Equitable

Insurance | Investments | Group Benefits

Which life insurance solution is right for you?

Term or permanent? Choosing the right type is as easy as 1-2-3!

1 There are two main types of life insurance:

Term insurance is like renting an apartment

Most people have rented at some point in their lives. You pay your rent, but you don't own the apartment or build equity. Depending on your situation, renting could be your best option at the time. However, if you later decide to purchase something more permanent and buy your own home, you won't take any equity with you when you move.

Permanent insurance is more like owning your own home

It's not just about meeting an immediate need – it's also about investing for your future. While owning a home may cost you more than renting, every payment you make builds equity for tomorrow. Plus, if you invest further in your home – through renovations or upgrades – you can increase its value even more. Permanent insurance gives you a similar chance for equity growth and long-term financial security.

2 Term or permanent? Which is right for you?

First, ask yourself a few questions about what you want to achieve.

Do you want...	Term	Permanent
To pay off your mortgage or your other debts in the event something happens to you?	✓	✓
To replace your income to help provide for loved ones and those who depend on you?	✓	✓
To build tax-advantaged funds that you can use as you like[1] – such as for a child's education or to supplement your future retirement income?		✓
To create an inheritance for your family, other heirs or a favourite charity?		✓
To preserve an inheritance by covering your future final expenses, taxes and other fees, keeping as much of your estate value as possible for your heirs?		✓
To fund a buy-sell agreement, or provide key person protection for your business?	✓	✓
Life insurance protection for the lowest cost available today?	✓	
Life insurance protection only for a specified period of time?	✓	
Life insurance protection for your lifetime?		✓

3 Not all permanent life insurance plans are the same

If you decide on a permanent insurance solution, whole life and universal life are your two options. Both typically offer tax-advantaged growth of your entire policy. But they also have key differences. Talk with your advisor about your insurance and savings goals to find the solution that best fits your needs.

Equitable® offers two permanent life insurance solutions:

	Whole life	Universal life
Do you need...	Equimax® (Participating Whole Life[2])	Equitable Generations™ Universal Life
Guaranteed premiums/cost of insurance charges?	✓	✓
Guaranteed cash value?	✓	
The opportunity to receive dividends which can increase the value of your policy?[2]	✓	
The flexibility to add, change, or remove coverage as your needs change?	✓	✓
Premium flexibility, including being able to stop payments for a period of time?[3]	✓	✓
A hands-off investment option that requires no ongoing management by you?	✓	
The ability to select the investments that best meet your risk tolerance and goals and to change them from time to time?[3]		✓
Growth that will never be negative, despite any market shifts?	✓	
Maximum growth potential, even if there's a risk of negative returns?		✓
The ability to make additional deposits[4] to increase the tax-advantaged growth in your plan?	✓	✓
Permanent life insurance coverage for a child?	✓	✓

Talk to your advisor, explore your options, and see which solution is best for you.

[1] The cash value of the policy may be accessed through a withdrawal, policy loan, or policy surrender. It may be subject to taxation and a tax reporting slip may be issued. Some restrictions and charges may apply. See policy contract for details.
[2] Equitable policyholders are eligible to participate in the earnings in the participating account through dividend payments. 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. Dividends have the potential to increase the value of your policy above the guaranteed amount, depending on the dividend option selected. There are five dividend options to choose from.
[3] If premiums are not paid, the account value will be used to cover the monthly charges of the coverage. If, at any time, the account value is not sufficient to cover the monthly charges for the coverage, the policy owner will need to continue or resume premiums payments in order to keep the coverage in effect.
[4] There are limits on the amount you can deposit into your policy to ensure the policy remains tax-exempt under the provisions of the Income Tax Act (Canada).

This information does not constitute legal, tax, investment, or other professional advice. Please consult your tax or legal professional for independent advice with respect to your personal circumstances.

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1197 (2026/03/21)