

# Equimax

## Rent or Own

**Sales Track:** RENT OR OWN  
How do you want to pay your life insurance?

<b>Products</b>	<ul style="list-style-type: none"> <li>Primarily used to sell Equimax<sup>®</sup> whole life insurance.</li> <li>Can be used to sell Term and/or Universal Life if those products are a better fit for the client.</li> </ul>
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<b>The need</b>	<p>Insurance can be complicated, but it doesn't have to be. One of the easiest ways to help your clients understand the different kinds of life insurance is to compare owning insurance to owning a home.</p> <p>Like a home, there are 2 different ways to pay for life insurance: rent or own. Your clients' needs and situation will help determine where they fall on the rent to own continuum.</p> <div style="text-align: center; background-color: #f0f0f0; padding: 10px; margin: 10px 0;"> <p><b>Rent</b> =====&gt; <b>Own</b></p> <p style="display: flex; justify-content: space-between; width: 100%;"> <span>Term insurance</span> <span>Whole Life / Universal Life</span> </p> </div> <p>This sales track helps sell the benefits of permanent insurance like Equimax, showing clients that a portion of every dollar they pay in premiums is actually more like savings.</p>
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<b>The solution</b>	<p>When people "own" whole life insurance (Equimax), they are investing in an asset that grows in value.</p> <p>Unlike a monthly expense such as a hydro or phone bill, a whole life insurance premium is like a mortgage payment. Part of each payment builds equity and increases the value of something that belongs to them. It's an investment in their future.</p> <p>So, when deciding to rent or own, your clients should ask themselves:</p> <ul style="list-style-type: none"> <li>Are they looking for the least expensive, temporary insurance for a limited time?</li> <li>Do they want insurance that can last for the rest of their life?</li> <li>Like the equity in their home, would they like to be able to access that value to pay for their children's education or even supplement their retirement income?</li> <li>What can they afford?</li> </ul>
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<b>Client Profile</b>	<ul style="list-style-type: none"> <li>• Recognize and appreciate the need for life insurance to provide for their family or other dependents or transfer their assets to others after death (family, charitable giving).</li> <li>• Middle market with the cash flow necessary to pay more than just the cost of insurance in order to fund accumulation within the plan.</li> <li>• Want guaranteed premiums and cash value<sup>1</sup>.</li> <li>• Have a lower risk tolerance and prefer a stable, hands-off investment option.</li> <li>• Interested in putting a portion of their savings into an asset with lower volatility.</li> </ul>
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<b>Advisor Profile</b>	<ul style="list-style-type: none"> <li>• Believes in whole life insurance.</li> <li>• Prefers hands-off investment management. Not comfortable recommending investments to clients especially in times of higher market volatility.</li> <li>• Wealth-focused advisor looking for a simple concept to introduce insurance to clients.</li> <li>• Wants an easy-to-understand concept that can help: <ul style="list-style-type: none"> <li>○ convert more Equitable term insurance renewals to permanent insurance</li> <li>○ increase clients' premium commitment today by showing them how by "owning" whole life insurance (Equimax), they are investing in an asset that grows in value and avoids the volatile returns in the equity market.</li> </ul> </li> </ul>
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<b>Client attention grabbers</b>	<ul style="list-style-type: none"> <li>• Like a home, there are 2 different ways to pay for life insurance: rent or own. When you "own" permanent insurance, like owning a house, each payment you make builds equity and value that you can access<sup>1</sup> if you need it. Use it to help cover planned or unexpected expenses, or even supplement your retirement income.</li> </ul>
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<b>Key features and benefits</b> (Equimax participating whole life insurance)	<b>Feature</b>	<b>Benefit</b>
	Guaranteed Cash Value and Death Benefit	Peace of mind knowing the coverage and cash value is guaranteed.
	An asset that increases in value	Value accumulates within the plan on a tax-advantaged basis. This may provide greater benefit to your clients when compared to traditional non-registered interest-bearing savings vehicles that are taxed annually.

<sup>1</sup> The cash value of the policy may be accessible via a withdrawal (UL policy), policy loan (Equimax policy), collateral loan or policy surrender. May be subject to taxation and a tax reporting slip may be issued. Some restrictions and charges may apply.

Key features and benefits	Feature	Benefit
Continued	Ability to access the cash value through a policy loan	<p>A policy loan allows your client to use the cash value in their Equimax policy as collateral to borrow money from Equitable Life. If the loan is granted, there will be outstanding debt against the policy.</p> <ul style="list-style-type: none"> <li>• The minimum loan amount that your client can apply for is currently \$500. Equitable Life sets the minimum and it is subject to change.</li> <li>• The maximum loan amount that your client can apply for is currently limited to 90% of the available cash value less any amounts already owing on the policy (outstanding indebtedness). Equitable Life sets the maximum and it is subject to change, however, it will never be greater than 90% of the available cash value less any outstanding indebtedness.</li> </ul> <p>If at any time the total indebtedness under the policy, including the accrued interest, exceeds the available cash value, the policy will lapse and the insurance coverage will terminate.</p>
	Returns that are guaranteed never to be negative	<p>Hands-off investment management. Never having to explain why your clients' investments lost money. Client satisfaction grows as they receive policy statements that never show a negative return. Satisfied clients are an excellent source of referrals.</p>
	Paid Up Additions (PUAs) Dividend Option plus Excelerator Deposit Option (EDO)	<p>PUAs can result in increases in both the death benefit and cash value over the life of the policy. Add to that additional deposits made through the Excelerator Deposit Option and clients can build substantial value they can access for emergencies, to supplement retirement income or leave as a tax-free payment to their beneficiaries.</p> <p>The cash value of the policy can also become a potential source of tax-free income when the policy is used in a <a href="#">collateral loan</a> arrangement. <a href="#">See Preferred Retirement Solution using whole life.</a></p>

Key features and benefits	Feature	Benefit
Continued	Mutual company	<p>Equitable Life is proud to be one of Canada's largest mutual life insurance companies. We are owned by our participating policyholders, not shareholders. Participating policyholders elect our Board of Directors. As a mutual company, we are 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.</p> <p>Participating whole life policyholders are eligible to participate in the earnings in the participating account through dividend payments. Dividends are not guaranteed and are paid at the sole discretion of the Board of Directors. Dividends may be subject to taxation. Dividends 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.</p>

Frequently asked questions	Questions	Answers
	Are dividends guaranteed?	<p>Dividends are not guaranteed and are paid at the sole discretion of the Board of Directors. Dividends may be subject to taxation. Dividends 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.</p> <p>Equitable Life has paid dividends every year since it started selling participating whole life in 1936. As well, dividends will never be negative and once credited, cannot be taken away.</p>
	Can clients make additional payments into a whole life policy above the required premium?	Yes, it's called Excelsior Deposit Option (EDO). The option allows clients to accelerate the tax-advantaged growth in their policy by making additional deposits above the required guaranteed premium. Those deposits buy paid-up insurance which may increase the total death benefit and total cash value of their policy. EDO is not offered with the 10 pay premium option, however, EDO may be available with addition of a term rider at issue.
	Can we guarantee that a policy will be paid up after a limited number of years?	Yes, by selecting the 10 Pay Option ((available on Equimax Estate Builder® only) or 20 Pay Option (for both Equimax Estate Builder and Equimax Wealth Accumulator®), premiums for the base plan are guaranteed to be paid up in 10 or 20 years. Premiums for optional Riders and benefits may extend beyond 10 or 20 years.
	Why would I sell whole life when universal life offers more flexibility?	Equimax offers hands-off investment management in a diversified portfolio. It provides long-term growth and returns that will never be negative and once dividends are credited, they cannot be taken away. <sup>2</sup> With Universal Life, clients could experience negative returns which can erode the value of the policy.
	Why would I sell whole life when universal life costs less?	Equimax also offers more contractual guarantees than universal life due to its built-in guaranteed cash value. Even when paying the required guaranteed premium, there is expected growth due to the payment of dividends. <sup>2</sup> With the exception of advising clients on actions that may be required to their policy as a result of the impact of a decrease in the dividend scale, Equimax requires little or no management by an advisor.

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Frequently asked questions continued	Questions	Answers
	Where is the money in the participating account invested?	<p>The amount of premium not required to pay for current benefits and expenses is invested in the participating (PAR) account to provide for future benefits.</p> <p>Refer to following to see how participating premiums are invested:</p> <ul style="list-style-type: none"> <li>• Understanding Participating Whole Life Insurance <a href="#">(1038)</a></li> <li>• <a href="#">Participating Account Quarterly Update (1360)</a></li> </ul> <p>Participating Account Portfolio Assets and Allocations – Executive Summary <a href="#">(1828)</a></p>
	If I already sell a competitor’s whole life product with similar price, cash value, death benefit and commission, why should I switch to Equitable Life’s product?	<p>Many advisors prefer to deal with a successful mid- size company like Equitable Life because we take the time to personally understand your business needs and help develop solutions. Equitable Life Regional Sales Managers, located coast to coast, provide personalized sales support. They can help you increase sales and build your business.</p> <p>Equitable Life is not your typical financial services company. We have the knowledge, experience and ability to find solutions that work for you and your clients. We’re friendly, caring and interested in helping. And when it comes to service, we like to provide the personal touch! That isn’t just a promise, it’s a reality.</p> <p>Being recognized for our service culture across all lines of business is a point of pride for a company that includes ‘customer focus’ as one of its three corporate values.</p> <p>In a 2019 survey of customers from 15 life insurance companies,* Equitable Life ranked #1 on the Net Promoter Score, a measure used across industries to gauge the loyalty of a firm’s customer relationships. * LIMRA CxP Customer Experience Benchmarking Program, Life Insurance In-Force Experience</p>
	Why Equitable Life?	<p>DBRS Limited (DBRS Morningstar) confirmed the Financial Strength Rating and Issuer Rating of The Equitable Life Insurance Company of Canada at A (high). All trends are Stable. This reflects our continued strong business performance and our strong LICAT ratio of 167% at the end of Q2 2023, which puts Equitable in the top tier of Canadian life insurance companies.</p> <p>Also see <a href="#">5 reasons for doing business with Equitable Life (1271)</a></p>

Common obstacles from clients	Obstacles	Answers
	Permanent insurance is too expensive.	<p>Show clients that with permanent insurance like Equimax, a portion of every dollar they pay in premiums is actually more like savings. They shouldn't think of permanent insurance like they would their hydro or phone bill. When they pay those bills, the money is gone. But with permanent insurance they are investing in something that grows in value.</p> <p>Run an illustration to show how the premiums they are paying are really becoming an investment.</p> <p>If they still feel that permanent insurance is too expensive and doesn't fit within their budget, ask them what monthly payment they can afford and look at a combination of term and permanent to manage the cost. In most cases, the amount of insurance a person needs is often higher today, to replace their income, than it will be after retirement for estate and final expenses.</p>

Point of sale tools	Tools	Where to find it
Equitable Life's advisor website - <a href="#">EquiNet®</a> provides the tools and information you need.	New business illustration	Desktop software. <a href="#">Go to EquiNet.</a>
	1197-2 – What kind of life insurance is right for you?	<a href="#">EquiNet Home &gt; Individual Insurance &gt; Marketing Materials</a> <a href="#">Download now</a>
	1038 – Understanding Participating Whole Life Insurance  (This client guide provides information about Equimax participating whole life insurance, including some key financial facts about the management, performance and strength of Equitable Life's Participating Account, how dividends are calculated and how they impact the policy.)	<a href="#">EquiNet Home &gt; Individual Insurance &gt; Marketing Materials</a> <a href="#">Download now</a>

Point of sale tools	Tools	Where to find it
continued	1828 – Participating Account Executive Summary  (Provides details on how the money in the Participating Account is invested.)	<a href="#">EquiNet Home &gt; Individual Insurance &gt; Marketing Materials</a> <a href="#">Download now</a>
	1360 - Participating Account Quarterly Update  (This 2 page summary provides quarterly updates and commentary.)	<a href="#">EquiNet Home &gt; Individual Insurance &gt; Marketing Materials</a> <a href="#">Download now</a>
	1505 – Dividend scale interest rate – historical performance  (This 1 page summary provides a historical look at Equitable Life's dividend scale interest rate compared to other well-known economic indicators.)	<a href="#">EquiNet Home &gt; Individual Insurance &gt; Marketing Materials</a> <a href="#">Download now</a>

Review your clients' insurance needs to determine which product best meets their needs and whether the concept outlined in this sales track is appropriate for their situation. The information in this sales track is not a substitute for tax or legal advice. Your clients should consult their tax or legal professional for independent advice with respect to their personal circumstances.

While Equitable Life has made every effort to ensure the accuracy of the information presented here, the policy contract governs in all cases.

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