



# UNDERSTANDING PARTICIPATING WHOLE LIFE INSURANCE

# WHAT IS PARTICIPATING WHOLE LIFE?

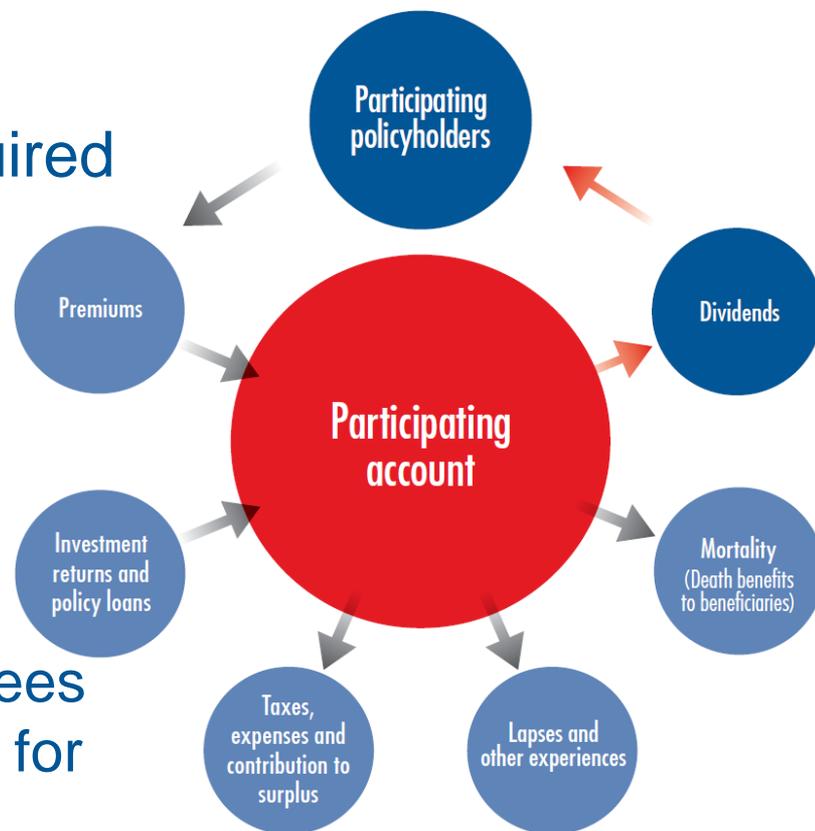
## Participating (PAR) whole life insurance provides:

- Guaranteed\* premiums, cash values and death benefit
- Stable, hands-off investment offering tax-advantaged growth
- Opportunity to receive dividends (participation in the distributable earnings of the Participating Account)

\* Guaranteed values are based on conservative assumptions for investment returns, mortality and expenses.

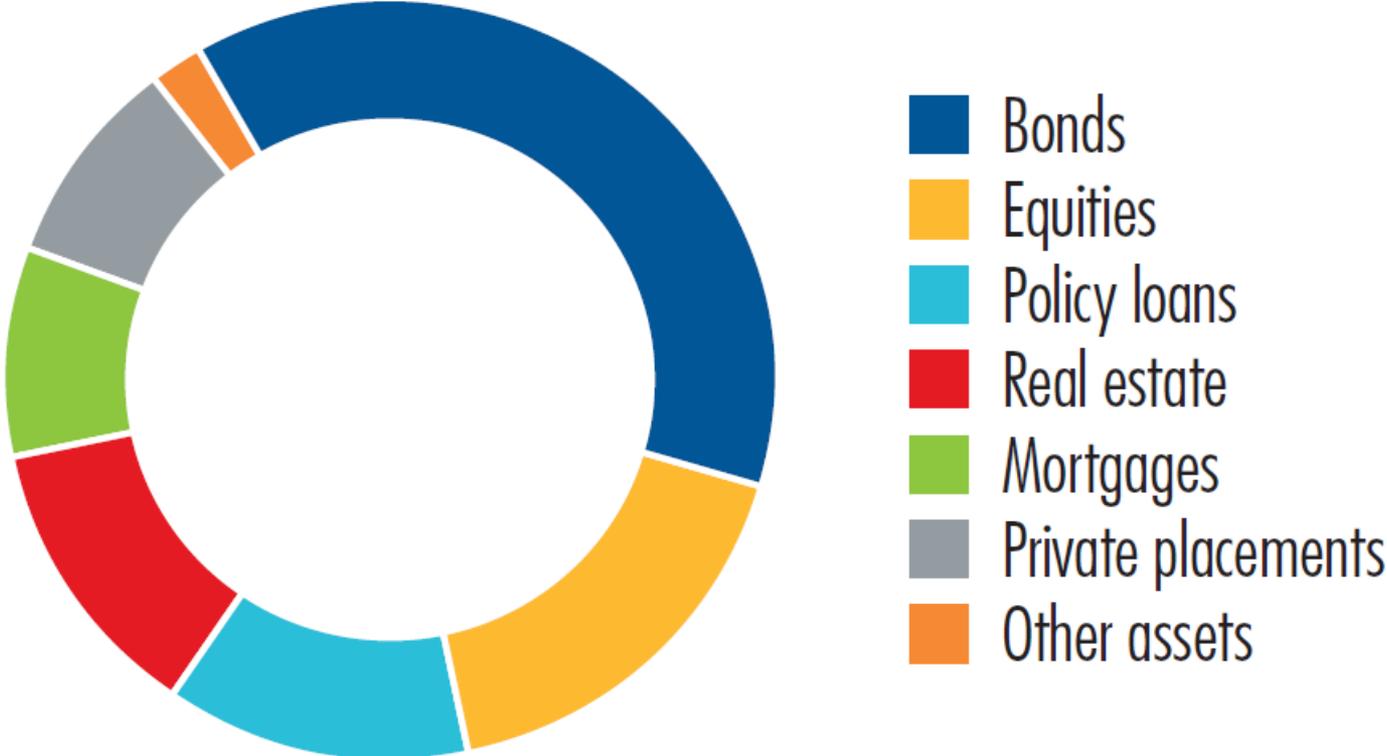
# WHAT FLOWS INTO THE PAR ACCOUNT?

- Premiums above what are required to pay current benefits and expenses are invested
- Investment returns earned
- Invested assets are managed to:
  1. meet the product guarantees
  2. provide long-term income for future dividends
  3. reduce the volatility of changes in market conditions



# HOW ARE PAR PREMIUMS INVESTED?

## Participating Account Asset Mix



# WHAT FLOWS OUT OF THE PAR ACCOUNT?

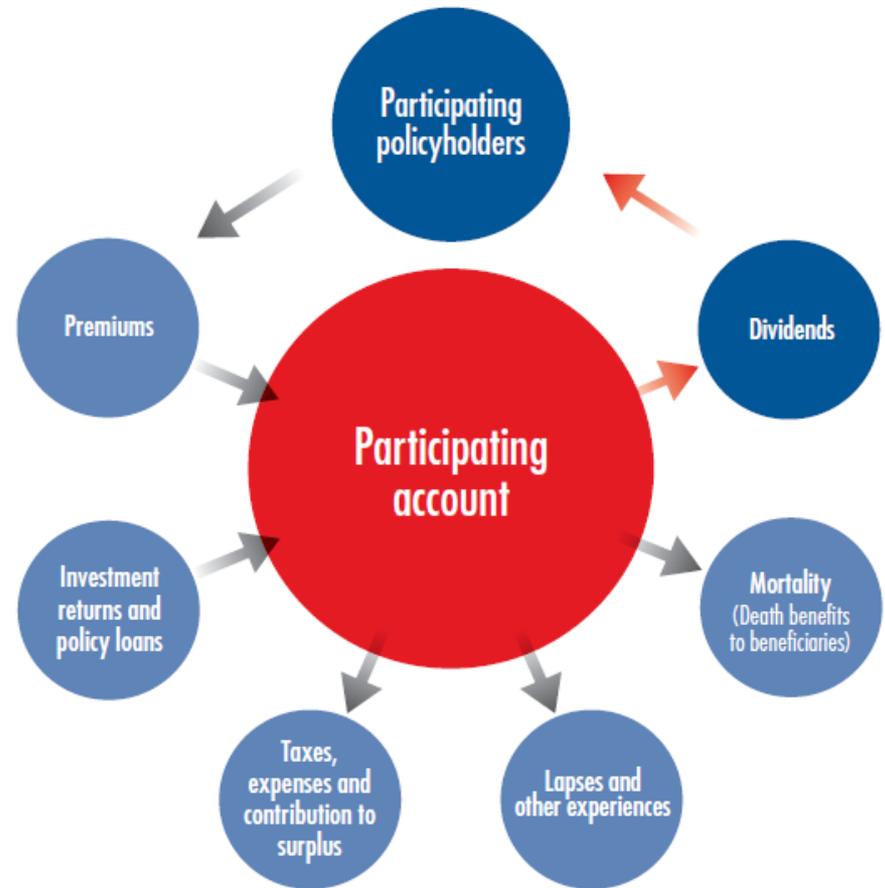
- Dividend payments  
5 options for how to receive dividends including using them to:
  - reduce your premium, or
  - to increase the cash value and death benefit
- Claims (Mortality)  
Death benefits paid to beneficiaries
- Expenses  
Includes lapsed policies
- Policy loans
- Taxes



# HOW ARE DIVIDENDS CALCULATED?

- Investment returns
- Claims (Mortality) experience
- Lapse experience
- Policy loans
- Taxes and expenses

Investment returns and claims experience are the largest components



# PAYMENT OF DIVIDENDS

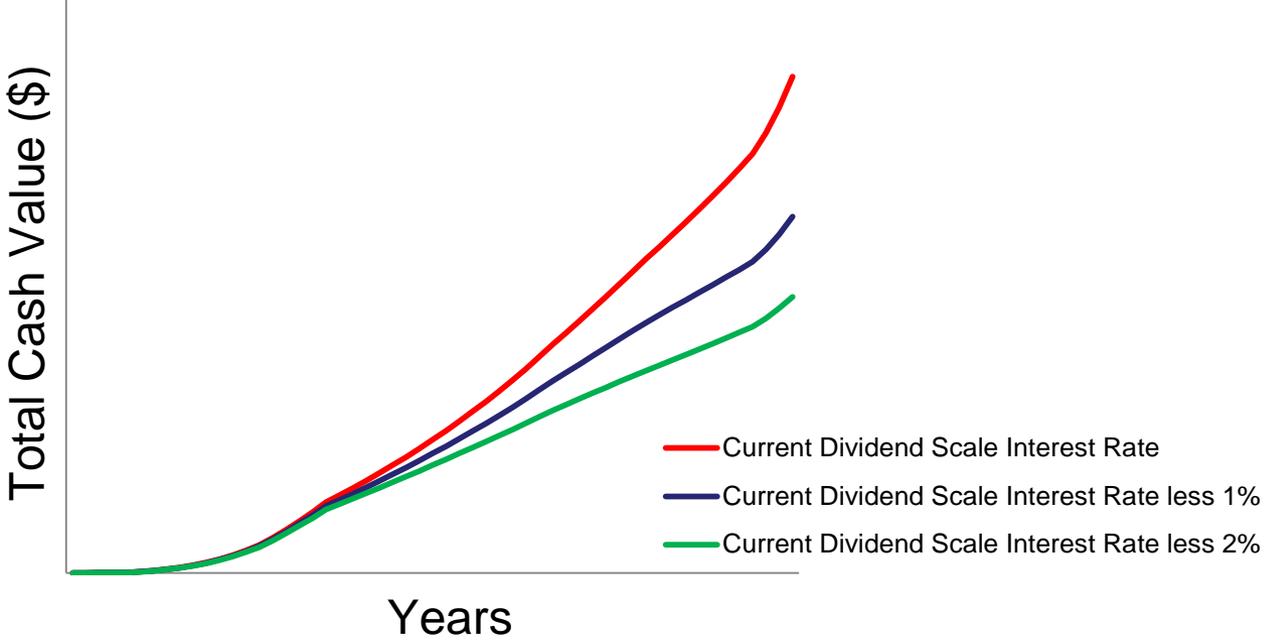
Equitable Life has credited dividends every year since we first offered Participating Whole Life in 1936.

Dividends are NOT guaranteed but they will never be negative

# HOW DO DIVIDENDS IMPACT A POLICY?

## Paid-Up Additions Dividend Option

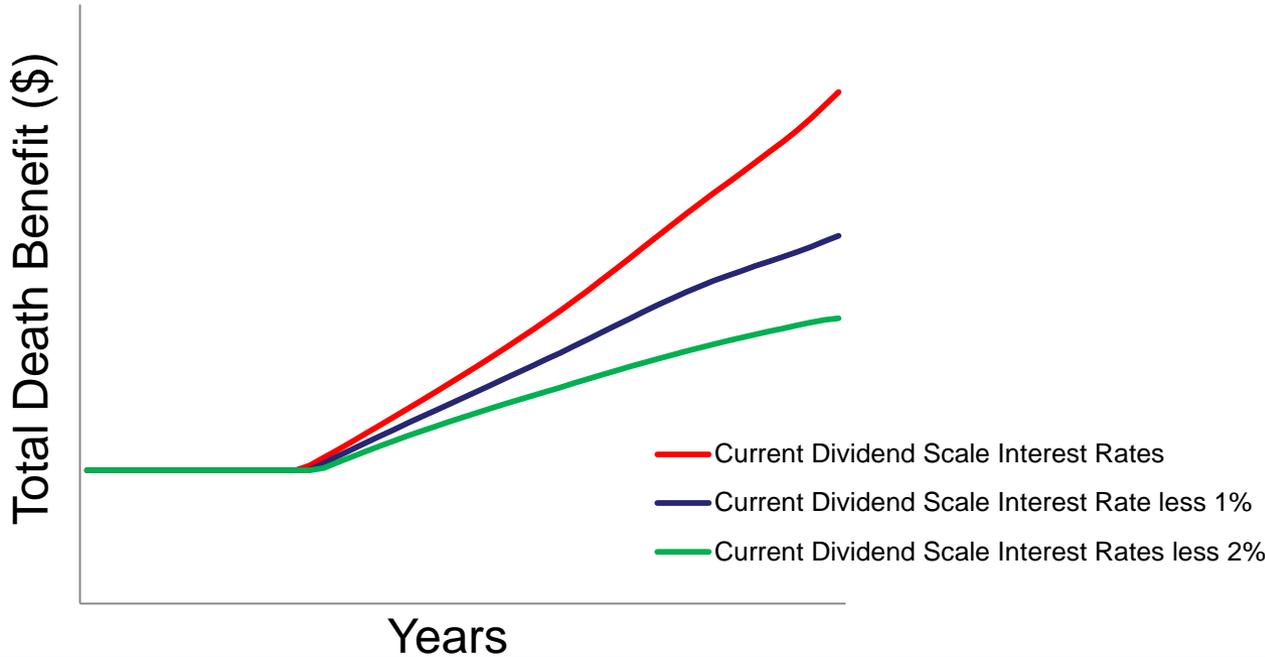
A change in dividends impacts the growth of the cash value.



# HOW DO DIVIDENDS IMPACT A POLICY?

## Enhanced Protection Dividend Option

A change in dividends impacts the growth of the death benefit.



# CASH VALUE

- Policy includes both:
  - Guaranteed Cash Values, and
  - Non-Guaranteed Cash Values
- Guaranteed Cash Values are determined using conservative long-term assumptions
- Tax-advantaged growth
- Access to Cash Value (may have tax consequences)

# WHY EQUITABLE LIFE?

- Participating whole life policyholders have the opportunity to share in the earnings in the participating account.
- We operate in the best interest of our policyholders.
- We are not driven by shareholder pressures for quarterly results.
- Our focus is on prudent long-term growth, continuity and stability.
- Choice of two participating whole life plans to meet your short or long-term goals.

For more information on Equitable Life or participating whole life insurance, visit our website at [www.equitable.ca](http://www.equitable.ca)

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Equitable Life has made every effort to ensure the accuracy of this presentation, however accuracy is not guaranteed. If the information presented here differs from that contained in any Equitable Life policy contract, the policy contract prevails in all cases.

Dividends are not guaranteed. They are subject to change and will vary based on the actual investment returns in the Participating Account as well as mortality, expense, lapse, claims experience, taxes and other experience of the participating block of policies. Decreases in the dividend scale do not affect the guaranteed premium, guaranteed cash values, or guaranteed death benefit amount. A copy of Equitable Life's Dividend Policy and Participating Account Management Policy can be found on our website at [www.equitable.ca](http://www.equitable.ca)

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