



Equitable Life of Canada[®]

Term Life Insurance Advisor Guide

including
Administration Rules and Guidelines

June 2022.

FOR ADVISOR USE ONLY.

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About Equitable Life of Canada

Equitable Life[®] is proud to be one of Canada's largest mutual life insurance companies. As a mutual company, Equitable Life is not driven by shareholder pressures for quarterly results. This allows us to focus on management strategies that foster prudent long-term growth, continuity, and stability.

We are dedicated to meeting our commitments to our customers – to provide good value and meet their needs for insurance protection and wealth accumulation – now and in the future. That's why Canadians have turned to Equitable Life since 1920 to protect what matters most.

Equitable Life is a focused, stable, and strong company. We have sufficient earnings and capital to meet our future growth targets, and we continue to grow steadily. Our growth in sales has been driven by our ability to implement our strategic plan, placing a priority on products, service, and execution. Our financial success reflects our continued commitment to profitable growth and our ability to navigate a changing regulatory and economic environment.

Our mutual structure is a key element of our value proposition, along with our diversified product portfolio and superior service. As an organization we're progressive, competitive, and firmly committed to serving the best interests of our policyholders through longer-term strategies that foster ongoing stability, growth, and profitability.

Questions? Equitable Life is committed to providing you with the service you need to support your business. If you have questions or require additional information, please contact your Equitable Regional Life Sales Managers.

About this Guide:

This guide provides detailed product information and outlines the administrative rules and guidelines that apply to Term Life products currently offered and is for information purposes only. All efforts have been made to ensure the accuracy of the information contained in this guide. The policy contract will govern in all cases.

Information contained in this guide reflects the provisions of the Income Tax Act (Canada) as of the date of publication of this guide. Equitable Life reserves the right to modify its practices to reflect any subsequent changes to the Income Tax Act (Canada) and regulations affecting these policies

FOR ADVISOR USE ONLY.

WHO TO CONTACT

Equitable Life is committed to providing you with the service you need to support your business. If you have questions or require additional information on any of Equitable Life's insurance products, please contact your Regional Sales Manager.

For additional information or clarification on a client's specific policy or administration of Term Life products no longer being sold, please contact your Equitable Life Advisor Service Team.

- By Phone: 1.800.668.4095
- By email:
 - western-service@equitable.ca (Western Canada: BC, AB, SK, MB)
 - eastern-service@equitable.ca (Eastern Canada: ON, QC, NB, NS, PE, NF)

MARKETING MATERIALS

EquiLiving marketing materials and other resources are available on EquiNet at www.equitable.ca/advisorhome:

- Log in to EquiNet at www.equitable.ca/advisorhome
- Under **Individual Insurance** select **Marketing Materials**
- Select **[Supply Order Form](#)**

Please request marketing material from your MGA. Your MGA should complete the order form, scan it and email it to supply@equitable.ca or FAX it to 519-883-7424.

EASY OPTIONS TO APPLY FOR COVERAGE

Take advantage of EZcomplete[®], Equitable Life's easy to use online application system. Use it for in person or non-face-to-face meetings. It easily guides you through the required sections of the application and includes functionality that allows clients to sign the application using their own electronic device.

An EquiNet user id and password will be required to use the EZcomplete application. Then simply log into EquiNet and click on the EZcomplete menu bar to start an EZcomplete application.

Paper applications are also accepted. Please use form 350 (Application for Life and/or Critical Illness Insurance). A signed illustration must accompany the paper application and show the same plan type, face amount, premium payment option, premium paying mode and dividend option, as well as any riders and benefits for which the client is applying.

Need access to EquiNet? Click on the **Log In** option in the EquiNet banner, then click on the option to **Create a new password**.

ABOUT TERM LIFE INSURANCE

TERM LIFE at a glance

Plan Summary	Equitable Life offers affordable term insurance protection that is easy to understand and easy to deliver to those clients who need temporary life insurance protection. It provides: <ul style="list-style-type: none">• Low-cost life insurance protection• Preferred underwriting, rewarding clients for their good health and lifestyle• Several additional features and benefits that allow clients to create an insurance plan tailored to their unique and changing needs
Target Market	Term insurance is ideally suited to the following markets: <ul style="list-style-type: none">• Individuals or families seeking mortgage/debt protection or income replacement• Business owners seeking creditor protection, key person coverage or funding for buy sell agreements• Individuals or families looking for an affordable alternative to more costly permanent coverage
Availability	Adult Single Life Standalone Adult Joint First to Die Standalone Adult Multi-Life Standalone

	<p>Adult Single Life Rider</p> <ul style="list-style-type: none"> • On Equimax® (Par whole life) • On Equation Generation IV (Universal life) • EquiLiving (Critical illness insurance) <p>A Term Life Rider has all the plan features of the standalone Term plan except for the optional riders that are available on a Standalone Term plan only.</p>
Plan Types	<p>10 Year Renewable Convertible Term (10 YRCT) Provides level life insurance protection to age 85 of the life insured with premiums renewing every 10 years at a guaranteed amount.</p> <ul style="list-style-type: none"> • Issue ages: 18-75 years <p>20 Year Renewable Convertible Term (20 YRCT) Provides level life insurance protection to age 85 of the life insured with premiums renewing every 20 years at a guaranteed amount.</p> <ul style="list-style-type: none"> • Issue ages: 18-65 years <p>Term 30/65 Provides level life insurance protection and guaranteed level premiums payable to the later of 30 years and age 65 of the life insured.</p> <ul style="list-style-type: none"> • Issue ages: 18-55 years • Not available for Joint coverage
Sum Insured	<p>\$50,000-\$10,000,000</p> <p>Special quotes from Head Office may be obtained for face amounts over \$10,000,000</p>
Policy fees	<p>\$50.00 annually \$4.50 monthly</p>
Underwriting Classes	<p>Class 1 – Preferred plus non-smoker Class 2 – Preferred non-smoker Class 3 – Non-smoker (standard) Class 4 – Preferred smoker Class 5 – Smoker (standard)</p> <p>Preferred Term Underwriting is available for insurance coverage amounts greater than or equal to:</p> <ul style="list-style-type: none"> • \$1,000,000 for ages 18-50, and • \$500,000 for ages 51-60 <p>Preferred Term Underwriting is not available for ages 61+</p>
Rate Banding	<p>Band 1: \$50,000 – \$99,999 Band 2: \$100,000 – \$249,999 Band 3: \$250,000 – \$499,999 Band 4: \$500,000 – \$999,999 Band 5: \$1,000,000 – \$2,499,999 Band 6: \$2,500,000 +</p>

	For Multi-coverage policies: If more than one term coverage applies to a life insured, premiums are based on the band applicable to <u>each</u> individual coverage amount, not the total of the combined coverage amounts.
BUILT-IN BENEFITS	
Exchange Option	Built-in only for 10 YRCT
Conversion Option	All plans
Bereavement Counselling benefit	Built-in only for Standalone Term
Substitution of a life insured	Built-in only for Multi-Life personally-owned Term plans
Survivor Benefits	Built-in only for Joint First-to-Die plans
Automatic Coverage Continuation Provision	Term Riders only
OPTIONAL RIDERS	
<ul style="list-style-type: none"> • Additional Accidental Death Benefit Rider • Children’s Protection Rider • Waiver of Premium Rider • Guaranteed Insurability Option Rider • EquiLiving Critical Illness Insurance Rider • Disability Waiver of Premium 	

Coverage Options

Single Life Multi-Term (not available on corporately-owned policies)

- Multiple term coverages on the same insured can be issued on the same policy to provide different “layers” of temporary coverage to meet varying insurance needs
- The policy can be corporately-owned or personally-owned

Multi-Life (not available on corporately-owned policies)

- If the owner of the policy is an individual, a term policy can also include coverage on more than one Life insured
- If the policy is corporately owned, we do not offer the option to insure multiple lives under the same policy
- A death benefit is payable on the death of each individual insured

Joint First to Die

- Available only with 10 YRCT or 20 YRCT
- One coverage that insures two individual lives
- The death benefit is payable on the occurrence of the first insured death and the policy terminates

At the occurrence of the first death, the surviving life insured has options available to them under the Survivor Benefit.

Premium structure

All guaranteed premiums for a Term Life coverage are included in the Premium Schedule section of a client’s policy contract.

Plan Type	Premium Structure
<p>10 YRCT 20 YRCT</p>	<ul style="list-style-type: none"> • Premiums are guaranteed at issue and will automatically renew at the end of each renewal period. • The premium due at each renewal is guaranteed at time of issue and is always an increase from the last renewal • Coverage will automatically renew for the same renewal period (either 10 or 20 years). The only exception is the last renewal period, which may not be a full period because the coverage expires at age 85 of the life insured
<p>Term 30/65</p>	<ul style="list-style-type: none"> • Premiums are guaranteed level and payable to the later of: <ul style="list-style-type: none"> ○ Year 30 of the term coverage, and ○ Age 65 of the life insured • The premium does not renew, and coverage expires at the end of the premium payment period

Built in Benefits

Bereavement Counselling benefit

Stand-alone Term plans only

Upon the death of a life insured covered under the term policy, and payment of the death benefit, we will provide a bereavement counselling benefit of up to a total of \$500 towards the cost of counselling expenses, shared among all beneficiaries.

- The benefit amount is a total of \$500 regardless of the number of beneficiaries
- The beneficiary(ies) must submit receipts within 12 months of the date of death of the life insured to Equitable Life; and
- The counsellor must have professional accreditation or certification as determined appropriate by Equitable Life at the time of receipt

Substitution of a life insured

Built-in only for Multiple life personally-owned Term insurance policies.

This benefit gives clients the option to substitute a life insured on a policy.

- The new life insured must submit satisfactory evidence of insurability, and
- Must provide proof of an insurable interest with the other lives insured under the policy
- An administrative fee may apply

If the policy has a Disability Waiver of Premium rider, substitution of a life insured will require cancellation of the rider.

Survivor Benefits

Built-in only for Joint first-to-die policies.

A joint first-to-die Term Life plans have a survivor benefit automatically included that offers options to the surviving life insured.

The joint first-to-die Term Life plan will end at the first death of the lives insured, and within 60 days of the first death the surviving life insured will have the option to purchase, without evidence of insurability, a new

single life Term plan, with the following criteria:

- The maximum amount of coverage on the new term life plan will be limited to the amount of insurance in effect at the date of the first death
- Plan Minimums and maximums for face amount, premiums and issue ages as per our administrative and guidelines for the plan selected will apply
- Premiums will be based on the attained age of the surviving life insured at the rates in effect at that time
- The risk class of the surviving life insured under the new policy will be the same if the new policy is for an amount that offers a similar risk class, otherwise the new policy will be the closest equivalent as determined by Equitable Life

Applicant/Payor Waiver of Premium

- If the surviving life insured is insured under a Waiver of Premium Rider under the joint first-to-die policy that is in effect at the time of the first death and the surviving life insured is not disabled, the disability waiver can be added to the new policy subject to availability and issue age limits.
- If the surviving life insured is insured under a Waiver of Premium Rider under the joint first-to-die plan, and premiums are being waived on the joint first-to-die plan as a result of continued disability of the surviving life insured at the time of the first death, a new term coverage can be issued as outlined above and the premiums under the new policy would continue to be waived as long as the disability of the surviving life insured continues.
- If premiums are being waived under the joint first-to-die policy at the time of the first death due to the disability of the deceased life, premiums for the new coverage on the surviving life insured would not be waived and would become payable. In addition, any premiums for riders or benefits in effect on the surviving life insured would not continue to be waived and would become payable.

Additional Death Benefit payable

- If within 60 days of the first death the surviving life insured dies and at the time of death is under attained age 70, we will pay the beneficiary an additional death benefit equal to the death benefit amount in effect at the time of the first death.

Option to Elect Individual Policies

Built-in only for Joint first-to-die policies.

Joint first-to-die Term plans have an option to elect individual single life policies should there be a material change in the relationship of the lives insured, such as a divorce or a dissolution of a business partnership.

- The new single life policies are issued at attained age and current rates for a similar class of risk. No underwriting will be required.
- The existing joint policy will be surrendered coincident with the issue of the new individual policies.
- The total amount of coverage for each single life policy will be limited to the total amount of coverage in effect on the joint policy at the time the request to surrender it for individual single life policies is received. T
- The new individual single life coverage must meet the plan minimums and maximums for the age, premium and coverage amounts required on the product selected.
- Any request to increase the amount of coverage will be subject to underwriting approval.
- If the joint first-to-die Term policy has a Waiver of Premium Rider in effect on any of the lives insured at the time the policy is surrendered for individual policies, and premiums are not being waived, the life insured

under the Waiver of Premium Rider can continue to have a Waiver of Premium Rider on the new single life policy. Waiver of premium must be available on the new plan and the life insured must be within the issue age limits for the Waiver of Premium Rider on the new plan. Otherwise, the Waiver of Premium Rider will terminate with the request to surrender the joint first-to-die Term policy.

- If premiums for the joint first-to-die Term policy are being waived under the Waiver of Premium Rider provision and a request is made to surrender the policy for single life policies, premiums would not be waived for the new single life policies and premiums would become payable.

Automatic Coverage Continuation Provision

Built-in on Term Riders only

If the base policy to which this Rider is attached ends, and a Term Rider is in force at that time, we will continue the coverage provided under the Term Rider until the earlier of the expiry date for the Term coverage, or until you ask us to terminate the Term coverage.

- A policy fee may be payable

Living Benefit

Non-contractual provision

If the life insured is diagnosed with a condition, disease or injury which is expected to cause death within 24 months, they may qualify for a living benefit payment which advances the lesser of:

- \$100,000 or
- 50% of the face amount of the policy,

less any existing indebtedness.

- Diagnosis must be supported by a report/documentation from a licensed physician, and
- The policy must have been in effect for a period of at least 24 months, and
- No reinstatement of the policy has taken place in the previous 24 months
- Whether a Living Benefit is payable is not dependent on who will be using the funds
- Based on current tax legislation, Living Benefit payments are not taxable
- We will require the authorization of the beneficiary for the payout of a Living Benefit if a preferred beneficiary, irrevocable beneficiary, or an assignee is indicated on the policy

The Living Benefit payment is an advancement of the Death Benefit and therefore:

- premiums will continue to be due for the policy based on the total sum insured in effect just prior to payment of the Living Benefit
- If a Disability Waiver of Premium Rider is in effect on the policy, the premiums for the policy will be waived
- At time of death, the death benefit will be reduced by the Living Benefit amount advanced

Riders on Term standalone plans

Equitable Life term plans offer a variety of optional riders to ensure clients have the comprehensive coverage they need.

The following riders are available on the standalone version of the Term Life plan. They are not available when Term Life is added as a rider to an Equimax participating whole life, Equation Generation IV and Equitable Generations™ Universal Life policy or an EquiLiving policy.

For issue ages please refer to the **Product Summary** section in this document.

Waiver of Premium Rider

This rider can be purchased on a person insured under the Term life and/or on the Payor/Applicant of the policy (not both the Payor and the Applicant). It provides for the payment of all premiums applicable to the plan while the person insured under the rider is totally disabled by sickness or accident. If the total disability occurs prior to their 60th birthday and lasts for six consecutive months, Equitable Life will refund any premiums paid during this six-month period and waive any premiums that come due during the continuation of the total disability.

	Disability Waiver of Premium	Payor/Applicant Waiver
Available on	<ul style="list-style-type: none"> • Single Life Term policies • Multi-Life Term policies • Joint First to Die Term policies 	
Insured covered under the Waiver of Premium Rider	The life of the insured for the Term Life policy	The Owner/Payor of the Term Life policy (can only cover either the Payor or the Owner of the policy but not both)
Issue Ages	18-55 years	
Expiry	On the policy anniversary nearest the person insured under this Rider's 60 th birthday	On the policy anniversary nearest the person insured under this Rider's 60 th birthday

- Can be added after policy issue, subject to underwriting approval, Issue age limits, and any administrative rules in effect at that time.
- In situations where we are not notified within 6 months of a total disability, we will only retroactively waive premiums to a maximum of up to one year from the date the life insured notifies us of the disability.

If a claim for Total Disability is made prior to the expiry date of the Waiver of Premium Rider and the person who is insured under the Rider continues to be Totally Disabled at the expiry of the Rider, the premiums will continue to be waived until the earlier of:

- The date the person insured under the Waiver of Premium Rider is no longer Totally Disabled, and
- The expiry of the Term Life policy

With a Disability Waiver of Premium

On a joint life policy, if:

- only one life has a Disability Waiver of Premium Rider, premiums for the entire policy would be waived, but only upon disability of the life insured by the DWP rider.
- the other life insured under the joint policy does not have a Disability Waiver of Premium Rider and becomes totally disabled, premiums would not be waived and would continue to be payable

With Payor/Applicant Waiver

- A Payor/Applicant insured under this Rider cannot transfer this Rider to provide coverage to another Payor/Applicant.
- If the ownership of the policy is transferred to another person, this Rider does not transfer to that person.
- If premiums are being waived under this Rider due to Total Disability and the Payor/Applicant dies, premiums will resume on the policy.

Premiums for Waiver of Premium Rider:

To calculate the premium amount for the Waiver of Premium Rider, the total annual premium for each active coverage, not including the Waiver of Premium Rider itself, are summed. The total annual premiums for the policy are then multiplied by a pricing rate factor for the age, gender, and smoking status of the insured at issue.

- The rate factor used to calculate the Waiver of Premium at time of issue is guaranteed
- While the rate factor does not change, the increase in premium at time of renewal means that the premium charged for the Waiver of Premium Rider will increase.
- Any changes in the policy after issue resulting in a premium change, means that the premium charged for the Waiver of Premium Rider will also change.

Total Disability for Waiver of Premium: a state of incapacity caused by disease or bodily injury that results in the person who is insured under the Waiver of Premium Rider, unable to perform all duties of his regular occupation. If the person insured has no occupation, total disability means the inability to engage in any occupation for which the person insured is qualified by education, training, or experience.

- If Total Disability occurs prior to the 60th birthday of the person who is insured under the Waiver of Premium Rider, and lasts for 6 consecutive months, any premiums paid during the 6-month waiting period will be refunded and any premiums that come due during the continuation of the disability will be waived.

Additional accidental death benefit rider (AADB)

If death occurs because of an accident and the life insured dies within 90 days of the accident, this rider provides an additional death benefit equal to the amount elected at issue.

Available on	Issue Ages	Issue Limits	Expires
<ul style="list-style-type: none">• Single Life policies• Multi-Life policies (not joint plans)	10 YRCT and 20 YRCT <ul style="list-style-type: none">• 18 years-60 years Term 30/65 <ul style="list-style-type: none">• 18 years-55 years	Min: \$1,000 Max: Limited to the lesser of the amount of term coverage or \$500,000	On the policy anniversary nearest to the person insured's 65 th birthday.

Children's Protection rider (CPR)

This rider provides the convenience of providing term insurance protection for all the insured's children under one convenient plan.

- Children born or legally adopted by the life insured after the policy is issued are automatically included after 15 days or upon the date of adoption, whichever is later, provided the child is legally adopted before their 18th birthday.
 - Any child under the age of 15 days at the time of death of the life insured or born or adopted following the death of the life insured are not covered by the rider.
- Between the ages of 21 and 25 years, children have the option to purchase their own policies for up to 5x the original face amount of the children's protection rider, without evidence of insurability, subject to the administrative rules and guidelines for issue limits for face amount, premiums, and age for the new plan.
 - The option to purchase their own policy expires on the anniversary nearest the child's 25th birthday.
- Premiums are payable for this rider for 20 years after which payments for this rider cease but coverage will continue for all insured children at that time

- If the life insured for the term policy dies before 20 annual premium payments have been paid, the rider will become paid-up and remain in effect on the insured children until coverage on that child expires at the anniversary nearest the child's 25th birthday.
- Requests to terminate the children's protection rider must be submitted in writing to Equitable Life.

Issue Age	Issue Limit	Expires
Child insured: 15 days-18 years Issue age of insured parent: 16-55 years	\$10,000-\$30,000	Insured child's 25 th birthday

Guaranteed Insurability Option

Attractive feature for clients concerned about future insurability. This option guarantees a client to buy additional insurance coverage at specified dates (option ages) in the future, without providing further evidence of continued insurability.

- The new life policy will be issued at attained age and rates; and must meet the minimum and maximum age and coverage requirements for the plan elected.
- If the term policy contains a Disability Waiver of Premium provision, the new policy will also contain such a provision. However, if the new policy is on any plan other than Whole Life or Term, or a combination of any of these plans with a Term Rider, the inclusion of such a provision will be subject to receipt of evidence of insurability.

Issue Age	Term Plan Types
18-38 years (Cannot be added after policy issue)	Single Life policies issued standard

Option ages

- Depending on the age of the life insured at issue there may be only one option available or up to 7.
- At each option age the owner of the policy has the option to take a new policy for a coverage amount starting at \$25,000 up to the maximum option amount.
- The new policy must meet minimum and maximum age and coverage requirements of the new policy

Ages of life insured at issue	Option ages	Maximum option amount
18 – 20	22,25,28,31,34,37,40	\$50,000
21 – 24	25,28,31,34,37,40	\$50,000
25 – 27	28,31,34,37,40	\$50,000
28 – 30	31,34,37,40	\$50,000
31 – 33	34,37,40	\$50,000
34 – 36	37,40	\$60,000
37 – 38	40	\$75,000

EquiLiving critical illness insurance rider

For specific details please refer to the EquiLiving Advisor/Admin Guide

Clients can add an EquiLiving Rider to their Term life plan on or after issue of the Term policy and enjoy most of the same benefits of a stand-alone EquiLiving plan without an additional policy fee. The addition of an EquiLiving rider makes Term Life a truly comprehensive insurance package-critical illness coverage to provide financial protection in the event of a covered critical condition, and term life insurance to pay a benefit to the beneficiaries upon a client's death.

EquiLiving provides clients with a lump sum benefit if the person insured under the rider is diagnosed with one of the 26 covered critical conditions and satisfies all the requirements for that covered condition as outlined in the rider. Clients can use their covered conditions benefit payment any they want.

- Since EquiLiving riders are issued on a single life basis, for multi-life term policies and joint life term policies, each life insured that wants critical illness insurance coverage must apply for a critical illness rider on the application and qualify for the coverage.

Plan Type	10-year Renewable to Age 75	Level to Age 75	Level to Age 100 (coverage for life)
Benefit amount	\$10,000-\$2,000,000		
Issue Age <i>*Subject to the age restrictions for the term life policy</i>	18-65 years	18-64 years	18-65 years
Expiry	At the policy anniversary nearest the person insured's 75 th birthday	At the policy anniversary nearest the person insured's 75 th birthday	If the Term Life base expires at age 85 and the person insured under this rider is still alive, their EquiLiving rider will remain in effect on the policy. If premiums for a client's Term Life policy are being waived under a Waiver of Premium Rider, the EquiLiving rider premiums will continue to be waived under the Waiver of premium for as long as a client qualifies.

There are several built-in benefits available on the CI Rider, including but not limited to:

Built-in benefits	Description
Early Detection Benefit	Provides a lump sum benefit if the person insured by the rider is diagnosed with and satisfies all the requirements for any of eight non-life-threatening covered conditions. <ul style="list-style-type: none"> • The early detection benefit will be the lesser of 15% of the then current EquiLiving benefit amount and \$50,000. • This benefit can be paid multiple times while the rider is in effect, but only once for any one of the early detection benefit covered conditions.
Change Privilege	Clients can change their EquiLiving rider plan type to another critical illness insurance coverage plan type as follows subject to the issue age limitations for that plan: 10-year Renewable to: <ul style="list-style-type: none"> ○ Level to Age 75

	<ul style="list-style-type: none"> ○ Level to Age 100 (coverage for life) ○ 20 Pay coverage to Age 75* ○ 20 Pay coverage for life* <p>Level to Age 75 to:</p> <ul style="list-style-type: none"> ○ 20 Pay coverage to Age 75* ○ 20 Pay coverage for life* <p>Level to Age 100 to:</p> <ul style="list-style-type: none"> ○ 20 Pay coverage for life* <ul style="list-style-type: none"> ● Evidence of insurability will not be required if there is no increase in sum insured to the new plan. ● The change privilege cannot be exercised if premiums for the rider are being waived under a Waiver of Premium provision. ● Full and partial changes are permitted <p><i>*If a Change Privilege is for a CI Rider to a 20 Pay plan, the 20 Pay CI coverage will be issued as a stand-alone policy with a policy fee, since we do not allow 20 Pay CI coverage on Term plans. For changes to a 20 Pay policy, the 20-year payment period starts on the date of the change.</i></p>
<p>Rider Exchange Provision</p>	<p>Available on:</p> <ul style="list-style-type: none"> ● Multi-life and Joint Term Life plans <p>If a death benefit becomes payable causing the Term policy to terminate, the Owner may request in writing, within 60 days of the death of the Insured Person, to exchange the EquiLiving riders that was providing coverage for any surviving Person Insured on the Term policy, for a separate EquiLiving Critical Illness Insurance policy, without evidence of insurability.</p> <p>If the premiums are being waived under a Waiver of Premium on the Term Life policy, the premiums will not be waived on the new EquiLiving policy.</p>

Term Life Insurance as a Rider (Term Rider)

Addition of a term rider coverage to a policy is subject to availability and the administration rules and practices in effect at the time of application.

- Multiple term rider coverages may be added to the same policy at issue to provide different “layers” of temporary coverage to meet different insurance needs.
- Term Riders are only issued as single life coverage
- The premiums for the new term insurance rider are based on the attained age of the life insured and the rates in effect at that time for the applicable class of risk as determined by us.

Unless otherwise noted, the Term Rider added to another policy has the same built-in features as the standalone Term coverage.

TAX STATUS: In the chart below we refer to a G2 or G3 tax status policy. The coverage tab on the Individual Inquiry screens on EquiNet include a tax indicator field. It shows the tax status that applies to a client’s policy.

<p>What term coverages can be added as a rider?</p>	<p>Whole Life: T10 YRCT, T20 YRCT, T 30/65</p> <p>Term riders may increase the maximum Excelerator Deposit Option (EDO) payment limits amounts or allow EDO to be added to an Equimax policy provided the term rider is issued at the same time as the Equimax coverage. Please refer to the Equimax Advisor/Admin Guide for more details.</p> <p>Term Life, Critical Illness and Universal Life: T10 YRCT, T20 YRCT</p>
<p>Can a Term Rider be added after policy issue?</p>	<p>Critical Illness Yes</p> <p>Term Life, Whole Life and Universal Life: Yes, if G3 Tax status</p>
<p>Risk Class</p>	<p>It is possible that a term rider added to a policy after issue could have a substandard rating even though a substandard rating does not apply to the base policy.</p> <p>There could also be differences in risk classes between coverages on the same life insured based on different underwriting guidelines and risk assessment completed at the time of application for the base policy versus those in place at time of application for adding the Term Rider coverage.</p>
<p>Premium and policy fee</p>	<ul style="list-style-type: none"> • Premium rates for term riders are guaranteed at issue • Each term rider is considered separately in determining the premium rate that applies even if it covers the same insured. If more than one term rider applies to a life insured, premiums are based on the band applicable to <u>each</u> individual rider coverage amount, not the total of the combined coverage amounts. • If the life insured on the term rider is different from the base life insured, the class of risk for the term rider is based on the person being insured under the term rider • There is no separate policy fee associated with term insurance if it remains a rider on a base policy.
<p>Premium payment for the Term Rider</p>	<p>Universal Life</p> <p>Charges for universal life policies and all riders attached to the plan are always taken monthly regardless of whether the client pays their premiums annually or monthly.</p> <p>The annualized premium for a term rider on universal life plans will be equal to 12x the term rider monthly premium.</p> <p>If adding the Term Rider to an existing universal life, the charges will increase for the policy when the term rider is added effective the last monthiversary.</p> <ul style="list-style-type: none"> • If policy premium payments are monthly, the PAD payment will change only if the owner requests it to be changed or if it is less than the minimum required to cover the increase in charges. If we need to increase it because it is less than what is required to cover the charges, we will only increase it to the new minimum required to avoid a shortage.

	<ul style="list-style-type: none"> • If policy premiums payments are annual, we will look at the account value and excess premiums paid into the policy. If the value is sufficient to cover the term rider cost, additional premium is not requested. If funds are not sufficient to cover the increase in charges, a pro-rata premium amount would need to be paid to cover the costs until the next premium due date. • If the minimum premium is being paid for the policy the owner may need to increase the payment to keep the policy in effect. <p>Term Life, Critical Illness and Whole Life The term life rider premium is based on the premium payment mode of the base policy.</p> <p>If adding the Term Rider to an existing policy the premiums will increase for the policy when the term rider is added effective the last monthiversary:</p> <ul style="list-style-type: none"> • If the existing policy premium payment mode is monthly, the additional monthly premium is charged when the term rider is added, and at the next monthiversary, the PAD payment required for the policy will include the term rider. • If the existing policy premium payment mode is annual, a pro-rata premium payment will be required for the term rider to pay it up to the next policy anniversary. At the next policy anniversary, the total annual premium payment required will include the term rider.
<p>Can a Term Rider be backdated?</p>	<p>Universal Life</p> <ul style="list-style-type: none"> ○ Up to 3 months <p>Term Life, Critical Illness and Whole Life</p> <ul style="list-style-type: none"> ○ Up to 6 months <p>When a term rider is added to a policy, the effective date of the term rider coverage can be backdated to save age if backdating is not prior to the effective date of the base policy.</p>
<p>Conversion Option</p>	<p>Any term riders issued on a policy with a G2 tax status which are converted will not be grandfathered for tax purposes. The new permanent policy will have a G3 tax status and be treated with the tax rules effective January 1, 2017.</p> <p>For older G2 plans, refer to the contract for conversion ages as these have changed over time.</p>
<p>If adding a Term Rider to an existing policy with a Disability Waiver Rider on that insured</p>	<p>The Term coverage life insured must also qualify for disability waiver at time of application for the term rider.</p> <ul style="list-style-type: none"> ○ If the life insured qualifies for disability waiver coverage, the addition of the term rider to the base policy will increase the premium or charges required for the disability waiver provision. The cost of disability waiver is based on the amount of premium or charges to be waived for the policy, adding a term rider increases the total premium or charges for the policy and the amount that will need to be waived on disability of the life insured by the waiver. ○ If the life insured does not qualify for disability waiver coverage, the term rider cannot be added to a policy with a disability waiver provision. The term rider

	<p>will be set up as a separate policy with no disability waiver provision. A policy fee as determined by us may apply.</p>
<p>Automatic Coverage Continuation</p>	<p>If the base policy to which a term insurance rider is attached ends, and the term rider is in effect at that time, we will continue the coverage provided under the Term Rider until the earlier of the expiry date for the Term coverage, or until you ask us to terminate the Term coverage.</p> <ul style="list-style-type: none"> • A policy fee may be payable <p>If the base policy is an EquiLiving Critical illness insurance policy</p> <p>The term coverage will continue with the same premiums as the original term coverage with the addition of a policy fee as determined by us at that time.</p> <ul style="list-style-type: none"> • The premiums and any additional benefits associated with the rider will continue as outlined in the policy specification pages and in the premium schedule of the policy (plus the addition of a policy fee). • If premiums were being waived under a disability waiver provision, they will continue to be waived for the term coverage if the disability continues. <p>If the base policy is a life insurance policy</p> <p>For life insurance plans, a separate term policy option may be available. If this option is available, the term insurance rider will be changed to a separate term insurance policy effective the date of termination of the base policy.</p> <ul style="list-style-type: none"> • The separate term insurance policy is issued with the same term and coverage amount and the same class of risk as the original term rider, without evidence of insurability. • The premiums that will apply to the new separate term life insurance policy are calculated using the same rates as those that apply to the rider at the date of termination of the base plan, increased by an additional policy fee charged by us at that time. Essentially, the coverage continues as originally issued with the addition of a policy fee. <p>If a Children’s Protection Rider existed on the base policy</p> <p>The Children’s Protection Rider it may be carried over as a rider on the new separate term life insurance policy and is treated as a continuation of the original rider coverage.</p> <p>If the policy had a Disability of Waiver Rider that the term life insured was underwritten and insured for</p> <p>The separate term insurance policy can also contain disability waiver without providing additional evidence of insurability provided that:</p> <ul style="list-style-type: none"> • premiums have not been waived in the past • are not being waived at the time the base plan terminates • no disability waiver claim is pending • If premiums were being waived under a disability waiver of premium provision when the base policy terminated, the premiums due for the separate term life insurance policy will continue to be waived if there is continued proof of total disability of the life insured. If the life insured by the term rider coverage was not the disabled life, premiums for the new term policy will become payable.

Term Life insurance rider and Tax Status of the Base policy

The availability to add a term rider to an existing policy depends on the tax status of the policy. A policy with a G2 tax status is subject to tax legislation in effect prior to January 1, 2017. A policy with a G3 tax status is subject to tax legislation effective January 1, 2017.

Policy issued:	
Prior to January 1, 2017 (Tax status G2)	Term riders cannot be added to protect the tax status of the original policy. If additional term insurance coverage is required, the coverage will be: <ul style="list-style-type: none">• set up as a stand-alone policy with a separate policy fee,• set up using attained age and current rates,• subject to administration rules and practices in effect at that time
January 1, 2017, to current (Tax status G3)	Term riders can be added to the original policy and will be: <ul style="list-style-type: none">• added using attained age and current rates• subject to the administration rules and practices in effect at that time

New Issue & Underwriting

EZcomplete online application

Use it for in person or non-face-to-face meetings.

- EZcomplete easily guides you through only the required sections of the application.
- It includes functionality that allows clients to sign the application using their own electronic device.
- Login to EquiNet® and click on the EZcomplete icon on the menu bar.

Procedures at Policy Issue

Currently, there is no requirement that a sales illustration be submitted with any application for Term insurance. However, we have included a signature page with the illustration in anticipation of this requirement. If you wish to submit an illustration with an application for Term Life insurance, you may do so. The policy contract governs in all cases.

Issue Age

- Terms plans use a 6-month age nearest pricing approach.
- Age nearest is how we determine the issue age of the client and is based on the date of birth of the client and the date the policy is issued
 - If the issue date of the policy is closest to the client's last birthday, the issue age of the client will be the age at their last birthday
 - If the issue date of the policy is closest to the client's next birthday, the issue age of the client will be recorded as the age at their next birthday.

Backdating to save Age

We allow backdating of up to 6 months to save age on Term standalone policies. Please refer to the Term Life Insurance as Rider for backdating limitations based on base policy.

We will back-date coverage only to the date that is needed to save age. For example, if the coverage only needs to be back-dated 3 months to save age, that is the farthest back we will permit for back-dating.

- All required premiums or charges would need to be paid from the backdated effective date of the term coverage.

Premium Payment

Clients have the option of paying their premiums annually or monthly by pre-authorized debit plan (PAD). If premiums are paid monthly, the modal factor used is 0.09. All premiums are payable to Equitable Life of Canada and must be received in our head office in Waterloo.

For Term Life plans, there is no minimum premium requirement for coverage, however there is a minimum coverage limit that must be met.

Underwriting Risk Class

At Equitable Life, we reward good health and lifestyle with better premiums on life insurance. That's why we offer clients five risk classes or underwriting classifications on term plans and term riders. Better health and lifestyle translate into a preferred risk for the company and lower premiums for the client.

- Preferred risk class is available for insurance coverage amounts greater than or equal to:
 - \$1,000,000 for ages 18-50, and
 - \$500,000 for ages 51-60.
 Preferred Term Underwriting is not available for ages 61+
- Face amounts that do not qualify for Preferred risk have two risk classes: standard non-smoker (class 3) and standard smoker (class 5).
- To qualify for preferred term rates all the criteria outlined in the Guide for Preferred Underwriting Classification (1345) need to be satisfied.

SMOKING STATUS

The following table outlines the smoking definitions for the Preferred Classifications.

Class	Smoking Definitions
Class 1: Preferred Plus Non-Smoker	No cigarettes, cigars, cigarillos, pipe or chewing tobacco, smoking cessation products, or tobacco substitutes within the past 12 months.
Class 2: Preferred Non-Smoker	No cigarettes, cigars, cigarillos, pipe or chewing tobacco, smoking cessation products, or tobacco substitutes within the past 12 months.
Class 3: Non-Smoker (Standard and ratable)	No cigarettes, pipe or chewing tobacco, smoking cessation products, or tobacco substitutes within the past 12 months. Up to one cigar/cigarillo per month is permitted, subject to a negative cotinine test. Clients who use marijuana, whether inhaled or ingested, may qualify for non-smoker rates.
Class 4: Preferred Smoker	Regular tobacco use
Class 5: Smoker (Standard and ratable)	Regular tobacco use

MARIJUANA USE

The following table outlines the definitions for marijuana use for the Preferred Classifications.

Class	Marijuana Use
Class 1: Preferred Plus Non-Smoker	No marijuana use, whether inhaled or ingested, within the past 5 years
Class 2: Preferred Non-Smoker	No marijuana use, whether inhaled or ingested, within the past 2 years
Class 4: Preferred Smoker	Marijuana use no more than 2 times per month

The health of the life insured as well as family medical history will also factor into the ability to qualify for preferred rates. Please refer to the [Preferred Underwriting Classifications guide \(form 1345\)](#) for more information.

Standard Smoker

The person to be insured has not used any cigarettes, pipe or chewing tobacco, smoking cessation products, or tobacco substitutes within the past 12 months. Up to 1 cigar/cigarillo is permitted per month, subject to a negative cotinine level.

Smoker

The person to be insured has used tobacco or nicotine-based products within the past 12 months. Refer to our STOP SMOKING INCENTIVE in this guide

Substandard Rating

- A substandard rating will affect the premium for the policy
- The illustration software will calculate the premium and include the additional amount that will be due if the underwriting assessment results in a substandard rating
- A substandard rating can either be in the form of a multiple rating (i.e., 200%) or a flat extra dollar amount

Policy Changes

A client can request several changes to their term policy by completing the appropriate form(s). Outlined below are guidelines that apply to currently available term plans.

Conversion Option

All term plans and term riders can be fully or partially converted to any permanent life insurance product issued by Equitable Life at that time, without evidence of insurability provided the permanent coverage is the same or less than the amount of term coverage in effect at the time of conversion.

The following age restrictions apply:

Plans	AGE RESTRICTIONS
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For Single Life plans/coverage	<p>10 YRCT and 20 YRCT</p> <ul style="list-style-type: none"> Any time prior to the anniversary nearest the life insured's 71st birthday <p>Term 30/65</p> <ul style="list-style-type: none"> Any time prior to the anniversary nearest the life insured's 60th birthday <p>We will not permit a single life term plan to convert to a joint last-to-die permanent plan by adding a second life (with underwriting) at the time of conversion.</p>
For Joint-Life plans	<ul style="list-style-type: none"> Any time prior to the anniversary nearest the oldest life insured's 71st birthday

- Premiums for the converted coverage and any additional riders and benefits will be based on Equitable Life's then current premium or cost of insurance rates for the life insured's attained age on the date of conversion
- All coverages must meet the minimum and maximum face amount, age, and premium requirements, according to the current administrative rules and practices at that time.
- If a client exercises a conversion while premiums are being waived on the Term Life coverage under a disability waiver of premium provision, the premiums for the converted permanent policy will not be waived.
- If the face amount is increased at conversion, evidence of insurability will be required.
- If the term policy has other riders and benefits in effect when the term coverage is converted, availability of these riders and benefits on the new policy is subject to the administrative rules and guidelines in effect at that time.
- The term insurance that is being converted must be in effect at time of conversion
- The effective date of the new permanent coverage will be the date of conversion.
- The ability to back-date the permanent policy may be limited based on when the original term coverage was issued. We will not allow back-dating of a converted permanent policy to have the same issue date as the original term coverage.
- If the conversion is completed within the first 2 policy years, commissions will be adjusted according to the commission schedule.

We will allow the following changes in the type of coverage at time of conversion when the Term coverage is a standalone plan:

Type of Term coverage	To
Stand-alone Single Life Term	Single Life permanent plan

Conversion and Risk Class

- If the life insured for the term coverage has a substandard rating(s) or any exclusion(s), the same rating(s) and exclusion(s) will apply to the new converted permanent insurance policy.

Currently Equitable Life does not offer a permanent life insurance plan with preferred risk classes. Therefore, currently all conversions to permanent coverage are to either standard non-smoker or standard smoker risk classes.

Conversion to Equimax

- Term coverage can be converted to an Equimax Estate Builder® or Equimax Wealth Accumulator® policy with no restrictions on the dividend option allowed.
 - With the enhanced protection dividend option, the total of base coverage and the enhancement amount cannot exceed the amount of the term coverage

- Conversion to Equimax can include the option for EDO payments. No underwriting will be required if the maximum net amount at risk (NAAR) provided by the Equimax coverage amount and the EDO payment amount does not exceed the amount of term coverage being converted
 - In all other cases, evidence of insurability and underwriting approval will be required.
- The following needs to be submitted with an application for conversion to Equimax:
 - A signed illustration which displays the maximum NAAR that applies (refer to the Underwriting page of the illustration report)
 - If EDO is being added, Application for Term Conversion (Form 1616) Worksheet will be required. This worksheet is only for use in situations where the term coverage to be converted to Equimax is with EDO
 - If EDO is being added without a NAAR request, we require an application form 350 fully completed which will be reviewed by UW for approval
 - Please refer to the [Guide to Application for Term Conversion](#)

Conversion to Equation Generation IV and Equitable Generations™

A term coverage can be converted to an Equation Generation IV or an Equitable Generations™ universal life policy, with no restrictions on the death benefit option, without providing evidence of insurability.

Conversion option and G2 tax status

Any term coverages issued on a policy with a G2 tax status which are converted will not be grandfathered for tax purposes. The new permanent policy will have a G3 tax status and be treated with the tax rules effective January 1, 2017.

Conversion with a Disability Waiver Rider

From	To	
Term plan with a Disability Waiver Rider	Permanent plan with a Disability Waiver Rider	<p>Currently, no underwriting is required, providing that:</p> <ul style="list-style-type: none"> ○ The life insured is not disabled or has a disability claim pending at the time of the request to convert the term coverage. ○ Premiums have not been waived under the disability provision during the 12 months prior to the conversion request. ○ Waiver is offered on the new plan and the life insured meets the age requirements <p>If the life insured is disabled prior to the policy anniversary nearest their 60th birthday, and the disability continues to the policy anniversary nearest their 65th birthday, we will offer to convert the term insurance coverage to a permanent life insurance coverage determined by us at that time. The premiums for the new converted policy will continue to be waived while the disability continues.</p> <p>If the insured is disabled after the policy anniversary nearest their 60th birthday, and the disability continues to the policy anniversary nearest their 65th birthday, and a conversion option is requested while premiums are being waived under the disability waiver provisions, conversion is allowed, however premiums will become payable under the new converted policy.</p>

Term plan without a Disability Waiver Rider	Permanent plan with Disability Waiver Rider	Satisfactory evidence of insurability will be required to add disability waiver to the converted policy.

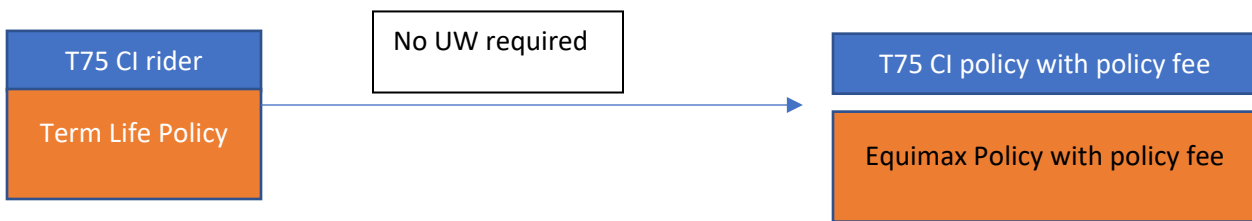
Conversion Option of a Term Standalone plan with a CI Rider

Conversion Option on Term Life when there is a CI Rider (no change to CI coverage)

EXAMPLE: Client A has a Term 10 YRCT Life policy with an T75 EquiLiving Rider. They want to convert their T10 YRCT Life to Equimax and want to keep their T75 critical illness coverage.

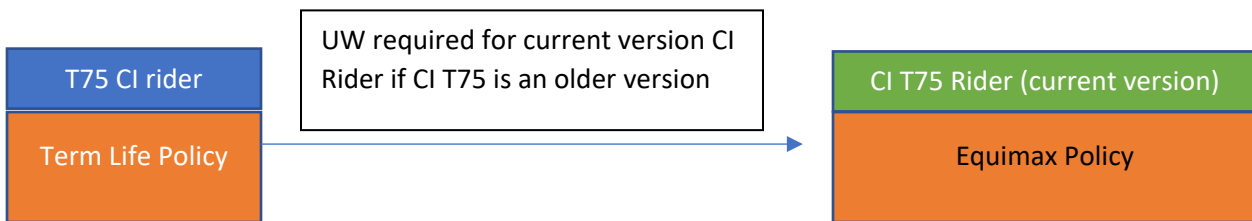
OPTION 1: Have two policies, one for CI and one for Life (no underwriting required):

1. The EquiLiving coverage remains at original age and rates with the policy fee remaining, and
2. Issue a new permanent life policy with a policy fee



OPTION 2: Have one policy with both CI and Life coverage (underwriting may be required for the critical illness coverage):

1. Issue the converted life coverage with a current version EquiLiving Rider with attained age rates, current effective date, and policy fee.

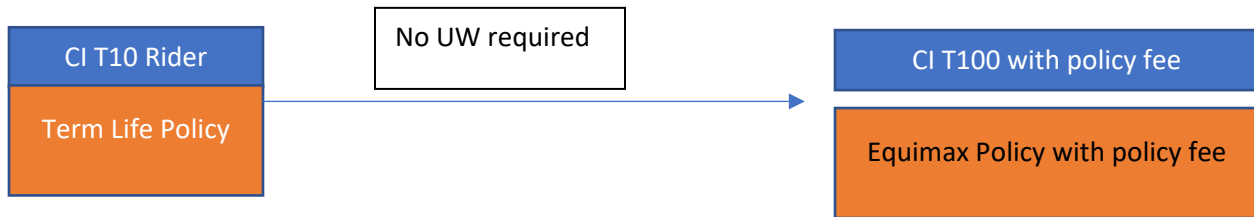


Conversion option on Term Life where there is a CI Rider where the Change privilege is being exercised at the same time.

EXAMPLE: Client A has a Term 10 YRCT Life policy with a T10 EquiLiving Rider. They want to convert their T10 YRCT Life to Equimax and want to change their T10 critical illness insurance coverage to T100 critical illness coverage at the same time.

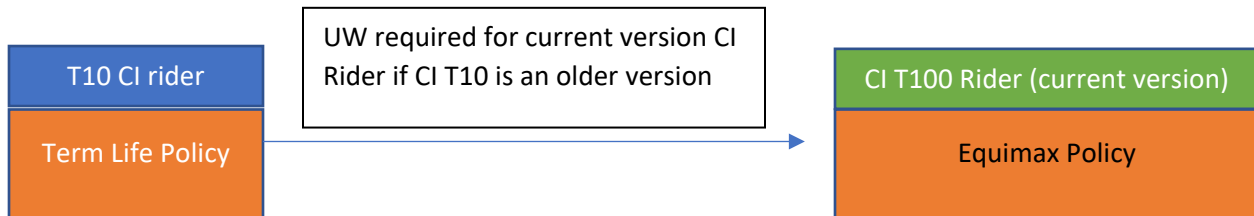
OPTION 1: Have two policies, one for CI and one for Life (no underwriting required):

1. The EquiLiving T100 coverage is the same version as the original CI T10 Rider
2. Issue a new permanent life policy with a policy fee



OPTION 2: Have one policy with both CI and Life coverage (underwriting may be required for the critical illness coverage):

2. Issue the converted life coverage with a current version EquiLiving Rider with attained age rates, current effective date, and policy fee.



Partial conversion

For partial conversions, there may be 2 options available to a client:

OPTION 1: Keep part of their original term coverage on the original policy and convert part of their term coverage to a permanent policy

- Minimum coverage amounts must be met for both the new permanent plan and the amount remaining for the term coverage.
- Unless providing evidence of insurability, the combined coverage between the new plan and the term plan cannot exceed the coverage amount in effect on the term plan prior to conversion.
- The risk class of the insured life under the term insurance coverage may change if the coverage amount on the remaining portion of the term coverage is less than the minimum amount required for the term coverage at time of issue to qualify for preferred risk class. A change in risk class results in a change to premium rates.
- Future premiums and benefits associated with the remaining term insurance coverage will be determined based on the reduced coverage amount.
- The remaining term insurance coverage will continue to have conversion privileges as outlined in the term contract.

OPTION 2: Convert part of their term coverage to permanent life coverage and carry-over the remaining term coverage as a term rider on that permanent plan (this is known as a Partial conversion with a Term Rider Carry-Over)

Although not a contractual provision, Equitable Life will allow a standalone Single Life Term coverage amount to be split so that part of the Term coverage is converted to a permanent plan with the remaining Term coverage amount issued as a new term rider on the new permanent coverage.

This option is not permitted:

- if the partial term conversion is to an Equimax Estate Builder or Equimax Wealth Accumulator plan AND where EDO is to be added **without** underwriting or evidence of insurability.

At time of partial conversion:

- The Term Rider issued on the permanent plan is issued based on the insured's attained age and using current rates
- EDO can be added to an Equimax Estate Builder or Wealth Accumulator policy subject to underwriting and submission of additional evidence of insurability that we require.
- Both permanent and term rider coverages are issued at the attained age of the life insured and at the rates in effect at the time of conversion.

Amount of Term Coverage to be Carried Over:

- Plan minimums must be met
- **If 50% or more is converted**-the remaining term coverage can be added as a Term Rider to the permanent plan
- **If less than 50% is converted**-A term rider can be added to the permanent policy with a maximum face amount equal to the permanent coverage
- Any reduction to the permanent coverage within 12 months of the effective date of the converted policy, the term insurance rider coverage will also be reduced by the same amount as the permanent insurance reduction subject to plan minimums
- Once the term coverage has been carried over to a new plan without underwriting, the term coverage cannot be carried over again.

Partial conversion with term rider carry-over example:

Client has a \$500,000 10 YRCT policy

- Permitted: \$250,000 of permanent coverage and \$250,000 of 10 YRCT rider coverage
- Permitted: \$400,000 of permanent coverage and \$100,000 of 10 YRCT rider coverage
- Permitted: \$400,000 of permanent coverage and \$100,000 of 20 YRCT rider coverage (only if eligible for Exchange Option)
- NOT permitted: \$50,000 of permanent coverage and \$450,000 of 10 YRCT rider coverage (term rider coverage amounts are over the limit for term rider carry-over)

Conversion and backdating

When a term coverage is converted, the new converted policy can be backdated to save age. All required premiums or charges would need to be paid from the effective date of the new policy.

There are limits on backdating based on which type of permanent plan coverage is selected for the converted policy.

- For conversions to whole life, the policy can be backdated up to 6 months to a maximum of a month after the issue date of the original term policy to save age.
- For conversions to universal life, backdating up to 3 months to a maximum of a month after the issue date of the original term policy is permitted.

Exchange Option (built in on 10 YRCT only)

A 10 YRCT can be exchanged (fully or partially) to a 20 YRCT at any time after the first coverage anniversary up to the earlier of:

- The 5th policy anniversary, or

- The insured's 65th birthday
- The client may exchange the full amount of the 10 YRCT coverage or a portion of it, subject to our consent and the minimum amount required at that time. Plan minimums for both the 10-year YRCT coverage and the 20 YRCT coverage must be met.
- The amount of the 20 YRCT coverage cannot be more than the coverage amount of the 10 YRCT coverage and must not be less than the minimum required for the coverage at that time
- The 10 YRCT coverage cannot be exchanged if premiums are being waived under a disability waiver provision and the exchange option cannot be extended if it expires during the period premiums are being waived under a disability waiver provision.

New 20 YRCT coverage:

- premiums will be based on attained age and rates in effect at the time of exchange.
- If the life insured had a substandard rating on the 10 YRCT, the same rating will apply to the new 20 YRCT
- The effective date of the 20 YRCT will be the date of exchange.
- If there are any exclusions applicable to the 10 YRCT coverage, the same exclusions will apply to the new 20 YRCT coverage.
- No charge backs will apply to the portion of the 10 YRCT coverage exchanged.
- Suicide and contestability periods will be measured from the effective date of the original 10 YRCT coverage.
- Commission is paid on the exchanged 20 YRCT coverage. Please see the Commission section of this guide.

Exchange Option and Preferred Term Status

- If the 10 YRCT has a preferred underwriting class, the preferred underwriting class will carry over to the Preferred Term 20 upon exchange, provided it meets our administrative and underwriting rules in effect at that time.
 - NOTE: Currently our administrative and underwriting rules allow the preferred class to be carried over ONLY if the new policy has a face amount:
 - Greater or equal to \$500,000 for Term 10 policies with an effective date prior to September 12, 2020
 - Greater than or equal to \$1,000,001 for Term 10 policies with an effective date of September 12, 2020, to March 31, 2022
 - Greater than or equal to \$1,000,000 for Term 10 policies with an effective date of April 1, 2022, to current
- If the 10 YRCT was issued with a preferred risk class and the new 20-year coverage amount is less than the amount needed to qualify for preferred rates, standard non-smoker or smoker rates will apply.

Exchange Option and Disability Waiver Rider

From 10 YRCT	To 20 YRCT	
With a Disability Waiver Rider	With a Disability Waiver Rider	No underwriting is required, provided: <ul style="list-style-type: none"> • the life insured for the exchanged 20 YRCT policy is the same insured that was underwritten for the Disability Waiver on the 10 YRCT • premiums have not been waived in the past • are not currently being waived at the time of the exchange

		<ul style="list-style-type: none"> no claim for the disability waiver provision is pending
without a Disability Waiver Rider	With a Disability Waiver Rider	Satisfactory evidence of insurability will be required to add disability waiver to the exchanged policy.

Joint first to die term plans and option to elect individual policies

- Joint first-to-die term plans have an option to elect individual single life policies should there be a material change in the relationship of the lives insured, such as a divorce or a dissolution of a business partnership.
- No additional evidence of insurability is required.
- The original joint first-to-die term policy is surrendered.
- The new single life term policies are issued at attained age and current rates for a similar class of risk.
- If the risk class is a “preferred” class, the class of risk under the new single life policy will be the same provided it is offered at the time the option to elect individual policies is requested, otherwise the new policy will be a “standard” class of risk.
- If the risk class is other than “preferred”, the class of risk under the new single life policy will be the same if the new policy is for an amount that offers a similar class of risk, otherwise the new policy will be the closest equivalent as determined by Equitable Life.
- The total amount of coverage for each single life policy will be limited to the total amount of coverage in effect on the joint policy at the time the request to surrender it for individual single life policies is received.
- The new individual single life coverage must meet the plan minimums and maximums for the age, premium and coverage amounts required on the product selected.
- Any request to increase the amount of coverage will be subject to underwriting approval.

Multi-Life Term Coverage and separate term life policy option

If the owner of a multi-life term policy wants to change a term life coverage to a standalone policy on the same life, they will be able to do so at any time, if the term policy and the term coverage are in effect at the time of the change. No evidence of insurability will be required.

New term life policy

- will have the same benefits that applied to the insured life under the original term policy.
- The coverage amount cannot be greater than the coverage amount on the original coverage and not less than the minimum amount required for a term insurance policy at that time.
- will be set up using original issue age and original rates.
- Any ratings that applied to the life insured under the original term policy will apply on the new separate term life insurance policy.
- The premiums are calculated using the same rates as those that apply to the original coverage at the date of the change and are increased by an additional policy fee charged by us. Essentially, the coverage continues as originally issued with the addition of a policy fee.
- Other riders and benefits may be added to the new term policy, subject to availability and approval by us; submission of satisfactory evidence of insurability as determined by us may be required.

Multi-life Term	Separate term life policy	
With a Disability Waiver Rider	With a Disability Waiver Rider	No underwriting is required, provided: <ul style="list-style-type: none"> the life insured was underwritten for and insured by the disability waiver on the original term policy premiums have not been waived in the past

		<ul style="list-style-type: none"> ○ are not currently being waived at the time of the change ○ no claim for the disability waiver provision is pending. <p>If the separate term life policy provision option is exercised while premiums are being waived under a disability waiver provision, the premiums on the new separate term insurance policy will become payable at the time of the change.</p>
Without a Disability Waiver Rider	With a Disability Waiver Rider	Satisfactory evidence of insurability will be required to add disability waiver to the separate term life policy.

Insurance coverage amount changes

Increasing the term coverage amount

Requests to increase the insurance coverage amount after 30 days on a term policy are treated the same as a request to add new term coverage to an existing policy.

Please refer to the section above on adding a new term coverage to an existing policy.

To apply for an increase in term coverage complete [Form 374G3 – G3 Application for Change](#)

Decreasing the term coverage amount

A decrease in the amount of term coverage can be requested any time.

- The amount of coverage remaining after the decrease must meet the minimum required for the plan.
- If a requested decrease in the amount of a term coverage with a preferred risk class results in the remaining amount falling below the minimum required for preferred rates, the risk class of the term insurance coverage will be changed to standard non-smoker or standard smoker and the premium rate will change accordingly and may increase.
- To decrease the coverage amount, [Form 374G3 – G3 Application for Change](#) is required.

Adding a new Term life coverage to an existing Term policy

Adding additional term coverage to a base policy is subject to underwriting and submission of satisfactory evidence of insurability based on the requirements in effect for that plan at the time of application.

New Term coverage when it can be added to the base policy

- The premiums for the new term insurance coverage are based on the attained age of the life insured and the rates in effect at that time for the applicable class of risk as determined by us.
 - It is possible that a term coverage added to a policy after issue could have a substandard rating even though a substandard rating does not apply to the original coverage on the policy.
 - There could also be differences in risk classes between coverages on the same life insured based on the new underwriting assessment completed at the time of application.
- Once approved, the effective date of the term coverage will be the last monthiversary of the base policy.
- The premium payment mode for the term coverage will be the same as that for the policy.

- The total premium required for the policy will increase by the premium applicable to the new term coverage effective at the last monthiversary of the policy.
- If the base policy includes a Disability Waiver Provision, the life insured must also qualify for Disability coverage at time of application for the new term coverage.
 - If the life insured qualifies for disability waiver coverage, the addition of the term coverage to the base policy will increase the premium required for the disability waiver provision. The cost of disability waiver is based on the amount of premium to be waived for the policy, adding a new term coverage increases the total premium for the policy and the amount that will need to be waived on disability of the life insured by the waiver.

New Term coverage when it cannot be added to the base policy

- Depending on when the original policy was issued, or the coverage type of the term policy, a separate policy may need to be set up to issue the new term coverage. A policy fee will be charged on the new policy. This will apply to all base policies with a G2 tax status.
- If the base policy includes a Disability Waiver Provision, the life insured must also qualify for Disability coverage at time of application for the new term coverage.
 - If the life insured does not qualify for disability waiver coverage, the new term coverage cannot be added to the policy with the disability waiver provision. The disability waiver of premium coverage can be removed from the policy to add the new coverage, or the new term coverage will be set up as a separate policy with no disability waiver provision. A policy fee is payable for each policy.
- The premiums for the new term policy are based on the attained age of the life insured and the rates in effect at that time for the applicable class of risk as determined by us.
 - It is possible that the new term policy could be issued with a substandard rating even though a substandard rating does not apply to the original Term policy.
 - There could also be differences in risk classes for the insured between the two policies based on the new underwriting assessment completed at the time of application.
 - The effective date of the new term policy will be the date it is issued

Additions of Riders after Term policy issue

To add a Rider after issue, **Form 347 – Application for Policy Change or Amendment** is required. The addition of riders to a policy is subject to the age limitations for that rider.

The following riders will require underwriting to be added after issue:

- Disability Waiver of Premium Rider
- Payor/Applicant Waiver
- EquiLiving Rider (can only on be added to life policies that do not have any other EquiLiving Rider)

Request for a Smoking Status Change

If a client was originally determined to be a standard smoker or a preferred smoker, they can request, by submitting the appropriate evidence, to have their status changed to non-smoker risk class. As with all policy changes, approval is subject to a full review of the current health and lifestyle profile and any other requirements as determined by Equitable Life.

- A client can request to move more than one class (for example, smoker to preferred non-smoker), providing the term coverage has been in effect for at least 12 months and all medical requirements as determined by us are met.
 - If the term coverage has been in effect for less than 12 months, a change to standard non-smoker (class 3) is allowed.

- The change in status will take effect on the last policy monthiversary and the new premiums will be based on the non-smoker rates in effect at the time the term coverage was issued.
- If premiums are received on an annual basis, and the request is received part way through a year, the excess premiums will be refunded or credited to future premiums.

Stop-Smoking Incentive

If a client quits smoking for 12 consecutive months within the first two policy years, Equitable Life will refund the difference between what the life insured paid as a smoker and what they would have paid as a non-smoker, for a maximum of one month's premium.

- Eligibility is subject to certain conditions including a negative cotinine level and evidence of continued insurability.
- Clients may be eligible to move from a Class 4 Preferred Smoker or Class 5 Smoker to Class 3 Non-Smoker

Change of Payor/Applicant and Waiver of Premium Rider

The Applicant/Payor of a policy is the person who would have been underwritten for and insured under the Waiver of Premium Rider when the waiver was issued. Policy Change allows the Owner to be changed once the policy is in effect. If this happens and a Policy has a Waiver of Premium (Payor/Applicant Disability), then the following needs to happen:

- 1) The Policy Change area needs to be informed that a change of Ownership has been made on the Policy and that the Waiver of Premium Rider on the Owner needs to be removed (we will not automatically remove a Waiver of Premium Rider upon Owner change)
- 2) If the new Owner would like to have Waiver of Premium coverage, they must apply, and an Application for Change sent to Underwriting so that the new Owner can be underwritten for the coverage

Policy Lapse and Grace Period

After the first premium, if a premium is not paid on or before its due date, a grace period of 31 days will begin on the date the missed premium was due. The policy will lapse, and coverage will terminate if Equitable Life does not receive the premium due under the policy by the end of the grace period. If an insured dies during the Grace Period, any unpaid premiums applicable to the life insured will be deducted from any death benefit that would be payable.

Reinstatement

A term coverage may be reinstated within two years of its lapse upon written application by a client. Evidence of insurability will be required according to the then current underwriting guidelines. The premiums that would have been required to maintain the coverage in effect from the date of lapse to the date of reinstatement plus interest will be required.

- The effective date of the reinstatement of the coverage will be the date the term coverage lapsed. The coverage will continue as originally issued.
- Any evidence of insurability that will be required to reinstate the coverage will be based on the attained age of the life insured.

For Term Life Riders- If the base policy to which a term rider is attached is not reinstated, the term rider can be set up as a separate policy and continue as originally issued with a policy fee as determined by us, subject to the minimum coverage amount required for a separate plan.

Cancellation

A client may request to cancel a term coverage, rider coverage or policy at any time by providing written notice to us.

- Once the notice has been received by us, premiums or charges for the term coverage, rider coverage or policy will no longer be charged, and the death benefit and all other benefits associated with the coverage or policy will end.
- The effective date of the cancellation will be the last monthiversary prior to the request.

Commissions

- Please refer to the **Schedule "A" Commission Schedule** posted to the secure section of EquiNet® for details on commission rates credited on all plans currently offered. A user identification and password are required to access secure EquiNet.
- Commission paid on premium for a term rider is the same as the commission paid on premium for term plans.
- The commission paid on a 20 YRCT coverage issued under the 10 YRCT exchange option is less than what is paid on fully underwritten 20 YRCT coverage.

Questions? Visit our online advisor portal, EquiNet® for more information.