



# EXCELERATOR DEPOSIT OPTION

## 60 MONTHS OF FLEXIBILITY

Excelsator deposit option (EDO) on Equimax<sup>®</sup> whole life insurance gives clients up to 60 months\* to make extra payments<sup>1</sup> above the required guaranteed premium, with no additional evidence of insurability required.

EDO is ideal for building wealth that clients can access to meet personal or business needs.

Up to 60 months to make extra deposits	<p><b>Start making EDO payments</b></p> <ul style="list-style-type: none"> <li>• Even if your clients didn't start making EDO payments at issue, they have the flexibility to start within 60 months* of the date the EDO application was signed without providing additional evidence of insurability.<sup>2</sup></li> </ul>
	<p><b>Stop and restart EDO payments</b></p> <ul style="list-style-type: none"> <li>• Your clients can stop making EDO payments at any time.</li> <li>• If they resume payments within 60 months* of the date of the last EDO payment, no additional evidence of insurability is required.<sup>3</sup></li> <li>• Missed or skipped payments cannot be carried forward and could impact maximum EDO payments permitted in future years.<sup>3</sup></li> </ul>
	<p><b>Increase and decrease EDO payments</b></p> <ul style="list-style-type: none"> <li>• Clients paying less than the maximum EDO payment in any policy year can increase the payment up to the maximum permitted for the policy, subject to administrative rules, tax-exempt status, applicable tax legislation and underwriting approval.</li> <li>• Reduced payment amounts cannot be carried forward and could impact maximum EDO payments permitted in future years.<sup>3</sup></li> </ul>
Availability	<p><b>EDO with substandard ratings</b></p> <ul style="list-style-type: none"> <li>• EDO may be available for clients who are a substandard risk:             <ul style="list-style-type: none"> <li>• Multiple ratings on single life and joint plans of 300% or less.</li> <li>• Joint last-to-die with a declined life, provided the other life is rated 300% or less.</li> <li>• EDO is not available if the policy has a flat extra rating.</li> </ul> </li> </ul>
	<p><b>Equimax whole life with paid-up additions or enhanced protection dividend options</b></p> <ul style="list-style-type: none"> <li>• EDO is available for Equimax Estate Builder<sup>®</sup> and Wealth Accumulator<sup>®</sup> plans; all ages; life pay and 20 pay options; single and joint lives. EDO is not available with 10 pay Equimax Estate Builder plans, but may be available through addition of a term rider.</li> <li>• If EDO is applied for:             <ul style="list-style-type: none"> <li>• <b>At the same time the Equimax application was signed</b>, underwriting will be based on the planned EDO payments included on the illustration submitted with the life insurance application.</li> <li>• <b>After the Equimax application was signed</b>, additional evidence of insurability and underwriting approval will be required. If approved, the EDO contract provisions that apply will be based on the effective date of the insurance policy, not the date EDO was added.</li> </ul> </li> </ul>

\*This applies only to policies with an effective date of March 23, 2020 or later.

<sup>1</sup> Limits will apply. <sup>2</sup> If the approved EDO payment is more than \$150,000 annually (\$12,500 monthly), your clients have up to 12 months from the date the EDO application was signed to make the first EDO payment before a contribution cap may apply. <sup>3</sup> The amount of the EDO payment allowed may be limited to the maximum EDO payment made in previous years depending on the policy year. A contribution cap may apply if the approved EDO payment was more than \$150,000 annually (\$12,500 monthly).

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1135(2022/02/12)

equimax



# EXCELERATOR DEPOSIT OPTION MAXIMIZING TAX-ADVANTAGED GROWTH

## HOW IT WORKS

<b>Maximum tax-advantaged growth</b>	<b>EDO payments buy paid-up additional insurance (PUAs) to maximize growth</b> <ul style="list-style-type: none"><li>• PUAs add to the non-guaranteed cash value of the policy.</li><li>• Both the Equimax basic permanent insurance coverage and the PUAs are eligible to participate in the earnings of the participating account through a dividend payment.<sup>4</sup> This further accelerates the growth within the policy.</li><li>• With the paid-up additions dividend option, PUAs will immediately increase the death benefit.</li></ul>
<b>Maximum EDO payment</b>	<b>Maximum limit on EDO payment maintains the policy's tax-exempt status</b> <ul style="list-style-type: none"><li>• The owner can apply for any EDO payment amount within the minimum and maximum limits calculated by the Equitable Sales Illustration® system.</li><li>• The maximum limit is calculated at policy issue based on the life insured's sex, risk class, age at issue of the policy, amount of coverage, plan type, premium option and the dividend scale in effect at that time remaining unchanged for the life of the policy.</li><li>• A term rider applied for and issued at the same time as the Equimax coverage may allow for an increase to the maximum EDO payment limit.<sup>5</sup></li><li>• Changes to the dividend scale and Income Tax Act exempt regulations, as well as changes clients may request to their policy, will affect the maximum EDO payment limit.</li><li>• Equitable Life® will not accept an EDO payment that will cause the policy to lose its tax-exempt status.</li></ul>
<b>For annual EDO payments of more than \$150,000</b>	<b>A contribution cap may apply*</b> <ul style="list-style-type: none"><li>• If the approved EDO payment is more than \$150,000 annually (\$12,500 monthly), and the payment is deferred more than 12 months after the date the application to add EDO was signed, or a scheduled EDO payment is not made.</li><li>• Deferring, skipping, or reducing EDO payments may limit future payment amounts.<sup>3</sup></li><li>• For information on how the contribution cap is calculated, refer to the Equimax Admin Guide, available on EquiNet® on the Whole Life Insurance Product page under the <a href="#">Resources tab</a>.</li></ul>

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For more information, refer to the [Excellerator deposit option Q&A](#) and the [Equimax Admin Guide](#) available on EquiNet on the [Whole Life Insurance Product](#) page under the [Resources tab](#).

<sup>3</sup>The amount of the EDO payment allowed may be limited to the maximum EDO payment made in previous years depending on the policy year. A contribution cap may apply if the approved EDO payment was more than \$150,000 annually (\$12,500 monthly). <sup>4</sup>Dividends are not guaranteed and are paid at the sole discretion of the Board of Directors. Dividends may be subject to taxation. Dividends will vary based on the actual investment returns in the participating account as well as mortality, expenses, lapse, claims experience, taxes and other experience of the participating block of policies. <sup>5</sup>If the Owner Signature Date of the policy is June 26, 2021 or after, and subject to underwriting and the administrative rules and guidelines in effect.

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