

A closer look at life insurance

Equitable Life® offers term life, participating whole life, and universal life plans. This chart takes a closer look at life insurance and highlights some of the key differences between these plans.

	Term	Whole Life	Universal Life
What is it?	<ul style="list-style-type: none"> • Pure insurance protection. • Life insurance protection with a pre-set expiry date after which the insurance terminates. • No cash values. 	<ul style="list-style-type: none"> • A mix of life insurance and savings. • Permanent life insurance protection with no expiry date. • Stable tax-advantaged investment growth and access to available cash value. 	<ul style="list-style-type: none"> • Insurance protection with the option for savings. • Permanent life insurance protection with no expiry date. • Opportunity for maximum tax-advantaged growth within the policy and access to available cash value.
What does it provide?	<ul style="list-style-type: none"> • Low cost insurance for a specified time. 	<ul style="list-style-type: none"> • Lifetime protection with guaranteed premiums, death benefit and cash values. • Hands-off, stable, tax-advantaged investment growth managed by the Equitable Asset Management Group (EAMG) at Equitable Life. • Participating whole life insurance policyholders are eligible to participate in the earnings of the participating account through dividend payments.¹ 	<ul style="list-style-type: none"> • Lifetime protection with flexible premiums and guaranteed Cost of Insurance rates. • Opportunity to maximize the tax-advantaged savings within the policy with a hands-on approach for those individuals who prefer to select and manage their own investments.

¹ Dividends are not guaranteed and are paid at the sole discretion of the Board of Directors. Dividends may be subject to taxation and 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. They have the potential to increase the value of your client's policy above the guaranteed amount, depending on the Dividend Option selected. There are five Dividend Options to choose from.

	Term	Whole Life	Universal Life
What are some needs that it meets for my clients?	<ul style="list-style-type: none"> • Pay off mortgage or other debts. • Replace income. • Fund buy sell agreements, creditor, and key person protection for business. • Protection for the lowest cost. • Protection for a specified time. 	<ul style="list-style-type: none"> • Pay off mortgage or other debts. • Replace income. • Fund buy sell agreements, creditor, and key person protection for business. • An option to accumulate tax-advantaged savings. • Create an inheritance for heirs or a favourite charity. • Preserve an inheritance by covering any tax burden that occurs at death. 	<ul style="list-style-type: none"> • Pay off mortgage or other debts. • Replace income. • Fund buy sell agreements, creditor, and key person protection for business. • An option to accumulate tax-advantaged savings. • Create an inheritance for heirs or a favourite charity. • Preserve an inheritance by covering any tax burden that occurs at death.
What are the products offered by Equitable Life?	<ul style="list-style-type: none"> • Three different Term options: <ol style="list-style-type: none"> 1. 10 Year Renewable and Convertible Term - guaranteed premiums renew every 10 years to age 85. 2. 20 Year Renewable and Convertible Term - guaranteed premiums renew every 20 years to age 85. 3. Term 30/65 – guaranteed premiums payable to the later of 30 years and age 65. • 10 and 20 Year Term and Term 30/65 are available as Riders on the life insured under single life participating whole life (adult plans only) • 10 and 20 Year Term available as Riders on universal life and critical illness insurance (adult plans only). • Additional Riders and benefits are available to customize the plan including critical illness insurance to help cover both life and health needs. 	<ul style="list-style-type: none"> • Equimax® Participating Whole Life – offered. There are two plan types to meet your clients’ short and long-term goals: <ul style="list-style-type: none"> • Equimax Estate Builder® offers higher long-term value. Ideal for estate planning and covering any tax burden that occurs at death. Offered with 10 pay, 20 pay and life pay premium options. • Equimax Wealth Accumulator® offers higher early cash values within the first 20 years. Ideal for building wealth that can be accessed for things like business needs or to supplement retirement income. Offered with 20 pay and life pay premium options. • Additional Riders and benefits are available to customize the plan. including critical illness insurance to help cover both life and health needs. 	<ul style="list-style-type: none"> • Equitable Generations™ Universal Life – permanent life insurance coverage with a choice of death benefit and Cost of Insurance Options. Clients can choose from a variety of investment options to maximize the tax-advantaged growth available within the policy. • Additional Riders and benefits are available to customize the plan including critical illness insurance to help cover both life and health needs.

	Term	Whole Life	Universal Life
How do the premiums compare?	<ul style="list-style-type: none"> • Usually the lowest initial premium. • Guaranteed level premiums for a specific length of time. • For Renewable Term, guaranteed premiums increase at each renewal. 	<ul style="list-style-type: none"> • Higher premiums than term insurance, but participating whole life insurance policyholders are eligible to participate in the earnings of the participating account through dividend payments.¹ • Depending on the dividend option selected, dividends can be used to reduce the premium. 	<ul style="list-style-type: none"> • The monthly charges (which include the minimum premium and administration fees) are initially higher than term and less than whole life. • Universal life generally offers the most flexibility to make additional deposits in order to maximize the cash value accumulated within the plan.
Are premiums guaranteed?	<ul style="list-style-type: none"> • Yes. 	<ul style="list-style-type: none"> • Yes. 	<ul style="list-style-type: none"> • While the rates used to calculate the monthly charges are guaranteed, the policy owner can pay any amount they choose. For the policy to remain in effect there must be enough value in the policy to cover the monthly charges that apply.

¹ Dividends are not guaranteed and are paid at the sole discretion of the Board of Directors. Dividends may be subject to taxation and 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. They have the potential to increase the value of your client's policy above the guaranteed amount, depending on the Dividend Option selected. There are five Dividend Options to choose from.

	Term	Whole Life	Universal Life
<p>Is the premium amount flexible?</p>	<ul style="list-style-type: none"> No. 	<ul style="list-style-type: none"> No. Required premiums must be paid. Automatic Premium Loan is available to cover any missed premium payments. Use of this feature will result in indebtedness under the policy. If your clients select on deposit, paid-up additions or enhanced protection as their dividend option, their policy will accumulate non-guaranteed cash value. At some point in the future, they may be able to stop paying premiums for their policy. This is called the premium offset point. This is not automatic and the policy must qualify at the time of request. To qualify, the future dividends plus the non-guaranteed cash value within the policy must be sufficient to pay all future premiums. A decrease in the dividend scale could: <ul style="list-style-type: none"> Delay the premium offset point and require your clients to pay premiums for longer than previously illustrated. Require your clients to resume paying premiums for a period of time if their policy has been on premium offset. Additional deposits can be made to increase the tax-advantaged growth in the policy. Limits apply to the deposits to ensure the policy remains tax-exempt. 	<ul style="list-style-type: none"> Yes. The policy owner has the flexibility to increase, decrease or stop paying premiums for a period of time. The maximum premium allowed is subject to provisions in the Income Tax Act (Canada). If premium payments are not sufficient to cover the monthly charges for the policy, they will be paid from the policy Account Value. This will affect the cash value and death benefit and may even cause the policy to lapse.

	Term	Whole Life	Universal Life
Is the cash value guaranteed?	<ul style="list-style-type: none"> There is no cash value. 	<ul style="list-style-type: none"> Yes. A portion of the Total Cash Value is guaranteed. The remainder is dependent on the dividend option selected and the dividend scale.¹ A change in the dividend scale can affect the policy, particularly if a client selects the paid-up additions or enhanced protection dividend options in which they are relying on dividends to increase the cash value or the death benefit of the policy. The Guaranteed Cash Value is not available for cash withdrawals. 	<ul style="list-style-type: none"> No. The value of the policy is entirely dependent on the amount the policy owner deposits and the performance of the investment interest accounts selected by the policy owner.

¹ Dividends are not guaranteed and are paid at the sole discretion of the Board of Directors. Dividends may be subject to taxation and 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. They have the potential to increase the value of your client's policy above the guaranteed amount, depending on the Dividend Option selected. There are five Dividend Options to choose from.

	Term	Whole Life	Universal Life
How is the savings component affected by market volatility?	<ul style="list-style-type: none"> There is no savings component. 	<ul style="list-style-type: none"> Guaranteed Cash Value is not affected by market volatility. A change in the dividend scale can affect the policy, particularly if your clients selected the paid-up additions or enhanced protection dividend options in which they are relying on dividends to increase the cash value or the death benefit of the policy.¹ Premiums above what are required to pay current benefits and expenses are invested in the Participating Account. Investment assets in the Participating Account are managed internally by Equitable Asset Management Group, an investment division of The Equitable Life Insurance Company of Canada; to meet the product guarantees and provide long-term income and growth to support the dividend scale. The policy owner will never experience a negative dividend and once credited; dividends can never be taken away. 	<ul style="list-style-type: none"> Since the investment options are selected by the policy owner, they assume the risk of market volatility if they select anything other than Guaranteed Investments. Interest credited on the Daily Interest Account (DIA) and the Guaranteed Deposit Account (GDA) will never be negative. Performance for the Linked Interest Option Accounts is not guaranteed. It may be positive or negative depending on the performance of the underlying fund or Index being tracked. Poor performance of the investment options selected could result in negative growth in the policy and require additional deposits over and above what was originally projected.

¹ Dividends are not guaranteed and are paid at the sole discretion of the Board of Directors. Dividends may be subject to taxation and 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. They have the potential to increase the value of your client's policy above the guaranteed amount, depending on the Dividend Option selected. There are five Dividend Options to choose from.

NOTES: For full product details, please refer the respective product Advisor Guides found on the product pages on EquiNet®. While Equitable Life has made every effort to ensure the accuracy of the information presented here, the policy contract governs in all cases. This information is not a substitute for legal, tax, investment, or other professional advice. It is intended for advisor use only.

® denotes a trademark of The Equitable Life Insurance Company of Canada.

Questions? Contact your Equitable Life Regional Sales Manager.