



# Take a premium holiday

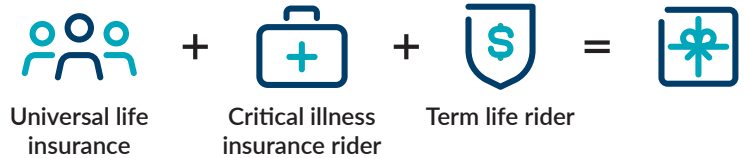
Using the account value to help pay for a complete insurance bundle



## The benefits of bundled protection.

### Create a bundle

Universal life insurance with a critical illness rider and a term life rider for 20 years.



### Pay \$4,800<sup>1</sup> each year for 20 years.

Paying more than the minimum monthly premium can increase the account value in the policy.



### Take a premium holiday on the entire bundle!

After 20 years, the term life rider is not renewed, the critical illness insurance coverage is paid up and the illustrated account value in the universal life policy (assuming a 5% rate of return during the life of the policy) could be sufficient to cover the ongoing universal life insurance monthly charges.<sup>2</sup>

## Paying more now can pay off later!

<sup>1</sup> The minimum monthly premium for the bundle is \$246.33. The policy owner makes a monthly payment of \$400 for 20 years. \$250,000 of Equitable Generations™, level protector death benefit, yearly renewable term cost of insurance charges plus a \$500,000 term 20 life insurance rider and a \$100,000 20 pay critical illness insurance rider coverage for life. Premium and cost of insurance rates as of October 5, 2024 for a female, standard non-smoker, age 38. Assumes the policy owner does not renew the term life rider coverage after 20 years. <sup>2</sup> Monthly charges for the universal life insurance continue until age 100. The account value accumulated during the first 20 policy years of the universal life policy plus future growth of the account value will be used to pay charges for the universal life insurance rider starting in policy year 21 and continuing to age 100. The account value of the universal life policy will be reduced and could go to \$0 depending on the performance of the investment interest account, causing the policy to lapse. The projected account value and interest earned are not guaranteed. Depending on the investment interest accounts chosen by the policy owner, interest earned can be either positive or negative. Assumes a return of 5% plus the investment bonus on the investment portion over the life of the policy. The 5% rate of return is for illustration purposes only and is not guaranteed. If starting in policy year 21 or at any time after policy year 21 the account value is not sufficient to cover the charges for the universal life rate of return, the policy owner will need to continue or resume premium payments in order to keep the universal life and critical illness insurance coverage in effect. This information does not count as legal, tax, investment or other expert advice.

\$4,800 annually for 20 years could buy permanent life insurance, term life insurance and critical illness insurance. How paying more now can pay off later!

The situation	The need
Anna (38): <ul style="list-style-type: none"><li>Has two young children and a mortgage.</li><li>Can afford up to \$400 a month.</li><li>Wants to stop making premium payments after 20 years.</li></ul>	<ul style="list-style-type: none"><li>Permanent life insurance coverage to leave an inheritance and cover final expenses.</li><li>Mortgage protection for 20 years.</li><li>Tax-advantaged investment growth.</li><li>Critical illness insurance protection to help replace income or help to offset the cost of managing an illness.</li></ul>

The solution

\$250,000 of Equitable Generations universal life insurance<sup>3</sup> with a \$100,000 critical illness insurance rider (20 pay coverage for life) plus a \$500,000 term 20 life insurance rider to help cover her mortgage debt.

Benefits of bundling

By bundling riders with the universal life insurance coverage, the account value of the universal life policy, if sufficient, can be used to cover future monthly charges for the universal life coverage and any riders.

Preparing for Anna’s premium holiday

Anna purchases a \$250,000 Equitable Generations™ universal life policy:

- The initial minimum monthly payment is \$246.33.<sup>4</sup> While affordable, it would not be enough to support the policy for life.
- By increasing her monthly payment to \$400, Anna may be able to stop making payments after 20 years if the projected account value of the universal life policy is sufficient to cover the monthly charges for the universal life insurance coverage.
- This frees up \$400 per month for Anna to use as she wishes after the 20th year, knowing she has insurance coverage for life should she die or be diagnosed with a covered critical illness.

Monthly payments (for 20 years)	Projected account value <sup>5</sup> (assumes a 5% rate of return)				Amount of insurance in effect			
					Life	Critical illness	Life	Critical illness
	Year 10	Year 20	Age 65	Age 85	Year 10		Age 85	
\$246.33	\$869 <sup>6</sup>	\$138 <sup>5</sup>	\$0 <sup>7</sup>	\$0 <sup>7</sup>	\$750,000	\$100,000	\$0 <sup>7</sup>	\$0 <sup>7</sup>
\$400.00	\$25,429	\$68,985	\$95,774	\$254,461	\$750,000	\$100,000	\$294,166	\$100,000

The above projected account value assumes the monthly charges for the universal life insurance will be paid from the account value of the Equitable Generations plan starting in policy year 21 and continuing to age 100; and that the policy owner does not renew the term life rider after 20 years. The projected account value and interest earned are not guaranteed. If, starting in policy year 21, or at any time after policy year 21, the account value is not sufficient to cover the monthly charges for the universal life coverage, the policy owner will need to continue or resume premium payments in order to keep that coverage in effect. The critical illness coverage is paid up and provides coverage for Anna for life.

Start planning now for a premium holiday

Talk to your clients today about bundling their insurance coverages and paying a little more upfront. They’ll get the permanent coverage they need and could have the option to take a premium holiday.

<sup>3</sup> Level Protector death benefit, yearly renewable term cost of insurance charges. <sup>4</sup> Based on female, standard non-smoker rates, age 38 as of October 5, 2024. Monthly charges for the universal life insurance will continue to age 100. The account value of the universal life policy will be reduced and could go to \$0 depending on the performance of the investment interest account, causing the policy to lapse. Assumes the policy owner does not renew the term coverage after 20 years. <sup>5</sup> Assumes a return of 5% plus the investment bonus on the investment portion over the life of the policy. The 5% rate of return is for illustration purposes only and is not guaranteed. Depending on the investment interest accounts chosen interest earned can be either positive or negative. You should run and present to your client the alternate scenario report to reflect possible lower returns. <sup>6</sup> \$869 at the end of 10 years, assuming min of \$246.33 monthly premiums. <sup>7</sup> With payment of the minimum premium the illustration projects a policy lapse at year 21 and all coverages (universal life, term life and critical illness) would terminate. This information does not count as legal, tax, investment or other expert advice. <sup>®</sup> or <sup>™</sup> denotes a trademark of The Equitable Life Insurance Company of Canada.