your investments can go up and down. If at any time there is no account value to pay for a monthly charge, your policy could lapse. If that happens, Equitable will give you 31 days to pay premium to keep the policy active.

### Can I borrow money from my policy?

You can borrow from the guaranteed deposit accounts\* and the daily interest account only. You cannot borrow from your linked interest options.

The amount you could borrow is up to 90% of the value of the guaranteed deposit accounts\* and daily interest account, reduced by one year's loan interest. The Equitable policy loan rate in effect at the time will apply. The insurance amount payable on death will be reduced by any existing loans under the policy.

### Will I receive money if I cancel my policy?

If you decide to cancel your policy, you will get the policy surrender value. It is made up of the cash surrender value from all your investment interest accounts\* and the shuttle account. There is no surrender charge if the policy has been in effect for more than nine years.

For details on surrender charges, please see the policy contract.

\* A market value adjustment (MVA) may apply to money invested in guaranteed deposit accounts. Ask your advisor for details.

## Bonus

### When is an investment bonus payable?

Equitable Generations policies are eligible for the guaranteed investment bonus. Starting in year 1, the bonus is added to your account value at an annual rate of 0.75% of your account value. The bonus is paid monthly at 1/12 of the annual rate. The bonus is paid no matter how your investment options are doing. Money in the shuttle account is not included when calculating your investment bonus.

See your policy contract for more information about this bonus and how it is calculated.

## Taxation

### Does Equitable Generations universal life insurance provide more tax advantages than traditional investment products?

Equitable Generations was made to help you have tax advantages in different ways while following Canada's tax laws. These advantages include:

1. Tax-free life insurance that is paid to your beneficiary when the insured person passes away.
2. The money invested in the policy can grow in a tax advantaged way. The growth has tax exempt limits that are set by the government.

Tax advantaged savings have rules and limits set by the Income Tax Act (Canada).

### What if my policy does not pass the tax-exempt tests?

If the policy does not pass the tax-exempt test, your insurance coverage will automatically increase to help keep the policy tax exempt. The increase cannot be more than what the current tax rules allow. You would not have to give us proof of insurability for this automatic increase. If the increase is not enough to keep the policy tax exempt, premiums or growth that exceed the annual tax-exempt limit will go into the shuttle account. Any interest earned in the shuttle account will be taxed each year.

## Available benefits

KIND™ Benefits	
<b>Compassionate Advance</b> (non-contractual benefit that may be withdrawn or changed at any time without notice)	This benefit lets you ask for an advance payment of part of the death benefit. The insured person must have a disease or injury that will cause death within 24 months of diagnosis. If we approve your request, you can get 50% of the coverage amount up to \$100,000. When we determine the amount of the advance, we adjust it for any policy loans and cash withdrawals. We also adjust it for any Living Benefit payments.  When the insured person dies, the death benefit will be decreased by the amount of any Compassionate Advance payment.
<b>Bereavement Counselling benefit</b>	With this benefit, your beneficiaries can get a lump sum of up to \$1,000. This lump sum is to help reimburse eligible counselling costs. This will only be granted if the insured person under the policy dies. It will also only be granted if a death benefit is paid.  Eligibility criteria and other conditions are found within the policy contract.

<p><b>Snap Advance</b> (non-contractual benefit that may be withdrawn or changed at any time without notice)</p>	<p>This benefit lets your beneficiaries ask for payment of part of the death benefit before the death claim is approved. It gives an amount equal to the policy cash value up to \$25,000. When we determine the amount to advance, we adjust it for any policy loans and cash withdrawals. We also adjust it for any Compassionate Advance and Living Benefits payments.</p> <p>When the insured person dies, the death benefit will be decreased by the amount of any Snap Advance payment.</p>
<p><b>Living Benefit</b></p>	<p>This benefit is available if the insured person becomes disabled by a mental or physical disability. The policy contract has details on what qualifies as a disability for this benefit. The Living Benefit lets you get a lump sum payment from the account value. When we determine the amount, we will adjust it for any policy loans and cash withdrawals. We also adjust it for any Compassionate Advance payment.</p> <p>The Living Benefit can affect the adjusted cost basis (ACB) of the policy. Changes in the ACB can affect the taxation of the policy. Tax laws are subject to change. Please speak with a tax professional.</p> <p>Eligibility criteria and other conditions are found within the policy contract.</p>

Full particulars of all KIND benefits can be found in the [2053 - KIND caring claim support package](#).

Benefits for joint plans	
<p><b>Survivor benefit</b></p>	<ul style="list-style-type: none"> <li>• Available on joint first-to-die plans.</li> <li>• Within 60 days of the first death, the surviving life insured can buy a single life policy. The policy can be bought at the current age without providing proof of insurability.</li> </ul>
<p><b>Additional death benefit payable</b></p>	<ul style="list-style-type: none"> <li>• Available on joint first-to-die plans.</li> <li>• An additional death benefit will be paid if the surviving life insured under the policy dies within 60 days of the first death.</li> </ul>
<p><b>Option to elect individual policies</b></p>	<ul style="list-style-type: none"> <li>• Available on joint first-to-die and joint last-to-die plans.</li> <li>• Insured lives can split to two single life policies should there be a material change in the relationship of the lives insured, such as a divorce.</li> </ul>

Eligibility criteria and other conditions for these benefits are found within the policy contract.

## Optional riders and benefits

<b>Waiver of monthly charges</b>	In the event of a qualifying disability lasting six months or more, all of the monthly charges under your Equitable Generations policy (including those for riders and benefits) will be waived.
<b>Additional accidental death benefit</b>	In the event of an accidental death, this benefit provides for the payment of an additional death benefit equal to the original amount of insurance, subject to a maximum of \$500,000.
<b>Children's protection rider</b>	This rider provides term insurance protection for all of your children, ages 15 days to 18 years, under one plan. The protection continues to be in effect until the child turns age 25. From ages 21 to 25, the term insurance can be converted to their personally owned policy for up to 5 times the original coverage amount, with no proof of insurability required.
<b>Flexible guaranteed insurability option</b> (available on children's plans only, issue ages 0 – 15)	Available on children's policies, this rider guarantees their right to purchase additional insurance up to a total maximum of \$500,000 at specified dates in the future. No proof of insurability is required. The dates and the amounts of additional coverage must be specified at time of policy issue.
<b>Term life insurance riders</b>	<p>Term life insurance can be added to the life insurance under a single life policy only. Three options are available:</p> <ul style="list-style-type: none"> <li>• Term 10 - Lowest initial level cost for 10 years. Renews on a yearly basis after the initial term. It expires at age 85</li> <li>• Term 20 - Lowest initial level cost for 20 years. Renews on a yearly basis after the initial term. It expires at age 85.</li> <li>• Term 30/65 - Highest initial cost but lowest overall cost because of the level term length. Cost for this rider does not renew. Cost remains level until expiry which is the later of 30 years or age 65.</li> </ul> <p>Preferred underwriting rewards good health with lower term life insurance cost.</p>
<b>EquiLiving® critical illness insurance riders</b> (available on adult and children's plans)	This rider provides a lump sum payment when the life insured is diagnosed with a covered condition and meets the other requirements in the rider contract. While no amount of money can truly compensate for a critical illness, this payment can help ease financial and emotional stress during treatment and recovery, so the focus can be on getting better.

The linked interest options available with your universal life insurance policy offer access to both equity and fixed income markets. Linked interest options may provide the potential for greater rates of return over the long term. However, there is a risk in selecting them as investment options. With the daily interest account or the guaranteed deposit accounts there are guarantees of credited interest rates. There are NO GUARANTEES with investments in the linked interest options. It is possible to receive negative interest, which will result in a decrease to your account value. You should ensure that there are always enough funds to cover the monthly charges, including cost of insurance, administration and any riders and benefits. Linked interest options are NOT mutual funds, segregated funds, or indices; you are NOT investing in or acquiring units in an investment fund or other security. You are placing funds on deposit, earning interest, with the general funds of Equitable. Past results do not show what will happen in the future. You may earn interest or lose interest based on how the underlying fund or index performs. The underlying fund or index can change at any time. Linked interest option administration fees will apply.

While Equitable has made every effort to ensure the accuracy of the information presented here, your policy contract governs in all cases.

The information in this document is consistent with current tax legislation, which can change without notice.

This document does not count as legal, tax, investment, or other expert advice. Readers are advised to seek professional advice prior to adopting any insurance or investment strategy.



# About Equitable

At Equitable, we believe in the power of together. This is how we focus on our clients. It's how we support advisors and give back to our communities.

Partnered with advisors we offer insurance, investments and group benefit solutions to help our clients protect today and prepare tomorrow. We believe the world is better when we work together.



Insurance | Investments | Group Benefits