

Equimax Estate Builder® and Wealth Accumulator® product enhancement

Transition rules effective as of March 23, 2020

Enhanced Excelerator Deposit Option (EDO) payment flexibility

- The initial payment can now be made any time up to 60 months from the date the EDO application was signed without providing additional evidence of insurability.
- Scheduled payments can be stopped and restarted within 60 months of the date the last EDO payment was received without providing additional evidence of insurability.

EDO is now available if an adult life has a substandard rating of 300% or less.

New Disability Benefit Disbursement feature

- This built-in feature allows for a tax-free¹ lump sum payment of the policy's cash value if the life insured becomes disabled from a severe mental or physical impairment as defined in the policy contract.

¹ Tax laws are subject to change. The payment of the disability benefit disbursement may affect the adjusted cost basis (ACB) of the policy as it is considered payment of a capital benefit. Changes in ACB can affect the future taxation of the policy. Refer to the policy contract for more information.

Other important information:

- The enhanced EDO payment flexibility is available on policies issued as of March 23, 2020 or later.
- Under the new EDO payment rules, a contribution cap may apply if the approved EDO payment is more than \$150,000 annually (\$12,500 monthly) and the payment is deferred or skipped. Please refer to the Equimax Admin Guide on EquiNet® for more information.
- If a policy already in effect has a rating over 200% and up to and including 300%, the owner can apply to add EDO provided the policy was issued under the 2017 tax rules. The application will be subject to underwriting approval and submission of satisfactory evidence that we require. Use the G3-Application for Change (form 0374G3).
- Equitable Life will not accept an EDO payment that will cause the policy to lose its tax-exempt status.
- The Disability Benefit Disbursement will also be available on Estate Builder and Wealth Accumulator policies already in effect, provided they were issued under the 2017 tax rules.

The new 60-month EDO payment flexibility will be based on an effective date of March 23, 2020. This means that the rules that will apply will be based on the issue date of the Estate Builder or Wealth Accumulator policy regardless of when or how the application is received or when EDO is applied for. To make the transition as smooth as possible, please take a moment to review the information below.

WHAT EDO PAYMENT RULES APPLY?

The EDO payment rules that apply will be based on the issue date of the Equimax Estate Builder or Wealth Accumulator policy; not when the application for EDO is received. To apply to add EDO to an existing policy it must be a policy issued under the 2017 tax rules (G3); please complete the G3-Application for Change (form 0374G3).

| Policy issue date | Applicable rules |
|-------------------------|---|
| Prior to March 23, 2020 | <p>Previous EDO payment rules will apply regarding underwriting and requirements for additional evidence of insurability:</p> <ul style="list-style-type: none">• The owner has up to 24 months from the date the application for EDO is signed to make the initial payment without providing additional evidence of insurability.• If EDO is applied for with the application for the policy, the owner has up to 12 months from the date the policy application is signed to increase the EDO payment (subject to the maximum permitted for the policy) without providing additional evidence of insurability.• If EDO is not applied for with the policy, the owner has up to 12 months from the date the policy application is signed to add EDO without providing additional evidence of insurability.• The owner can stop scheduled EDO payments at any time and restart within 24 months of the last EDO payment without providing additional evidence of insurability. |

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| March 23, 2020 or later | <p>New EDO payment rules will apply regarding underwriting and requirements for additional evidence of insurability:</p> <ul style="list-style-type: none"> • The owner will have up to 60 months from the date the application for EDO is signed to make the initial payment underwritten and approved without providing additional evidence of insurability. A contribution cap may apply. • The owner can stop scheduled EDO payments at any time and restart within 60 months of the last EDO payment without providing additional evidence of insurability. A contribution cap may apply. • If EDO is not applied for with the policy, the owner can apply for it at any time, and it will be subject to underwriting approval and submission of satisfactory evidence that we require. • Any request to increase the EDO payment from what was initially underwritten and approved will be subject to underwriting and submission of satisfactory evidence that we require. |
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BACKDATING TO SAVE AGE

A policy can be backdated up to six months to save age; this will change the issue date of the policy. If a policy is backdated prior to March 23, 2020, the contract will reflect the previous EDO payment rules.

NEW ILLUSTRATION SOFTWARE ALREADY AVAILABLE

The 2020-1 illustration software available for download on March 2, 2020 included the ability to illustrate EDO with ratings of 300% or less.

WHO CAN YOU CONTACT FOR MORE INFORMATION?

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

If you require clarification on other administrative details, please contact your Equitable Life Service Team at:

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