

# Universal life insurance Equation Generation IV Sample policy contract pages

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## DEFINITIONS

*The following are definitions of some of the terms used in your Equation Generation IV policy. If you need additional information or clarification please call one of our Individual Customer Service Representatives at 1-800-668-4095 or your financial advisor.*

<b>Age:</b>	means the age of the Life Insured on his or her nearest birthday.
<b>Amount at Risk for an Insurance Coverage:</b>	is equal to the Death Benefit less the Account Value of the applicable Insurance Coverage.
<b>Beneficiary(ies):</b>	is (are) the person(s) designated in the application by the Owner and listed on the Policy Specifications page of this policy who is (are) to receive the Death Benefit proceeds in the event of the death of the Life Insured under this Equation Generation IV policy. While this policy is in effect, the Owner may choose to designate in writing to us a change in the Beneficiary(ies) to receive the Death Benefit proceeds payable on the death of the Life Insured under this policy if that change is allowed under laws that apply. The Equitable Life Insurance Company of Canada will pay the Death Benefit proceeds payable to the Beneficiary(ies) in effect at the date of death of the Life Insured under this policy.
<b>Business Day:</b>	means any day other than Saturday, Sunday and all applicable statutory holidays in the province that the Company's Head Office is located.
<b>Class of Risk:</b>	means the Company's mortality risk assessment of the Life Insured. It is based upon our review of the application for insurance and all medical and other information received by the Company. A standard or normal mortality risk assessment is 100%. A class of risk greater than 100% indicates a higher mortality risk. The class of risk will affect the cost of insurance rates. Mortality risk refers to the incidence of death.
<b>Company:</b>	The terms "we", "our", "us", "Equitable Life" and "Company", mean The Equitable Life Insurance Company of Canada and its Head Office located in Waterloo, Ontario, Canada.
<b>Coverage Years:</b>	Each Insurance Coverage and Rider applicable to this Equation Generation IV policy has an effective <del>date</del> . Coverage Years are measured from the effective date of each Insurance Coverage or Rider as shown on the Coverage Specifications page(s).
<b>Currency:</b>	All amounts payable to or by the Company under the terms, conditions or provisions of this policy are payable in the lawful currency of Canada.
<b>Date Policy Takes Effect:</b>	means the later of: <ol style="list-style-type: none"> <li>either: (i) in Quebec, the date Equitable Life accepts the policy without modification; or (ii) in provinces other than Quebec, the date the policy is delivered to you; and</li> <li>the date the full amount of the first Premium has been paid to the Company;</li> </ol> provided that no change has taken place in the insurability of any Life Insured under this policy between the date the application for life insurance was signed by the Life Insured and the date the policy was delivered to you.
<b>Effective Date:</b>	means the effective date of the policy as shown on the Coverage Specifications page(s).
<b>Indebtedness:</b>	refers to outstanding Policy Loans and includes any unpaid interest owing for those loans.
<b>Insurance Coverage:</b>	is the Equation Generation IV Universal Life Death Benefit applicable to the Life Insured.  Any increase applied for and made in the future, by the Owner, will result in an additional Insurance Coverage applicable to the Life Insured.
<b>Life Insured:</b>	is the person for whom the life insurance associated with this policy is applicable. The Life Insured may or may not be the Owner of this Equation Generation IV policy.
<b>Monthly Anniversary:</b>	The Monthly Anniversary for this policy will occur on the same day of each month as the Effective Date of this policy. Regardless of whether the premiums are being paid annually or monthly, the Monthly Anniversary is the day each month that all of the Monthly Charges applicable to the policy are deducted.

**DEFINITIONS – continued**

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<b>Monthly Charges:</b>	All charges associated with this Equation Generation IV policy are referred to as Monthly Charges and include Cost of Insurance Charges, Administration Charges, Linked Interest Option Administration Fees and any charges applicable to additional benefits or Riders as specified on the Coverage Specifications page(s).
<b>Net Premium(s):</b>	<p>is equal to the Premium(s) paid less any applicable government premium taxes required to be deducted now or in the future.</p> <p>Equitable Life reserves the right to increase or decrease the current deduction for government premium taxes should the government premium taxes be increased or decreased.</p>
<b>Owner:</b>	The Owner of this policy refers to the applicant(s) and Owner(s) as indicated on the Policy Specifications page of this policy. The terms “you”, “your”, and “Owner” refer to the applicant(s) and Owner(s) of this policy. The Owner(s) may or may not be the Life Insured under this policy.
<b>Policy Anniversary:</b>	The Policy Anniversary will occur on the same day and month each year as the Effective Date of this policy, as shown on the Policy Specifications page. Policy Years and Policy Months are also measured from the Effective Date of this policy.
<b>Premium:</b>	Premium refers to the amounts paid to Equitable Life and applied to this Equation Generation IV Universal Life policy.
<b>Rider:</b>	A Rider is an additional benefit applied for and issued by us as shown on the Coverage Specifications page(s) of this policy. The provisions, terms and conditions of any Riders applicable to this policy are stated in the Rider pages attached to this Equation Generation IV policy.
<b>Shuttle Account:</b>	The Shuttle Account is a separate Premiums-on-Deposit Account set up at issue of your Equation Generation IV policy. This account is held outside of your Equation Generation IV policy and is used to hold funds that must be transferred out of your policy in order to maintain its tax exempt status. Interest and income earned on the Shuttle Account is taxed annually.

## GENERAL PROVISIONS

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*The following are General Provisions applicable to your Equation Generation IV policy.*

- Assignment:** This policy may be assigned by the Owner as permitted by law. The assignment will not be binding on Equitable Life unless the Assignment is made in writing and filed with our Head Office in Waterloo, Ontario. Equitable Life is not responsible for the validity of any Assignment.
- Death of a Beneficiary:** In the event of the death of a Beneficiary, the deceased Beneficiary's share of the proceeds from this policy will be payable to the surviving Beneficiary(ies). If no Beneficiary survives, the proceeds will be payable to the Owner or to the executors, administrators, or assignees of the Owner, subject to the right of the Owner to appoint a new Beneficiary or contingent Beneficiary.
- Contract:** The Equation Generation IV Universal Life Contract consists of the following documents:
- this policy
  - the application
  - any amendments or endorsements to the policy agreed upon in writing by the Company
  - any Riders attached to this policy providing additional benefits.
- This policy takes effect as of the Date Policy Takes Effect.
- Only the President or an Officer of The Equitable Life Insurance Company of Canada has the authority to bind the Company or to make any change in the Contract, and then only in writing. Equitable Life will not be bound by any promises or representations made by any other persons including your financial advisor, broker or agent. Without limiting the generality of the above statement, no financial advisor, broker or agent is authorized to waive, amend or modify any of the terms, conditions or provisions of this Contract.
- Should any legislative or regulatory authority having jurisdiction, impose requirements that would impact this Contract, Equitable Life may unilaterally make the required changes to this Contract.
- Incontestability:** Failure to disclose a fact or the misrepresentation of a fact in the application for life insurance, medical examination, or any statement or answers provided as evidence of insurability will cause this policy including any Riders to be voidable by Equitable Life.
- Where this policy has been in effect for two (2) years from the later of:
- (a) the Date Policy Takes Effect; and
  - (b) the last Reinstatement date of this policy,
- with the exception of Misstatement of Age or Sex which is described below, the failure to disclose or the misrepresentation, except in the case of fraud, will not cause this policy including any Riders to become voidable.
- Any additional or amended Insurance Coverages effective after the Date Policy Takes Effect will be considered to be incontestable (with the exception of fraud) only after the additional or amended Insurance Coverage has been in effect for two (2) years from the later of:
- (1) the date the additional or amended Insurance Coverage took effect; and
  - (2) the last Reinstatement date of this policy.
- Misstatement of Age or Sex:** If the date of birth and/or sex of the Life Insured has been misstated, the amount payable under this policy due to the death of that Life Insured will be adjusted to be equal to the sum of the following:
- (a) the portion of the Account Value of the policy that is allocated to the Insurance Coverage applicable to the Life Insured; and
  - (b) the amount of Insurance Coverage the Cost of Insurance Charges on the Life Insured (deducted at the beginning of the Policy Month in which the death has occurred) would have purchased had the Cost of Insurance Charges for the Insurance Coverage been calculated based on the correct age and/or sex.
- If the date of birth and/or sex of the Life Insured covered by a Rider has been misstated, then the amount payable for the Rider will be the amount that the Monthly Charge for that Rider would have purchased based on the correct age and/or sex.

**GENERAL PROVISIONS - continued**

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**Notice/****Correspondence:**

Any Notice or Correspondence that is required to be provided to you by the Company will be sent by regular mail, facsimile or electronic mail. We will consider the notices and/or correspondence to be received by you on the 7<sup>th</sup> Business Day following the mailing or transmission.

Any notice or correspondence from you may be sent by regular mail, facsimile or electronic mail (provided a signature is not required) and will be considered received by us on the date we receive it at our Head Office in Waterloo, Ontario.

**Proof of Age:**

Equitable Life requires satisfactory proof of the date of birth of the Life Insured before making any payment under this policy or Rider.

**Participating:**

This policy, excluding any Riders that may be attached to it, is participating and therefore may be eligible for dividends, or to participate in any divisible surplus of the Company.

**Right of Rescission:**

You will have 10 calendar days from the date you receive this policy to cancel it provided you have given us written notice of your request to cancel it within the 10 days. If for any reason during that time you want to cancel the Contract, the market value of any Premium received will be refunded as of the date Equitable Life receives your notice requesting cancellation. This policy will then be considered void from inception.

**Settlement on Death:**

In the event of death of the Life Insured under this policy, before making any payment under this policy, Equitable Life will require the policy and satisfactory proof of:

- (a) the death of the Life Insured;
- (b) the date of birth of the deceased Life Insured;
- (c) the sex of the deceased Life Insured; and
- (d) the claimant's right to receive payment.

**Smoking Classification:**

At any time, subject to our administration rules and guidelines, you may request that the Smoker Classification of a Life Insured be changed to a Non-Smoker classification by providing a written declaration to Equitable Life that provides satisfactory evidence to qualify the Life Insured as a Non-Smoker. Equitable Life reserves the right to require evidence of good health before approving a change in Smoking Classification.

If the Life Insured was under the Age of 16 on the Effective Date of this policy, on the Policy Anniversary nearest their 16<sup>th</sup> birthday we will classify them as a Smoker and future Cost of Insurance Charges will be based on Smoker rates. The Owner of the policy may apply to have the Smoking Classification changed to Non-Smoker following the Policy Anniversary nearest the Life Insured's 16<sup>th</sup> birthday as discussed above.

**Suicide:**

Equitable Life will not pay any Death Benefit if the Life Insured dies by suicide, regardless of the mental state of the Life Insured, within two (2) years from the later of:

- (i) the Date Policy Takes Effect; and
- (ii) the last Reinstatement date of this policy.

**Limitation Period:**

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the Insurance Act or other applicable legislation.

## **Death Benefit**

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***An important part of your Equation Generation IV Universal Life Insurance policy is the Death Benefit provided to the Beneficiary(ies). The Death Benefit Option you have selected is shown on the Coverage Specifications page(s) of this policy.***

**Death Benefit:** The Death Benefit will be payable to the Beneficiary(ies) provided this policy is in effect as of the date of death of the Life Insured. The proceeds payable at death are calculated as of the date Equitable Life receives notice of the death of the Life Insured under this policy. Immediately following the calculation of the proceeds payable at death, the Account Value attributable to the policy becomes zero. Any Indebtedness under the policy will be deducted from the proceeds payable.

On the Effective Date of this policy, the initial Death Benefit will be the Sum Insured as shown on the Coverage Specifications page(s) of this policy. Thereafter, the Death Benefit will be determined in accordance with one of the following Death Benefit Options as shown on the Coverage Specification page(s).

### **Death Benefit Options:**

All Insurance Coverages are required to have the same Death Benefit Option.

**Level Protector:** Under this Death Benefit Option the Sum Insured will remain level for the duration of the policy unless you take a Cash Withdrawal or unless it is increased as required to assist in maintaining the tax exempt status of your policy. Upon death of the Life Insured, the Company will pay the Beneficiary(ies) the Death Benefit which is equal to the greater of the Sum Insured or the Account Value attributable to this Equation Generation IV policy.

This Death Benefit Option is available with either Yearly Renewable Term (YRT) or Level Cost of Insurance Charges.

**Account Value Protector:** Under this Death Benefit Option the Sum Insured will remain level for the duration of the policy unless it is increased as required to assist in maintaining the tax exempt status of your policy. Upon death of the Life Insured, the Company will pay the Beneficiary(ies) the Death Benefit which is equal to the Sum Insured plus the Account Value attributable to this Equation Generation IV policy.

This Death Benefit Option is available with either Yearly Renewable Term (YRT) or Level Cost of Insurance Charges.

## **Changes to Insurance Coverage**

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***With Equation Generation IV Universal Life Insurance you can choose to make changes to the Insurance Coverage provided by your policy. .***

At any time while this policy is in effect you may request any of the following changes, subject to the following requirements, and our current administrative rules and guidelines in effect at the time:

- (a) additional Insurance Coverage, subject to evidence of insurability as determined by the Company;
- (b) a decrease in Insurance Coverage; a pro-rata Surrender Charge will be applied. The Surrender Charges under this policy are shown in the Table of Charges;
- (c) cancellation of a Rider attached to this policy;
- (d) a change in Death Benefit Option, subject to evidence of insurability as determined by the Company;
- (e) a change in the Cost of Insurance Charges Type, subject to evidence of insurability as determined by the Company;
- (f) a cancellation of an Insurance Coverage;

No other changes may be made.

All changes are subject to receipt of a written request from you at the Head Office of the Company.

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## Premiums

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***Premium is the term used to define the money that you pay to Equitable Life for your Equation Generation IV Universal Life policy.***

**Premiums:**

All Premiums are payable to Equitable Life and must be received in our Head Office, in Waterloo, Ontario. You may choose to submit your Premium by mail or deliver it in person or by courier. You may also choose to have your Premiums automatically withdrawn from your chequing account with our pre-authorized debit plan (P.A.D.).

At any time while this policy is in effect you may make additional Premium payments. Your Premium payments may be increased or decreased at any time or you may change the frequency of the Premium payment, subject to limits and restrictions as determined by Equitable Life at that time.

Monies received during a Policy Year in excess of the Maximum Exempt Premium for that Policy Year will be deposited into the Shuttle Account and will not be considered a Premium paid under your Equation Generation IV policy. If at any time in the future, Equitable Life determines that monies can be transferred from the Shuttle Account to your Equation Generation IV policy, these monies will be considered to be Premiums paid to the policy.

**Net Premiums:**

Government Premium tax is deducted from each Premium paid to your Equation Generation IV policy. The percentage of the deduction required varies by province. Therefore, the premium tax deducted from your policy will be based on your province of residence. Equitable Life reserves the right to change the current deduction for the Government premium taxes should the premium taxes applicable to this policy be changed. Your Premium less the applicable premium tax is the Net Premium.

**Minimum Annual Premiums:**

The Minimum Annual Premium shown on the Policy Specifications page, is the Minimum Annual Premium applicable for the first Policy Year, including the charges for any Riders. **Payment of the Minimum Annual Premium does not guarantee that your policy will remain in effect.** Depending on the Cost of Insurance Charges, Death Benefit Option, Riders and performance of the Investment Interest Account(s) you have selected, the Minimum Annual Premium may not be sufficient to maintain your Equation Generation IV policy.

**Maximum Exempt Premium:**

The Maximum Exempt Premium is the maximum Premium that you can deposit into your Equation Generation IV policy during a Policy Year. At issue and at each Policy Anniversary thereafter we will calculate this amount for the upcoming Policy Year. The Maximum Exempt Premium is the estimated maximum amount that can be deposited to your policy while maintaining your policy exempt from accrual taxation under the provisions of the Income Tax Act (Canada) and Regulations.



## Investment Interest Accounts

***The Investment Interest Accounts make up the savings portion of your Equation Generation IV Universal Life policy.***

**Interest Accounts:** Each Net Premium may be invested in any combination of the following Interest Accounts:

- (a) the Daily Interest Account;
- (b) the Guaranteed Deposit Accounts;
- (c) the Linked Interest Options
  - the Index Interest Options
  - the Performance Fund Interest Options
  - the Portfolio Interest Options

The portion of each Net Premium to be allocated to the various Interest Accounts is shown on your application for life insurance for this Equation Generation IV policy, unless subsequently changed by the Owner as described below.

All Net Premiums will be invested within five (5) Business Days of receipt of the Premiums at Equitable Life's Head Office in Waterloo, Ontario, or the date of transfer from the Shuttle Account.

You may request in writing to change the portion of the Net Premiums allocated to the various Investment Interest Accounts. The first change in any Policy Year is free of charge. Any additional changes in that Policy Year will be subject to a fee of \$25.00 per change.

**The following is a description of the Interest Accounts available with Equation Generation IV:**

**Daily Interest Account:** The interest rate credited on Net Premiums allocated to this account will be determined by Equitable Life from time to time, but is guaranteed not to be less than 90% of the yield on 91-Day Government of Canada Treasury Bills less 2% to a minimum credited interest rate of 0%.

The effective annual interest rate is compounded daily and credited to the Daily Interest Account at least once per month.

Should 91-Day Government of Canada Treasury Bills become unavailable, Equitable Life reserves the right to use another yield in determining the above guarantee.

**Account Value:** The Account Value of the Daily Interest Account at any time is equal to the following:

- (a) Net Premiums and net transfers credited to the Daily Interest Account; plus
- (b) Interest and any Incentive Bonus credited to the Daily Interest Account; less
- (c) Amounts withdrawn or transferred out of the Daily Interest Account; less
- (d) Any administration fees or charges deemed to have come from this account.

**Guaranteed Deposit Accounts:**

You can select one or more Guaranteed Deposit Accounts for your Equation Generation IV policy. The terms available for each Guaranteed Deposit Account may be 1, 5, or 10 years. We reserve the right to change or discontinue Guaranteed Deposit Account terms available to you at any time.

The minimum amount that may be allocated to a Guaranteed Deposit Account at any time is \$500.00. If you have selected a Guaranteed Deposit Account as one of your Investment Interest Accounts, Premiums will be held in the Daily Interest Account until the \$500.00 minimum is accumulated. Each allocation to a Guaranteed Deposit Account is considered separate with its own interest rate and investment term.

Equitable Life will declare the interest rate for each new Guaranteed Deposit Account as of the date of the investment.

The interest rate for a Guaranteed Deposit Account with a term of 1 year is guaranteed not to be less than (90% of X\*), less 1.50% to a minimum credited interest rate of 0%.

## Investment Interest Accounts – continued

### Guaranteed Deposit Accounts: - continued

The interest rate for a Guaranteed Deposit Account with a term of 5 years is guaranteed not to be less than the greater of:

- (a) 1.00%; and
- (b) (90% of X\*) less 1.50%.

The interest rate for a Guaranteed Deposit Account with a term of 10 years is guaranteed not to be less than the greater of:

- (a) 2.00%; and
- (b) (90% of X\*) less 1.50%

\* "X" in the above formulas represents the yield on Government of Canada bonds with the same term and date of investment as the Guaranteed Deposit Account. If at any time there is not a regularly published Government of Canada Bond of the same term as the Guaranteed Deposit Account Equitable Life reserves the right to substitute the bond with the closest published term.

In determining the above guarantee, Equitable Life reserves the right to use a measurement other than the yield on Government of Canada Bonds should they become unavailable or unsuitable as determined by Equitable Life.

The effective date of each Guaranteed Deposit Account will be the same day of the month as the Effective Date of this policy that is coincident with or immediately following the date of investment. The term period for your Guaranteed Deposit Account is measured from this date.

At the end of the term of each Guaranteed Deposit Account, the Account Value of that Guaranteed Deposit Account will automatically be reinvested as another Guaranteed Deposit Account with the same term as the original Guaranteed Deposit Account unless you have elected otherwise in writing.

#### Account Value:

The Account Value of the Guaranteed Deposit Account(s) at any time is equal to the following:

- (a) Net Premium and net transfers credited to the Guaranteed Deposit Account(s); plus
- (b) interest and any Incentive Bonus credited to the Guaranteed Deposit Account(s); less
- (c) amounts withdrawn or transferred out of the Guaranteed Deposit Account(s) including any Market Value Adjustments that apply to these withdrawals or transfers; less
- (d) any administration fees or charges deemed to have come from this account.

#### Maturity Value:

The Maturity Value of a Guaranteed Deposit Account is the net amount originally invested in the Guaranteed Deposit Account plus the interest compounded annually at the guaranteed rate for the term you selected. Any amounts withdrawn, transferred out or deducted for monthly charges from the Guaranteed Deposit Account, including any Market Value Adjustment that may apply, are taken into account when the Maturity Value of a Guaranteed Deposit Account is determined.

#### Market Value Adjustment:

At any time prior to the end of the term of each Guaranteed Deposit Account, the Market Value Adjustment of a Guaranteed Deposit Account is the discounted value of the Maturity Value with the interest rate used for discounting being 1% plus the higher of:

- (a) the actual interest rate for each applicable Guaranteed Deposit Account, or
- (b) the then current interest rate based on the original term and band (as determined by us) of the Guaranteed Deposit Account being valued.

If a partial withdrawal or transfer to another Interest Account is being made a pro-rata Market Value Adjustment will apply.

## Investment Interest Accounts – continued

**Linked Interest Options:** You can select one or more of the Linked Interest Options for your Equation Generation IV policy. The Account Value of each Linked Interest Option must be at least \$150.00. If the minimum Account Value is not met we reserve the right to transfer the full value of that Linked Interest Option to the Daily Interest Account.

A Linked Interest Option Administration Fee may apply. (Refer to the Monthly Charges provision of this policy for details.)

### 1) Index Interest Options:

Net Premiums allocated to one or more of these Interest Accounts are credited or debited interest from the date each Net Premium is invested. The interest debited or credited is guaranteed to be not less than 100% of the comparative increase or decrease of the Total Return (which includes dividends) of the index tracked by the Index Interest Option. The rate of return the interest is based on can be either positive or negative depending on the movement of the applicable index. A negative rate of return will result in a debit to the Account Value (a negative interest rate). A positive rate of return will result in a credit to the Account Value (a positive interest rate).

Currently, interest rates are calculated on a daily basis (Business Day) at a time as determined by Equitable Life, based on the movement of the applicable index. We reserve the right to change the timing and frequency of the calculation at our discretion.

The applicable Index for each Index Interest Option is selected by Equitable Life and may change at any time. We reserve the right to discontinue the use of any Index Interest Option(s) at our discretion, without prior notification, and transfer the Account Value to a similar Index Interest Option as determined by us, or if a similar Index Interest Option is not available at that time, we will transfer the Account Value to the Daily Interest Account.

For information on the index tracked by each Index Interest Option and its past performance please ask your financial advisor or visit our website as shown on your most recent policy statement.

The following are the current Index Interest Options available with Equation Generation IV:

**(a) Canadian Equity Index Interest Option:**

The index tracked will consist primarily of Canadian equity stocks and Equitable Life guarantees to provide interest not less than 100% of the comparative increase or decrease of the total return of the applicable index;

**(b) American Equity Index Interest Option:**

The index tracked will consist primarily of U.S. equity stocks and Equitable Life guarantees to provide interest not less than 100% of the comparative increase or decrease of the total return of the applicable index, after converting to Canadian dollars. The conversion to Canadian dollars will be based on a rate obtained from a recognized quotation service as selected by Equitable Life;

**(c) U.S. Technologies Index Interest Option:**

The index tracked will consist primarily of U.S. technology stocks and Equitable Life guarantees to provide interest not less than 100% of the comparative increase or decrease of the total return of the applicable index, after converting to Canadian dollars. The conversion to Canadian dollars will be based on a rate obtained from a recognized quotation service as selected by Equitable Life;

**(d) European Index Interest Option:**

The index tracked will consist primarily of large, well-known European stocks and Equitable Life guarantees to provide interest not less than 100% of the comparative increase or decrease of the total return of the applicable index, after converting to Canadian dollars. The conversion to Canadian dollars will be based on a rate obtained from a recognized quotation service as selected by Equitable Life;

**(e) U.S. Blue Chip Index Interest Option:**

The index tracked will consist primarily of stocks of large, well-known U.S. companies and Equitable Life guarantees to provide interest not less than 100% of the comparative increase or decrease of the total return of the applicable index, after converting to Canadian dollars. The conversion to Canadian dollars will be based on a rate obtained from a recognized quotation service as selected by Equitable Life.

## Investment Interest Accounts – continued

### 2) Performance Fund Interest Options:

Net Premiums allocated to one or more of these accounts are credited or debited interest from the date each Net Premium is invested. The interest credited or debited is guaranteed to be not less than 100% of the net rate of return (i.e. less management fees and assuming the reinvestment of dividends) of the applicable mutual fund for each Performance Fund Interest Option. The rate of return the interest is based on can be either positive or negative depending on the movement of the applicable mutual fund. A negative rate of return will result in a debit to the Account Value (a negative interest rate). A positive rate of return will result in a credit to the Account Value (a positive interest rate).

Currently, interest rates are calculated on a daily basis (Business Day) at a time determined by Equitable Life, based on the movement of the applicable mutual fund. We reserve the right to change the timing and frequency of the calculation at our discretion.

For each Performance Fund Interest Option the applicable mutual fund and series are selected by Equitable Life and may change at any time. We reserve the right to discontinue the use of any Performance Fund Interest Option at our discretion, without prior notification, and transfer the Account Value to a similar Performance Fund Interest Option as determined by us, or if a similar Performance Fund Interest Option is not available at that time, we will transfer the Account Value to the Daily Interest Account.

For information on the mutual fund tracked by each Performance Fund Interest Option and its past performance please ask your financial advisor or visit our website as shown on your most recent policy statement.

The following are the current Performance Fund Interest Options available with Equation Generation IV:

**(a) Performance Fund Interest Option – Global**

The mutual fund tracked will invest mainly in equity securities of companies around the world and fixed income securities issued by governments or companies in any country. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund;

**(b) Performance Fund Interest Option – Canadian**

The mutual fund tracked will invest mainly in a mix of long term capital growth and fixed income securities issued primarily by Canadian issuers. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund;

**(c) Performance Fund Interest Option – Canadian Bond**

The mutual fund tracked will invest mainly in fixed income Canadian securities. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund;

**(d) Performance Fund Interest Option – Global Fixed Income**

The mutual fund tracked will invest mainly in bonds issued by foreign companies and governments. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund;

**(e) Performance Fund Interest Option – Canadian Value Stock**

The mutual fund tracked will invest mainly in Canadian equities and Canadian companies. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund;

**(f) Performance Fund Interest Option – Large Cap Canadian Equity**

The mutual fund tracked will invest mainly in a select group of high-quality, large-cap Canadian businesses. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund;

**(g) Performance Fund Interest Option – Global Balanced**

The mutual fund tracked will invest mainly in debt and equity securities issued around the world. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund.

## Investment Interest Accounts – continued

### 3) Portfolio Interest Options:

Net premiums allocated to one or more of these accounts are credited or debited interest from the date each Net Premium is invested. The interest credited or debited is guaranteed to be not less than 100% of the net rate of return (i.e. less management fees and assuming the reinvestment of dividends) of the applicable portfolio for each Portfolio Interest Option. The rate of return the interest is based on can be either positive or negative depending on the movement of the applicable portfolio. A negative rate of return will result in a debit to the Account Value (a negative interest rate). A positive rate of return will result in a credit to the Account Value (a positive interest rate).

Currently, interest rates are calculated on a daily basis (Business Day) at a time determined by Equitable Life, based on the movement of the applicable portfolio. We reserve the right to change the timing and frequency of the calculation at our discretion.

For each Portfolio Interest Option the applicable portfolio and series are selected by Equitable Life and may change at any time. We reserve the right to discontinue the use of any Portfolio Interest Option at our discretion, without prior notification, and transfer the Account Value to a similar Portfolio Interest Option as determined by us, or if a similar Portfolio Interest Option is not available at that time, we will transfer the Account Value to the Daily Interest Account.

For information on the portfolio tracked by each Portfolio Interest Option and its past performance please ask your financial advisor or visit our website as shown on your most recent policy statement.

The following are the current Portfolio Interest Options available with Equation Generation IV:

- (a) **Diversified Income Portfolio Interest Option:**  
The portfolio tracked will invest mainly in a diversified mix of income and bond mutual funds. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable portfolio;
- (b) **Balanced Income Portfolio Interest Option:**  
The portfolio tracked will invest mainly in a diversified mix of equity and income mutual funds with a bias towards income. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable portfolio;
- (c) **Balanced Growth Portfolio Interest Option:**  
The portfolio tracked will invest mainly in a diversified mix of equity and income mutual funds, with a bias towards capital appreciation. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable portfolio;
- (d) **Growth Portfolio Interest Option:**  
The portfolio tracked will invest mainly in a diversified mix of equity mutual funds, with some fixed income mutual funds to provide stability. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable portfolio;
- (e) **Diversified Equity Portfolio Interest Option:**  
The portfolio tracked will invest primarily in a diversified mix of global equity mutual funds. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable portfolio;

### Account Value:

At any time the Account Value of a Linked Interest Option is equal to the following:

- (a) Net Premiums and net transfers credited to that Linked Interest Option; plus
- (b) interest and any Incentive Bonus credited to that Linked Interest Option; less
- (c) interest debited to that Linked Interest Option; less
- (d) amounts withdrawn or transferred out of that Linked Interest Option; less
- (e) any administration fees or charges deemed to have come from these accounts.

## Investment Interest Accounts – continued

### Changes to Your Investment Interest Accounts:

You may select to change your Investment Interest Accounts or the percentage of your Net Premium allocated to the various Investment Interest Accounts at any time, provided you submit your request in writing to Equitable Life's Head Office.

You may elect to transfer a portion of the Account Value of this policy from one Interest Account to another Interest Account available under this policy at any time, provided you submit your request in writing to Equitable Life's Head Office.

Equitable Life reserves the right to limit the number of requested transfers in any Policy Year.

There will be no additional fees charged for the transfers outlined below:

- (a) **Daily Interest Account:** You may elect to move savings from the Daily Interest Account to a Guaranteed Deposit Account or a Linked Interest Option at any time subject to minimum deposit requirements as determined by us. These transfers are based on the Account Value of the Daily Interest Account being transferred as of the effective date of the transfer.
- (b) **Guaranteed Deposit Account:** You may elect to move savings from one Guaranteed Deposit Account to another Guaranteed Deposit Account, the Daily Interest Account or a Linked Interest Option. These transfers are based on the Market Value Adjustment of the Account as of the effective date of the transfer. The Account Value of the Guaranteed Deposit Account must be at least equal to the \$500.00 minimum after the transfer has been made.
- (c) **Linked Interest Options:** You may request to move savings from a Linked Interest Option to another Linked Interest Option, the Daily Interest Account or a Guaranteed Deposit Account, subject to minimum deposit requirements as determined by us. These transfers are based on the Account Value of the Linked Interest Option being transferred as of the effective date of the transfer.

The effective date of the transfer will be within five (5) business days of receipt of your written request at Equitable Life's Head Office.

### About Your Investment Interest Accounts:

Linked Interest Options are NOT Mutual Funds, Portfolio Funds or Indexes; you are NOT acquiring units in a mutual fund or investment fund or other security. You are placing funds on deposit, earning interest, with the general funds of Equitable Life. Performance is NOT guaranteed. You may be credited positive or negative interest depending on the performance of the Mutual Fund, Portfolio or Index being tracked. The Mutual Fund, Portfolio or Index being tracked may change at any time. Linked Interest Option Administration Fees may apply.

## Policy Values

<b>Incentive Bonus:</b>	<p>An Incentive Bonus will be credited to the Account Value of your Equation Generation IV policy beginning on the 15<sup>th</sup> Policy Anniversary, and on each Policy Anniversary thereafter, provided the Account Value at the applicable Policy Anniversary is not less than two (2) times the accumulated total of the Minimum Annual Premiums since the Effective Date of the policy.</p> <p>The Incentive Bonus will be credited to the Account Value of this policy on the applicable Policy Anniversary as follows:</p> <table> <tr> <th>Policy Anniversary</th><th>Annual Bonus Percent</th></tr> <tr> <td>1 - 14</td><td>0.00%</td></tr> <tr> <td>15+</td><td>0.50%</td></tr> </table> <p>Currently the Incentive Bonus credited will be allocated to the Investment Interest Accounts in the same manner as Premiums received. Equitable Life reserves the right to change the manner in which the Incentive Bonus is allocated to the Investment Interest Accounts at any time without prior notification.</p>	Policy Anniversary	Annual Bonus Percent	1 - 14	0.00%	15+	0.50%
Policy Anniversary	Annual Bonus Percent						
1 - 14	0.00%						
15+	0.50%						
<b>Account Value:</b>	<p>The Account Value of this Equation Generation IV policy at any time will be equal to the sum of the following:</p> <ul style="list-style-type: none"> <li>(a) the Account Value of the Daily Interest Account;</li> <li>(b) the Account Value of all Guaranteed Deposit Accounts;</li> <li>(c) the Account Value of all Linked Interest Options.</li> </ul>						
<b>Cash Surrender Value:</b>	<p>The Cash Surrender Value of this Equation Generation IV policy at any time will be equal to the sum of the following:</p> <ul style="list-style-type: none"> <li>(a) the Account Value of the Daily Interest Account;</li> <li>(b) the Market Value Adjustment of all Guaranteed Deposit Accounts;</li> <li>(c) the Account Value of all Linked Interest Options;</li> </ul> <p>reduced by the total Surrender Charges and any Indebtedness to the policy.</p>						
<b>Policy Surrender Value:</b>	<p>The Policy Surrender Value of this Equation Generation IV policy at any time will be equal to the Cash Surrender Value plus the Shuttle Account Value.</p>						
<b>Non-Guaranteed Values:</b>	<p>The interest rate for the Linked Interest Options is <b>NOT GUARANTEED</b> and could be positive or negative depending on the performance of the applicable Linked Interest Options. A negative rate of return will result in a debit to the Account Value (a negative interest rate). A positive rate of return will result in a credit to the Account Value (a positive interest rate).</p>						
<b>Surrender Charges:</b>	<p>The Surrender Charges applicable to each Insurance Coverage under this policy are shown in the Table of Charges. If you choose to surrender your Equation Generation IV policy in the first or second Policy Years, the Surrender Charge is shown in the Table of Charges. For subsequent years up to and including year 10, where the charge is zero (0), monthly values will grade linearly to the value at the next Policy Anniversary. At the 10<sup>th</sup> Policy Anniversary and thereafter the Surrender Charge is zero (0).</p> <p>If you take a withdrawal during the first ten (10) Policy Years, a pro-rata Surrender Charge will be calculated but not applied. Upon full surrender of your Equation Generation IV policy during the first ten (10) Policy Years, any pro-rata Surrender Charges that were calculated but not applied due to withdrawals, will apply upon the full surrender of the policy. Therefore at any time during the first ten (10) Policy Years, the total Surrender Charges are the total of the above, plus any Surrender Charges held in suspense for any previous withdrawals.</p>						

## Monthly Charges

***On each Monthly Anniversary a charge will be withdrawn from the Investment Interest Accounts. These monthly charges include but are not limited to the costs for the insurance portion of your plan, as well as any additional Riders or benefits.***

The monthly charge for your Equation Generation IV policy will be equal to the sum of the following:

- (a) the total Administration Charges applicable for this policy;
- (b) the total of all Cost of Insurance Charges applicable to this policy;
- (c) the total Monthly Charge(s) for any optional additional benefits and Riders;
- (d) the Linked Interest Option Administration Fees.

Equitable Life will automatically deduct the Monthly Charges from the Accounts and/or Linked Interest Options based on the method you elected on the application for life insurance. You may have elected a percentage (%) of the total monthly charges to be deducted from specific accounts or you may have elected the monthly charges be deducted from all accounts on a pro-rata basis, depending on the Account Value in the Accounts at the Monthly Anniversary. In the event that you did not elect a method for deduction of monthly charges, the default method of pro-rata from all Accounts will be the method used. At any time you may change the method and/or Accounts from which your Monthly Charges are deducted by providing written notice at Equitable Life's Head Office.

If the Monthly Charges listed in items (a), (b), and (c), have not previously ceased, they will cease on the Policy Anniversary following the Life Insured's 100<sup>th</sup> birthday. (The same period as shown in the Table of Charges). Thereafter, no further deduction for these charges will be made.

Equitable Life reserves the right to deduct from the Investment Interest Accounts an amount equal to any taxes or assessments applicable to the policy, including those that are currently in place or may be subsequently imposed.

**Administration Charges:** The guaranteed Administration Charge for an adult Insurance Coverage on this policy is \$10.00 per month.

The guaranteed Administration Charge for a juvenile Insurance Coverage on this policy is \$8.00 per month.

### Cost of Insurance Charges Type:

The Cost of Insurance Charge for each Insurance Coverage is determined at the beginning of each Policy Month. The Cost of Insurance Charge is calculated by multiplying the current Amount at Risk by the current Cost of Insurance Rate for the applicable Insurance Coverage as shown in the Table of Charges.

Depending on the Age of the Life Insured your Equation Generation IV policy has a choice of two (2) Cost of Insurance Types: Yearly Renewable Term (YRT) or Level Cost of Insurance (Level for Life). If you have selected YRT Cost of Insurance Charges, the rate per thousand of Amount at Risk will increase yearly until the Policy Anniversary after the Life Insured's 100<sup>th</sup> birthday. If you have selected Level Cost of Insurance Charges, the rate per thousand of Amount at Risk will remain level until the Policy Anniversary after the Life Insured's 100<sup>th</sup> birthday.

If the Life Insured under this policy is an adult (the Age is 16 or greater when the Insurance Coverage is issued) you may select to have YRT or Level Cost of Insurance Charges. If the Life Insured under this policy is a juvenile (the Age is less than 16 when the Insurance Coverage is issued), the Cost of Insurance Type must be YRT until the juvenile Life Insured attains an Age at which Level Cost of Insurance rates may be available.

Subject to any minimum and maximum age restrictions and our administrative rules and guidelines in effect at the time, you may change your Cost of Insurance Charges from one type to another provided they are applicable to your Death Benefit Option. Evidence of insurability, as determined by Equitable Life, may be required when switching from one Cost of Insurance Charges type to another. The Cost of Insurance Charges that will apply will be the applicable rates, if then available, at the Life Insured's attained Age with the same class of risk and smoking status.

The Amount at Risk for an Insurance Coverage is equal to the Death Benefit less the Account Value attributable to that Insurance Coverage.

The Cost of Insurance rates, as shown in the Table of Charges, are guaranteed not to increase from those shown.



**Monthly Charges – continued****Additional Benefit  
And Rider Charges:**

If you have elected to include any additional Benefit(s) and/or Rider(s) with your Equation Generation IV policy, Monthly Charges applicable to the additional Benefit(s) and/or Rider(s) are specified on the Coverage Specifications page(s) and/or are shown in the Table of Charges.

**Linked Interest Option  
Administration  
Fees:**

The Linked Interest Option Administration Fees apply only to the Account Value of the Index Interest Options, the Performance Fund Interest Options and the Portfolio Interest Options.

The current and maximum Linked Interest Option Administration Fees which apply to the Index Interest Options are as follows:

Canadian Equity Index Interest Option:	1.75% per Policy Year (0.1458% per month);
American Equity Index Interest Option:	1.75% per Policy Year (0.1458% per month);
U.S. Technologies Index Interest Option:	1.95% per Policy Year (0.1625% per month);
European Index Interest Option:	1.95% per Policy Year (0.1625% per month);
U.S. Blue Chip Index Interest Option:	1.75% per Policy Year (0.1458% per month).

The Linked Interest Option Administration Fees applicable to the Index Interest Options may be changed at any time, without prior notification, however, Equitable Life guarantees they will not exceed the current maximums.

The current and maximum Linked Interest Option Administration Fees which apply to the Account Value of the Performance Fund Interest Options (PFIO) are as follows:

PFIO – Global	0.00% per Policy Year (0.00% per month)
PFIO – Canadian	0.75% per Policy Year (0.0625% per month)
PFIO – Canadian Bond	0.75% per Policy Year (0.0625% per month)
PFIO – Global Fixed Income	0.00% per Policy Year (0.00% per month)
PFIO – Canadian Value Stock	0.00% per Policy Year (0.00% per month)
PFIO – Large Cap Canadian Equity	0.00% per Policy Year (0.00% per month)
PFIO – Global Balanced	0.00% per Policy Year (0.00% per month)

Linked Interest Option Administration Fees applicable to the Performance Fund Interest Options may be changed at any time, without prior notification, however Equitable Life guarantees the fees will never exceed the current maximums.

The current and maximum Linked Interest Option Administration Fees which apply to the Account Value of Portfolio Interest Options (PIO) are as follows:

Diversified Income PIO	0.45% per Policy Year (0.0375% per month)
Balanced Income PIO	0.45% per Policy Year (0.0375% per month)
Balanced Growth PIO	0.45% per Policy Year (0.0375% per month)
Growth PIO	0.45% per Policy Year (0.0375% per month)
Diversified Equity PIO	0.45% per Policy Year (0.0375% per month)

Linked Interest Option Administration Fees applicable to the Portfolio Interest Options may be changed at any time, without prior notification, however, Equitable Life guarantees the fees will never exceed the current maximums.

## Cash Withdrawals

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***With your Equation Generation IV Universal Life policy you have access to the cash accumulating in your policy if and when you need or want it.***

Cash Withdrawals from this Equation Generation IV policy are permitted at any time provided the Head Office of Equitable Life receives a written request from you.

The amount you can withdraw must be at least \$500.00 and cannot exceed the current Policy Surrender Value, less any Indebtedness, less, \$500.00. A Market Value Adjustment may apply to amounts withdrawn from the Guaranteed Deposit Accounts. For details on how the Policy Surrender Value is determined please see the Policy Values section.

If you choose to withdraw cash from your policy, the Death Benefit applicable to each Insurance Coverage will be reduced by the portion of the Account Value of the policy withdrawn that is attributable to that Insurance Coverage.

If you have elected Account Value Protector as your Death Benefit Option, the Account Value will reduce by the amount withdrawn, thereby reducing the Death Benefit. If you have elected Level Protector as your Death Benefit Option, the Sum Insured will be reduced by the portion of the Account Value withdrawn that is applicable to that Insurance Coverage, thereby reducing the Death Benefit.

If you choose to withdraw cash from your policy within the first ten (10) Policy Years, a pro-rata Surrender Charge equal to the amount withdrawn multiplied by the appropriate Surrender Charge rate divided by 1000 will be calculated but not deducted at the time of withdrawal. If you surrender your policy prior to completion of the 9<sup>th</sup> Policy Year, the Surrender Charge that would have been applied to the Cash Withdrawal will be deducted at that time along with any other Surrender Charges that may apply at that time.

Cash Withdrawals from your policy may have tax consequences and may be subject to income tax.

Equitable Life will charge a \$25.00 fee for each Cash Withdrawal from your policy.

You may specify the Investment Interest Accounts from which your withdrawals are to be made. However, if there is any value in the Shuttle Account, all Cash Withdrawals will be made from this Account first. In the absence of written instructions Equitable Life will make the withdrawals from the Investment Interest Accounts using the same method as used for Monthly Charges, until Equitable Life receives alternative written instruction from you at our Head Office.

Daily Interest Account, Guaranteed Deposit Account and Linked Interest Option minimum balance requirements must continue to be met.

The effective date of your Cash Withdrawal will be within five (5) Business Days of receipt of your written request at the Head Office of Equitable Life.

## Policy Loans

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***If a Cash Withdrawal does not meet your needs, you can take a Policy Loan with your Equation Generation IV policy.***

At any time while this Equation Generation IV policy is in effect, provided it has accumulated a Cash Surrender Value, you may request a Policy Loan from Equitable Life subject to our administrative rules and guidelines in effect at that time.

A Policy Loan will only be granted after Equitable Life has received a completed loan application. Normally, we will make the loan within thirty (30) days after the completed loan application has been received at our Head Office, in Waterloo, Ontario. However, we reserve the right to defer the loan for up to six (6) months.

You may borrow up to the amount by which the Maximum Loan Value of this policy exceeds any current Indebtedness to your Equation Generation IV policy.

The Maximum Loan Value for this policy is equal to 90% of the Cash Surrender Value excluding the Account Value of all Linked Interest Options reduced by one year's loan interest. Interest will be charged on Policy Loans at a rate as set by us from time to time and will accrue daily from the effective date of the loan.

At each Policy Anniversary, if the interest due on your Policy Loan is not paid, Equitable Life will add the interest due to the balance of your loan and interest will be charged on the entire Indebtedness under your policy. At any time, while this policy is in effect, you may repay all or a part of the amounts owed on the policy subject to a minimum amount as determined by us.

Taking a Policy Loan against the available value in your policy may have tax consequences and may be subject to income tax.

If, at any time while this policy is in effect, the total indebtedness to Equitable Life under this policy exceeds the Maximum Loan Value, Equitable Life reserves the right to transfer sufficient amounts, if available, from the Linked Interest Options to the Daily Interest Account or the Guaranteed Deposit Accounts, without prior notice, to ensure that the Indebtedness of the Policy remains equal to the Maximum Loan Value. The required amounts will be transferred from the Linked Interest Options using the same method as elected by you for deduction of monthly charges and deposited to the Daily Interest Account, provided the Linked Interest Option minimum balance requirements are met. If sufficient amounts are not available in the Linked Interest Options, the policy will lapse, your Insurance Coverage will terminate and Equitable Life will have no further liability under this policy subject to your rights under "Reinstatement".

The value of the Shuttle Account will not be considered in any Policy Loan calculation. You may not take a Policy Loan against the value in the Shuttle Account.

On the death of the Life Insured under this policy, the portion of any outstanding Policy Loan balance applicable to that Insurance Coverage plus any accrued interest will be deducted from the Death Benefit.

## **Policy Surrender**

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At any time while your Equation Generation IV policy is in effect, you may surrender your policy for its current Policy Surrender Value, less any Indebtedness to the policy.

Please refer to the Policy Values Section of this policy for details on Policy Surrender Value determination.

On request to surrender your policy the Policy Surrender Value will be paid to you within thirty (30) days of receipt of your written request to surrender. However, we reserve the right to defer payment for a period up to six (6) months after the date we receive your request to surrender. If we defer payment for thirty (30) days or more, we will add interest, at an interest rate determined by us, calculated from the effective date of surrender of your policy to the date we forward payment of the Policy Surrender Value to you.

The effective date of surrender of your policy will be within five (5) Business Days of receipt of your written request at Equitable Life's Head Office. This policy and all benefits and any Riders associated with this policy will terminate on the effective date of the surrender and Equitable Life will have no further liability under this policy or any Riders.

Surrendering your policy for its Policy Surrender Value may have tax consequences and may be subject to income tax.

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## Policy Lapse

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Your Equation Generation IV policy will lapse and all liability of Equitable Life will cease at the earliest date on which:

- (a) the Account Value of the policy is equal to zero (0);
- (b) the Cash Surrender Value of the policy is equal to zero (0) and the total of all Premiums paid, less all Cash Withdrawals, is less than the sum of the Minimum Annual Premiums, including any Rider or additional benefit Premiums payable since the Effective Date of this policy; or
- (c) the Indebtedness under this policy is equal to the Cash Surrender Value of the policy.

However, the coverage under your policy will continue until the end of the Grace Period.

### Grace Period:

A Grace Period of 31 days measured from the date of policy lapse, as defined above, is permitted for payment in full of all overdue amounts as determined by Equitable Life. Your Equation Generation IV policy will terminate as of the date of lapse, if at the end of the Grace Period all overdue amounts have not yet been paid. Equitable Life will have no further liability under this policy.

If the Life Insured dies during the Grace Period, the portion of any overdue amounts applicable to that Life Insured will be deducted from the Death Benefit payable on the death of that Life Insured.

### Lapse Extension:

Your policy may continue for a maximum of 12 months, during which time we will deduct the Monthly Charges from your Account Value provided all of the following conditions are satisfied:

- (a) the policy has been in effect for at least 3 years;
- (b) the Account Value of the policy is greater than zero and sufficient to pay the Monthly Charges for a period of 12 months; and
- (c) the Indebtedness under the policy does not exceed the policy's current Cash Surrender Value.

After the maximum 12 months, unless a full Premium payment is remitted to cover all overdue amounts as determined by Equitable Life, your policy will terminate effective immediately. All benefits and Riders applicable to this policy will cease at that time and the policy will be terminated subject to the Grace Period provision above. Equitable Life will have no further liability under this policy.

### Reinstatement:

- a) If your Equation Generation IV insurance policy lapses at the end of the Grace Period because a premium due at the beginning of the Grace Period was not paid, the policy may be reinstated by payment of the overdue premium within a further period of thirty (30) days after the end of the Grace Period, but only if the Life Insured is alive at the time payment is made.
- b) If your Equation Generation IV insurance policy lapses and is not reinstated under subsection (a), the policy may be reinstated within two (2) years of its lapse upon written application by you and submission of evidence of insurability (according to the then current underwriting guidelines as determined by Equitable Life) pertaining to the Life Insured (based on their attained age) that is satisfactory to Equitable Life.

The Reinstatement of this policy must be accompanied by the payment of an amount equal to the sum of the following:

- (i) the Premiums that would have been required to maintain the policy in effect from the date of lapse to the date of reinstatement; plus
- (ii) interest due on the above amount; plus
- (iii) any Indebtedness under this policy.

These amounts will be determined by Equitable Life at the time of request of Reinstatement.

The rate of interest to be charged above will be determined by Equitable Life, but will not exceed that permitted under current legislation.

Any Account Value remaining in the policy at the time of lapse will be treated as a new investment and deposited as of the date of Reinstatement in the Daily Interest Account.

## **Disability Benefit Disbursement**

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The Disability Benefit Disbursement allows the Owner to apply for a payment from the Account Value of this policy if the Life Insured becomes disabled from a severe mental or physical impairment as described below.

The Disability Benefit Disbursement may be paid out subject to the following conditions and our administrative rules and guidelines in effect at the time of the disbursement:

- (a) one Disability Benefit Disbursement per policy will be permitted in any Policy Year;
- (b) each Disability Benefit Disbursement during the Surrender Charge period will be subject to the applicable Surrender Charge for that year;
- (c) if a Disability Benefit Disbursement is taken from the Guaranteed Deposit Accounts, a Market Value Adjustment will apply. The Market Value Adjustment calculation will be the same as the Market Value Adjustment which applies to a regular cash withdrawal;
- (d) the minimum and maximum Disability Benefit Disbursement in any Policy Year will be subject to our administrative rules and guidelines in effect at the time of the disbursement;
- (e) any fees that may apply for withdrawals made under the Disability Benefit Disbursement will be subject to our administrative rules and guidelines in effect at the time of the disbursement.

You may specify the Interest Accounts from which a Disability Benefit Disbursement is to be made. However, if there is any value in the Shuttle Account, all Disability Benefit Disbursements will be made from the Shuttle Account first, regardless of the order specified by you. In the absence of written instructions for Disability Benefit Disbursements, Equitable Life will make the withdrawals from the Shuttle Account and Interest Accounts using the same method as used for Monthly Charges.

The Account Value applicable to this policy will be reduced by the amount of the Disability Benefit Disbursement. If you have elected Level Protector as the Death Benefit Option for your Equation Generation IV policy, the Sum Insured will be reduced by the amount of the Disability Benefit Disbursement. If you have elected Account Value Protector as the Death Benefit Option for your Equation Generation IV policy, the Death Benefit will be reduced by the amount of the Disability Benefit Disbursement. If a Disability Benefit Disbursement occurs during the Surrender Charge period, a pro-rata Surrender Charge will be calculated but not deducted at the time of payment. If you surrender your policy prior to the completion of the Surrender Charge period, the Surrender Charge that would have applied to the Disability Benefit Disbursement will be deducted at that time along with any other Surrender Charge which may apply at that time.

A Disability Benefit Disbursement may not be available if you assigned this policy or if you have made an irrevocable beneficiary designation for the proceeds of this policy. You may be able to take a Disability Benefit Disbursement upon written authorization to Equitable Life of the assignee or the irrevocable beneficiary, subject to our administrative rules and guidelines in effect at that time and the then current income tax legislation.

Qualifying to receive the Disability Benefit Disbursement does not guarantee that your policy will remain in effect. If you have not elected Waiver of Charges as an additional Rider with this policy on the Life Insured for whom this Disability Benefit Disbursement applies, you must continue to make sufficient Premium payments in order to keep your Equation Generation IV policy in effect. .

## **Disability Benefit Disbursement – continued**

In order to receive the Disability Benefit Disbursement, the Owner must provide at their own expense evidence in writing satisfactory to Equitable Life from a medical practitioner, who is qualified and licensed in Canada, of the exhibited severe physical or mental impairment of the Life Insured. The impairment must have existed for a period of at least 90 days and:

- (a) must markedly restrict the ability of the Life Insured to perform any one of the following basic activities of daily living:
    - (i) perceiving, thinking and remembering;
    - (ii) feeding and dressing himself or herself;
    - (iii) speaking so as to be understood, in a quiet setting, by another person familiar with the Life Insured;
    - (iv) hearing so as to understand, in a quiet setting, another person familiar with the Life Insured;
    - (v) eliminating (bowel or bladder functions); or
    - (vi) walking;
  - or (b) (i) must prevent that Life Insured, if normally employed, from performing the essential duties of his or her occupation or employment; or
    - (ii) must prevent that Life Insured, if not normally employed, from performing the essential duties of any occupation or employment for which he or she is qualified or could reasonably become qualified by reason of education; training or experience; or
    - (iii) must prevent that Life Insured, if normally responsible for the maintenance of a home or care of immediate family members, from performing the essential duties of maintaining that home or caring for those individuals;
- and the impairment under sub-paragraph (a) or (b) above must arise from one or more of the following:
- AIDS (Acquired Immune Deficiency Syndrome) or HTLV-III and/or HIV infection,
  - Alzheimer's Disease,
  - Cancer or Tumour,
  - Coronary Artery Disease, Myocardial Infarction, or Congestive Heart Failure
  - Chronic Kidney Failure, or Chronic Liver Disease,
  - Loss of a Limb,
  - Neuromotor disease,
  - Muscular Dystrophy,
  - Paralysis, paraplegia, or quadriplegia,
  - Receipt of a major organ transplant,
  - Third degree burns over more than 50% of the body,
  - Multiple Sclerosis,
  - Hepatitis,
  - Stroke, with or without paralysis,
  - Huntington's Chorea;
- or (c) has resulted in the total and permanent loss of sight in both eyes, or the use of both hands, or the use of both feet, or the use of one hand and one foot;
  - or (d) either the impairment or the illness or injury that caused the impairment is expected by the medical practitioner to result in the death of that Life Insured within 24 months of the date of diagnosis.

**Pre-existing Conditions:** No Disability Benefit Disbursement will be payable if we determine that a Life Insured, who would have otherwise qualified for the Disability Benefit Disbursement, had that Disability at the Effective Date or the Reinstatement Date of this policy. That determination will be based on the conditions specifically identified in, or that can reasonably be inferred to have existed at that time from, the application, a related declaration of health, or other information required by Equitable Life.

**Taxation:** As of the Effective Date of this policy the Income Tax Act (Canada) and Regulations provide that a disability benefit is not considered a disposition of an interest in a life insurance policy. Therefore as of the Effective Date of this policy disability benefits are not subject to income tax. However, Equitable Life offers no guarantee that a Disability Benefit Disbursement will not be subject to income tax at the time it is made. Furthermore, it may not always be in the best interest of the Owner to take a Disability Benefit Disbursement, should the Income Tax Act (Canada) and Regulations change in the future.

### **Bereavement Counselling Benefit**

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On the death of the Life Insured under this policy and payment of the Death Benefit under one or more Insurance Coverages Equitable Life will provide a Bereavement Counselling Benefit to the Beneficiary(ies) of this Equation Generation IV policy. Equitable Life will reimburse the Beneficiary(ies) up to a maximum of \$500.00 toward the cost of counselling expenses, as long as the following rules are adhered to:

- the Beneficiary(ies) will submit receipts within 12 months of the date of the first death of the Lives Insured; and
- the counsellor has professional accreditation or certification as determined appropriate by Equitable Life.

Reimbursement is subject to Equitable Life's then current administrative practices.

Regardless of the number of Beneficiaries under this policy only a sum total of \$500.00 will be reimbursed for counselling for all Beneficiaries. Equitable Life will not proportion the distribution of this benefit as per Beneficiary designation. Payment under this benefit will result upon remittance of receipts only.

### **Dividends**

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While in effect, this Equation Generation IV policy may, at the end of each Policy Year, participate in the distribution of surplus of Equitable Life. If a distribution is declared for this policy, it will be credited as a dividend. The declaration of a dividend and the amount of any dividend payable, if any, will be determined by Equitable Life.

If any policy dividends are declared, they will be credited in a manner as determined by Equitable Life at that time.

### **Protection From Creditors**

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Protection from creditors of the Owner may be available with your Equation Generation IV policy, subject to certain conditions.



## **Tax Status**

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This Equation Generation IV policy is issued with the intention that it will be maintained exempt from accrual taxation under the provisions of the Income Tax Act (Canada) and Regulations in effect as of the Effective Date of this policy. Therefore, periodically, but not less than annually, this policy will be monitored to determine its tax status.

If, at any time, this Equation Generation IV policy fails any of the applicable exemption tests and is therefore subject to annual accrual taxation, according to the requirements of the Income Tax Act (Canada) and Regulations, Equitable Life reserves the right to transfer funds from a portion of the Cash Surrender Value attributable to the Daily Interest Account, Guaranteed Deposit Accounts and/or the Linked Interest Options to the Shuttle Account in order to maintain this policy's exempt status provided that it is possible for the Company to do so under the legislation in effect at that time. Funds in the Shuttle Account do not make up any part of this policy and are subject to annual taxation.

If this Equation Generation IV policy fails the exempt test at the time of a Premium payment, Equitable Life will accept as a Premium for this Equation Generation IV policy an amount that will maintain this policy's tax-exempt status. Equitable Life will deposit the balance to the Shuttle Account. The balance will not be considered a Premium payment under this policy.

If on any Policy Anniversary, there is room for additional Premiums in this Equation Generation IV policy and you have funds in the Shuttle Account, Equitable Life will automatically pay a Premium from the Shuttle Account to this Equation Generation IV policy. The Premium paid will be allocated to the Investment Interest Accounts in the same manner as elected by you on the application or subsequently changed. Provincial Government Premium Tax will be applied to each Premium paid to this Equation Generation IV policy from the Shuttle Account. (See Net Premium for details on Premium Tax).

If at any Policy Anniversary this Equation Generation IV policy fails any of the applicable exemption tests, the Sum Insured will be automatically increased by up to 8% of the Sum Insured at that Policy Anniversary. If the increase in the Sum Insured is not sufficient to maintain the exempt status of this policy, a portion of the Cash Surrender Value attributable to the Daily Interest Account, Guaranteed Deposit Accounts and/or the Linked Interest Options will be transferred to the Shuttle Account in order to maintain this policy's exempt status. No evidence of insurability is required for the automatic increase in the Sum Insured.

The above provisions reflect the current provisions of the Income Tax Act (Canada) and Regulations applicable to this policy as at the Effective Date. Equitable Life makes no guarantees that these provisions will not change. Equitable Life reserves the right to modify its practices to reflect any subsequent changes made in the Income Tax Act (Canada) and Regulations affecting this policy. Equitable Life will provide to you any required tax reporting slips.

## Shuttle Account

***The Shuttle Account is a separate premiums-on-deposit account which assists in maintaining your Equation Generation IV policy's tax-exempt status. The Shuttle Account may have a separate Beneficiary(ies) and is paid out on death of the Owner or on termination or surrender of this Equation Generation IV policy.***

In order to maintain your policy's tax-exempt status, a separate Shuttle Account (premiums-on-deposit account) will be set up in conjunction with your Equation Generation IV policy. As stated in the Premiums provision of this policy, any monies received over the Maximum Exempt Premium for any Policy Year will be deposited on your behalf to the Shuttle Account. The Shuttle Account is a premiums-on-deposit account where funds are held until such time as they can be paid as Premiums into your Equation Generation IV policy.

The Shuttle Account receives amounts in excess of the Maximum Exempt Premium. In addition, funds will be transferred to the Shuttle Account as required to maintain your Equation Generation IV policy status as exempt from annual accrual taxation. Funds in the Shuttle Account will automatically be used to pay Premiums to your Equation Generation IV policy on any Policy Anniversary, provided that enough tax-exempt room exists.

### Shuttle Interest Accounts:

The Shuttle Account is set up at issue of your Equation Generation IV policy. Any amounts transferred into the Shuttle Account will be allocated to the Shuttle Interest Accounts and any interest earned will be subject to annual taxation.

The Shuttle Account of your Equation Generation IV policy is credited or debited interest based on the rate of return, less any applicable administration fees, of the Shuttle Interest Accounts available and chosen by you. If you do not choose an allocation for your Shuttle Deposits, any amounts transferred to the Shuttle Account will be allocated to the Daily Interest Account.

You may at any time in the future request in writing to change the allocation of the deposits made to the Shuttle Account, subject to our administrative rules and guidelines in effect at that time. We reserve the right to charge a fee to change the allocation.

The Shuttle Interest Accounts available with your Equation Generation IV policy are selected by Equitable Life. Equitable Life reserves the right to change or discontinue the use of any Shuttle Interest Account at our discretion, without prior notification, and transfer the value to the Daily Interest Account.

### Shuttle Premiums:

Shuttle Premiums are Premiums paid from the Shuttle Account to your Equation Generation IV policy. At each Policy Anniversary and after exempt testing, Equitable Life will determine the Maximum Exempt Premium for the following year. Upon determination of the Maximum Exempt Premium, Equitable Life will automatically pay a Premium, if possible, from the Shuttle Account to your Equation Generation IV policy. The Premium paid, less any applicable Premium tax, will be allocated to the Investment Interest Accounts within your Equation Generation IV policy, as elected by you on the application for life insurance or subsequently changed in writing by the Owner, or to the Daily Interest Account if no selection is made. The Premium paid from the Shuttle Account will be the lesser of the Maximum Exempt Premium and the Shuttle Account Value.

Premiums paid from the Shuttle Account will be deducted from the Shuttle Interest Accounts according to our administrative practices.

### Shuttle Deposits:

Shuttle Deposits are funds that are transferred from your Equation Generation IV policy to the Shuttle Account in order to maintain the exempt status of your policy under the provisions of the Income Tax Act (Canada) and Regulations.. Shuttle Deposits will also occur at any time a Premium in excess of the Maximum Exempt Premium is paid to your Equation Generation IV policy. The amount of the Shuttle Deposit will be determined to be the amount necessary to maintain your policy's exempt status.

The Shuttle Deposits will be allocated to the Shuttle Account according to the allocation selected on the application for life insurance, or subsequently changed in writing by the Owner. If no selection is made, Shuttle Deposits will automatically be allocated to the Daily Interest Account.

Shuttle Deposits are not subject to Premium Tax.

**Shuttle Account – continued**

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<b>Incentive Bonus:</b>	The Incentive Bonus does not apply to the Shuttle Account.
<b>In the Event Of Death:</b>	<p>On the death of the Life Insured under this Equation Generation IV policy, the Shuttle Account Value will be paid to the Owner or the Owner's Beneficiary(ies) as stipulated on the Policy Specifications page of this policy.</p> <p>On the death of the Owner, if other than the Life Insured under this Equation Generation IV policy, the Shuttle Account Value will be paid to those entitled to this account according to the applicable laws.</p>
<b>Policy Surrender:</b>	If your Equation Generation IV policy is surrendered, any Shuttle Account Value will be surrendered and paid out to the Owner, unless prohibited by law. There are no Surrender Charges applicable to the Shuttle Account.
<b>Withdrawal:</b>	If you elect to withdraw cash from your Equation Generation IV policy and there are funds being held in the Shuttle Account, the funds held in the Shuttle Account will be withdrawn first to satisfy the requested withdrawal amount. The withdrawal provisions applicable to the Shuttle Account are the same as specified under the Cash Withdrawals section in your Equation Generation IV policy.
<b>Shuttle Account Value:</b>	At any time the Shuttle Account Value will be equal to the sum of all Shuttle Deposits plus any interest credited to the Shuttle Interest Accounts; less any interest debited to the Shuttle Interest Accounts; less any administration fees applicable to the Shuttle Interest Accounts; less any Shuttle Premiums paid to the Equation Generation IV policy; less any Cash Withdrawals.
<b>Policy Loans:</b>	You may not take a Policy Loan against the Shuttle Account Value, nor will the value of your Shuttle Account be used when determining the Maximum Loan Value for an Equation Generation IV Policy Loan.
<b>Policy Lapse:</b>	The value of your Shuttle Account will not be used in determining whether or not your Equation Generation IV policy will lapse. However, if there are funds in the Shuttle Account, room available in your Equation Generation IV policy and failure of the lapse test is imminent, Equitable Life will automatically pay a Premium from the Shuttle Account to your Equation Generation IV policy.
<b>Taxation:</b>	Any interest earned in the Shuttle Account is subject to annual taxation. Each year, the amount of interest income will be reported on a tax information slip as Canadian source interest income, under current legislation.
<b>Protection from Creditors:</b>	Protection from creditors, which may be available to you with your Equation Generation IV Universal Life policy, does NOT apply to the Shuttle Account. The Shuttle Account is not part of the Equation Generation IV policy. It is a separate Premiums-on-Deposit Account.

**SETTLEMENT OPTIONS**

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Provided this policy has not been assigned, you may elect, in writing and received at our Head Office in Waterloo, Ontario, that a specified amount of the proceeds payable in one lump sum upon the death of the Life Insured under this policy be applied under one of the following Payment Options, if available and subject to our administrative rules and guidelines in effect at the time the claim becomes payable:

- a) Limited Payments – the specified amount would be paid as monthly income for a limited period of time in the form of an annuity certain, subject to minimum and maximum amounts required by us.
- b) Continuous Payments – the specified amount would be paid as monthly income for the lifetime of the payee in the form of a life annuity or other type of annuity offered by us at the time, subject to minimum and maximum amounts required by us.
- c) Proceeds on Deposit – the specified amount would be left with us for a period as agreed to by us. Interest will accrue on the proceeds at a rate as determined by us from time to time, but is guaranteed never to be negative.
- d) Other Payment – the specified amount would be applied to any other payment option then made available by us.

You may revoke or change your election at any time in writing and received at our Head Office in Waterloo, Ontario.

The beneficiary(ies) entitled to the claims proceeds on the death of the Life Insured may also elect one of the above options with respect to the applicable claims proceeds, unless you have elected otherwise.

The amount of monthly income payable under Options a) or b) shall be an amount calculated by applying the Company's immediate annuity rates in effect on the date the monthly payments begin. The beneficiary(ies) will need to provide us with required personal information to put the annuity into effect.

## DEFINITIONS

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*The following are definitions of some of the terms used in your Equation Generation IV policy. If you need additional information or clarification please call one of our Individual Customer Service Representatives at 1-800-668-4095 or your financial advisor.*

<b>Age:</b>	means the age of the Life Insured on his or her nearest birthday.
<b>Amount at Risk for an Insurance Coverage:</b>	is equal to the Death Benefit less the Account Value of the applicable Insurance Coverage.
<b>Beneficiary(ies):</b>	is (are) the person(s) designated in the application by the Owner and listed on the Policy Specifications page of this policy who is (are) to receive the Death Benefit proceeds in the event of the death of the Life Insured under this Equation Generation IV policy. While this policy is in effect, the Owner may choose to designate in writing to us a change in the Beneficiary(ies) to receive the Death Benefit proceeds payable on the death of the Life Insured under this policy if that change is allowed under laws that apply. The Equitable Life Insurance Company of Canada will pay the Death Benefit proceeds payable to the Beneficiary(ies) in effect at the date of death of the Life Insured under this policy.
<b>Business Day:</b>	means any day other than Saturday, Sunday and all applicable statutory holidays in the province that the Company's Head Office is located.
<b>Class of Risk:</b>	means the Company's mortality risk assessment of the Life Insured. It is based upon our review of the application for insurance and all medical and other information received by the Company. A standard or normal mortality risk assessment is 100%. A class of risk greater than 100% indicates a higher mortality risk. The class of risk will affect the cost of insurance rates. Mortality risk refers to the incidence of death.
<b>Company:</b>	The terms "we", "our", "us", "Equitable Life" and "Company", mean The Equitable Life Insurance Company of Canada and its Head Office located in Waterloo, Ontario, Canada.
<b>Coverage Years:</b>	Each Insurance Coverage and Rider applicable to this Equation Generation IV policy has an effective date. Coverage Years are measured from the effective date of each Insurance Coverage or Rider as shown on the Coverage Specifications page(s).
<b>Currency:</b>	All amounts payable to or by the Company under the terms, conditions or provisions of this policy are payable in the lawful currency of Canada.
<b>Date Policy Takes Effect:</b>	means the later of: <ol style="list-style-type: none"> <li>either: (i) in Quebec, the date Equitable Life accepts the policy without modification; or (ii) in provinces other than Quebec, the date the policy is delivered to you; and</li> <li>the date the full amount of the first Premium has been paid to the Company;</li> </ol> provided that no change has taken place in the insurability of any Life Insured under this policy between the date the application for life insurance was signed by the Life Insured and the date the policy was delivered to you.
<b>Effective Date:</b>	means the effective date of the policy as shown on the Coverage Specifications page(s).
<b>Indebtedness:</b>	refers to outstanding Policy Loans and includes any unpaid interest owing for those loans.
<b>Insurance Coverage:</b>	is the Equation Generation IV Universal Life Death Benefit applicable to the Life Insured.  Any increase applied for and made in the future, by the Owner, will result in an additional Insurance Coverage applicable to the Life Insured.
<b>Life Insured:</b>	is the person for whom the life insurance associated with this policy is applicable. The Life Insured may or may not be the Owner of this Equation Generation IV policy.
<b>Monthly Anniversary:</b>	The Monthly Anniversary for this policy will occur on the same day of each month as the Effective Date of this policy. Regardless of whether the premiums are being paid annually or monthly, the Monthly Anniversary is the day each month that all of the Monthly Charges applicable to the policy are deducted.

**DEFINITIONS – continued**

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<b>Monthly Charges:</b>	All charges associated with this Equation Generation IV policy are referred to as Monthly Charges and include Cost of Insurance Charges, Administration Charges, Linked Interest Option Administration Fees and any charges applicable to additional benefits or Riders as specified on the Coverage Specifications page(s).
<b>Net Premium(s):</b>	<p>is equal to the Premium(s) paid less any applicable government premium taxes required to be deducted now or in the future.</p> <p>Equitable Life reserves the right to increase or decrease the current deduction for government premium taxes should the government premium taxes be increased or decreased.</p>
<b>Owner:</b>	The Owner of this policy refers to the applicant(s) and Owner(s) as indicated on the Policy Specifications page of this policy. The terms “you”, “your”, and “Owner” refer to the applicant(s) and Owner(s) of this policy. The Owner(s) may or may not be the Life Insured under this policy.
<b>Policy Anniversary:</b>	The Policy Anniversary will occur on the same day and month each year as the Effective Date of this policy, as shown on the Policy Specifications page. Policy Years and Policy Months are also measured from the Effective Date of this policy.
<b>Premium:</b>	Premium refers to the amounts paid to Equitable Life and applied to this Equation Generation IV Universal Life policy.
<b>Rider:</b>	A Rider is an additional benefit applied for and issued by us as shown on the Coverage Specifications page(s) of this policy. The provisions, terms and conditions of any Riders applicable to this policy are stated in the Rider pages attached to this Equation Generation IV policy.
<b>Shuttle Account:</b>	The Shuttle Account is a separate Premiums-on-Deposit Account set up at issue of your Equation Generation IV policy. This account is held outside of your Equation Generation IV policy and is used to hold funds that must be transferred out of your policy in order to maintain its tax exempt status. Interest and income earned on the Shuttle Account is taxed annually.

## GENERAL PROVISIONS

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*The following are General Provisions applicable to your Equation Generation IV policy.*

- Assignment:** This policy may be assigned by the Owner as permitted by law. The assignment will not be binding on Equitable Life unless the Assignment is made in writing and filed with our Head Office in Waterloo, Ontario. Equitable Life is not responsible for the validity of any Assignment.
- Death of a Beneficiary:** In the event of the death of a Beneficiary, the deceased Beneficiary's share of the proceeds from this policy will be payable to the surviving Beneficiary(ies). If no Beneficiary survives, the proceeds will be payable to the Owner or to the executors, administrators, or assignees of the Owner, subject to the right of the Owner to appoint a new Beneficiary or contingent Beneficiary.
- Contract:** The Equation Generation IV Universal Life Contract consists of the following documents:
- this policy
  - the application
  - any amendments or endorsements to the policy agreed upon in writing by the Company
  - any Riders attached to this policy providing additional benefits.
- This policy takes effect as of the Date Policy Takes Effect.
- Only the President or an Officer of The Equitable Life Insurance Company of Canada has the authority to bind the Company or to make any change in the Contract, and then only in writing. Equitable Life will not be bound by any promises or representations made by any other persons including your financial advisor, broker or agent. Without limiting the generality of the above statement, no financial advisor, broker or agent is authorized to waive, amend or modify any of the terms, conditions or provisions of this Contract.
- Should any legislative or regulatory authority having jurisdiction, impose requirements that would impact this Contract, Equitable Life may unilaterally make the required changes to this Contract.
- Incontestability:** Failure to disclose a fact or the misrepresentation of a fact in the application for life insurance, medical examination, or any statement or answers provided as evidence of insurability will cause this policy including any Riders to be voidable by Equitable Life.
- Where this policy has been in effect for two (2) years from the later of:
- (a) the Date Policy Takes Effect; and
  - (b) the last Reinstatement date of this policy,
- with the exception of Misstatement of Age or Sex which is described below, the failure to disclose or the misrepresentation, except in the case of fraud, will not cause this policy including any Riders to become voidable.
- Any additional or amended Insurance Coverages effective after the Date Policy Takes Effect will be considered to be incontestable (with the exception of fraud) only after the additional or amended Insurance Coverage has been in effect for two (2) years from the later of:
- (1) the date the additional or amended Insurance Coverage took effect; and
  - (2) the last Reinstatement date of this policy.
- Misstatement of Age or Sex:** If the date of birth and/or sex of the Life Insured has been misstated, the amount payable under this policy due to the death of the Life Insured will be adjusted to be equal to the sum of the following:
- (a) the portion of the Account Value of the policy that is allocated to the Insurance Coverage applicable to the Life Insured; and
  - (b) the amount of Insurance Coverage the Cost of Insurance Charges on the Life Insured (deducted at the beginning of the Policy Month in which the death has occurred) would have purchased had the Cost of Insurance Charges for the Insurance Coverage been calculated based on the correct age and/or sex.
- If the date of birth and/or sex of the Life Insured covered by a Rider has been misstated, then the amount payable for the Rider will be the amount that the Monthly Charge for that Rider would have purchased based on the correct age and/or sex.

**GENERAL PROVISIONS - continued**

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**Notice/****Correspondence:**

Any Notice or Correspondence that is required to be provided to you by the Company will be sent by regular mail, facsimile or electronic mail. We will consider the notices and/or correspondence to be received by you on the 7<sup>th</sup> Business Day following the mailing or transmission.

Any notice or correspondence from you may be sent by regular mail, facsimile or electronic mail (provided a signature is not required) and will be considered received by us on the date we receive it at our Head Office in Waterloo, Ontario.

**Proof of Age:**

Equitable Life requires satisfactory proof of the date of birth of the Life Insured before making any payment under this policy or Rider.

**Participating:**

This policy, excluding any Riders that may be attached to it, is participating and therefore may be eligible for dividends, or to participate in any divisible surplus of the Company.

**Right of Rescission:**

You will have 10 calendar days from the date you receive this policy to cancel it provided you have given us written notice of your request to cancel it within the 10 days. If for any reason during that time you want to cancel the Contract, the market value of any Premium received will be refunded as of the date Equitable Life receives your notice requesting cancellation. This policy will then be considered void from inception.

**Settlement on Death:**

In the event of death of the Life Insured under this policy, before making any payment under this policy, Equitable Life will require the policy and satisfactory proof of:

- (a) the death of the Life Insured;
- (b) the date of birth of the deceased Life Insured;
- (c) the sex of the deceased Life Insured; and
- (d) the claimant's right to receive payment.

**Smoking Classification:**

At any time, subject to our administrative rules and guidelines, you may request that the Smoker Classification of the Life Insured be changed to a Non-Smoker classification by providing a written declaration to Equitable Life that provides satisfactory evidence to qualify the Life Insured as a Non-Smoker. Equitable Life reserves the right to require evidence of good health before approving a change in Smoking Classification.

If the Life Insured was under the Age of 16 on the Effective Date of this policy, on the Policy Anniversary nearest their 16<sup>th</sup> birthday we will classify them as a Smoker and future Cost of Insurance Charges will be based on Smoker rates. The Owner of the policy may apply to have the Smoking Classification changed to Non-Smoker following the Policy Anniversary nearest the Life Insured's 16<sup>th</sup> birthday as discussed above.

**Suicide:**

Equitable Life will not pay any Death Benefit if the Life Insured dies by suicide, regardless of the mental state of the Life Insured, within two (2) years from the later of:

- (i) the Date Policy Takes Effect; and
- (ii) the last Reinstatement date of this policy.

**Limitation Period:**

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the Insurance Act or other applicable legislation.



## **Death Benefit**

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***An important part of your Equation Generation IV Universal Life Insurance policy is the Death Benefit provided to the Beneficiary(ies). The Death Benefit Option you have selected is shown on the Coverage Specifications page(s) of this policy.***

**Death Benefit:** The Death Benefit will be payable to the Beneficiary(ies) provided this policy is in effect as of the date of death of the Life Insured. The proceeds payable at death are calculated as of the date Equitable Life receives notice of the death of the Life Insured under this policy. Immediately following the calculation of the proceeds payable at death, the Account Value attributable to the policy becomes zero. Any Indebtedness under the policy will be deducted from the proceeds payable.

On the Effective Date of this policy, the initial Death Benefit will be the Sum Insured as shown on the Coverage Specifications page(s) of this policy. Thereafter, the Death Benefit will be determined in accordance with one of the following Death Benefit Options as shown on the Coverage Specification page(s).

### **Death Benefit Options:**

All Insurance Coverages are required to have the same Death Benefit Option.

**Level Protector:** Under this Death Benefit Option the Sum Insured will remain level for the duration of the policy unless you take a Cash Withdrawal or unless it is increased as required to assist in maintaining the tax exempt status of your policy. Upon death of the Life Insured, the Company will pay the Beneficiary(ies) the Death Benefit which is equal to the greater of the Sum Insured or the Account Value attributable to this Equation Generation IV policy.

This Death Benefit Option is available with either Yearly Renewable Term (YRT) or Level Cost of Insurance Charges.

**Account Value Protector:** Under this Death Benefit Option the Sum Insured will remain level for the duration of the policy unless it is increased as required to assist in maintaining the tax exempt status of your policy. Upon death of the Life Insured, the Company will pay the Beneficiary(ies) the Death Benefit which is equal to the Sum Insured plus the Account Value attributable to this Equation Generation IV policy.

This Death Benefit Option is available with either Yearly Renewable Term (YRT) or Level Cost of Insurance Charges.

## **Changes to Insurance Coverage**

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***With Equation Generation IV Universal Life Insurance you can choose to make changes to the Insurance Coverage provided by your policy.***

At any time while this policy is in effect you may request any of the following changes, subject to the following requirements, and our current administrative rules and guidelines in effect at the time:

- (a) additional Insurance Coverage, subject to evidence of insurability as determined by the Company;
- (b) a decrease in Insurance Coverage; a pro-rata Surrender Charge will be applied. The Surrender Charges under this policy are shown in the Table of Charges.
- (c) cancellation of a Rider attached to this policy;
- (d) a change in Death Benefit Option, subject to evidence of insurability as determined by the Company;
- (e) a change in the Cost of Insurance Charges Type, subject to evidence of insurability as determined by the Company;
- (f) a cancellation of an Insurance Coverage.

No other changes may be made.

All changes are subject to receipt of a written request from you at the Head Office of the Company.

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## Premiums

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***Premium is the term used to define the money that you pay to Equitable Life for your Equation Generation IV Universal Life policy.***

**Premiums:**

All Premiums are payable to Equitable Life and must be received in our Head Office, in Waterloo, Ontario. You may choose to submit your Premium by mail or deliver it in person or by courier. You may also choose to have your Premiums automatically withdrawn from your chequing account with our pre-authorized debit plan (P.A.D.).

At any time while this policy is in effect you may make additional Premium payments. Your Premium payments may be increased or decreased at any time or you may change the frequency of the Premium payment, subject to limits and restrictions as determined by Equitable Life at that time.

Monies received during a Policy Year in excess of the Maximum Exempt Premium for that Policy Year will be deposited into the Shuttle Account and will not be considered a Premium paid under your Equation Generation IV policy. If at any time in the future, Equitable Life determines that monies can be transferred from the Shuttle Account to your Equation Generation IV policy, these monies will be considered to be Premiums paid to the policy.

**Net Premiums:**

Government Premium tax is deducted from each Premium paid to your Equation Generation IV policy. The percentage of the deduction required varies by province. Therefore, the premium tax deducted from your policy will be based on your province of residence. Equitable Life reserves the right to change the current deduction for the Government premium taxes should the premium taxes applicable to this policy be changed. Your Premium less the applicable premium tax is the Net Premium.

**Minimum Annual Premiums:**

The Minimum Annual Premium shown on the Policy Specifications page, is the Minimum Annual Premium applicable for the first Policy Year, including the charges for any Riders. **Payment of the Minimum Annual Premium does not guarantee that your policy will remain in effect.** Depending on the Cost of Insurance Charges, Death Benefit Option, Riders and performance of the Investment Interest Account(s) you have selected, the Minimum Annual Premium may not be sufficient to maintain your Equation Generation IV policy.

**Maximum Exempt Premium:**

The Maximum Exempt Premium is the maximum Premium that you can deposit into your Equation Generation IV policy during a Policy Year. At issue and at each Policy Anniversary thereafter we will calculate this amount for the upcoming Policy Year. The Maximum Exempt Premium is the estimated maximum amount that can be deposited to your policy while maintaining your policy exempt from accrual taxation under the provisions of the Income Tax Act (Canada) and Regulations.

## Investment Interest Accounts

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***The Investment Interest Accounts make up the savings portion of your Equation Generation IV Universal Life policy.***

**Interest Accounts:** Each Net Premium may be invested in any combination of the following Interest Accounts:

- (a) the Daily Interest Account;
- (b) the Guaranteed Deposit Accounts;
- (c) the Linked Interest Options
  - the Index Interest Options
  - the Performance Fund Interest Options
  - the Portfolio Interest Options

The portion of each Net Premium to be allocated to the various Interest Accounts is shown on your application for life insurance for this Equation Generation IV policy, unless subsequently changed by the Owner as described below.

All Net Premiums will be invested within five (5) Business Days of receipt of the Premiums at Equitable Life's Head Office in Waterloo, Ontario, or the date of transfer from the Shuttle Account.

You may request in writing to change the portion of the Net Premiums allocated to the various Investment Interest Accounts. The first change in any Policy Year is free of charge. Any additional changes in that Policy Year will be subject to a fee of \$25.00 per change.

**The following is a description of the Interest Accounts available with Equation Generation IV:**

**Daily Interest Account:** The interest rate credited on Net Premiums allocated to this account will be determined by Equitable Life from time to time, but is guaranteed not to be less than 90% of the yield on 91-Day Government of Canada Treasury Bills less 2% to a minimum credited interest rate of 0%.

The effective annual interest rate is compounded daily and credited to the Daily Interest Account at least once per month.

Should 91-Day Government of Canada Treasury Bills become unavailable, Equitable Life reserves the right to use another yield in determining the above guarantee.

**Account Value:** The Account Value of the Daily Interest Account at any time is equal to the following:

- (a) Net Premiums and net transfers credited to the Daily Interest Account; plus
- (b) Interest and any Investment Bonus and Incentive Bonus credited to the Daily Interest Account; less
- (c) Amounts withdrawn or transferred out of the Daily Interest Account; less
- (d) Any administration fees or charges deemed to have come from this account.

### **Guaranteed Deposit Accounts:**

You can select one or more Guaranteed Deposit Accounts for your Equation Generation IV policy. The terms available for each Guaranteed Deposit Account may be 1, 5, or 10 years. We reserve the right to change or discontinue Guaranteed Deposit Account terms available to you at any time.

The minimum amount that may be allocated to a Guaranteed Deposit Account at any time is \$500.00. If you have selected a Guaranteed Deposit Account as one of your Investment Interest Accounts, Premiums will be held in the Daily Interest Account until the \$500.00 minimum is accumulated. Each allocation to a Guaranteed Deposit Account is considered separate with its own interest rate and investment term.

Equitable Life will declare the interest rate for each new Guaranteed Deposit Account as of the date of the investment.

The interest rate for a Guaranteed Deposit Account with a term of 1 year is guaranteed not to be less than (90% of X\*), less 2% to a minimum credited interest rate of 0%..

## Investment Interest Accounts – continued

### Guaranteed Deposit Accounts: - continued

The interest rate for a Guaranteed Deposit Account with a term of 5 years is guaranteed not to be less than the greater of:

- (a) 0.50%; and
- (b) (90% of X\*) less 2.00%.

The interest rate for a Guaranteed Deposit Account with a term of 10 years is guaranteed not to be less than the greater of:

- (a) 1.50%; and
- (b) (90% of X\*) less 2.00%

\* "X" in the above formulas represents the yield on Government of Canada bonds with the same term and date of investment as the Guaranteed Deposit Account. If at any time there is not a regularly published Government of Canada Bond of the same term as the Guaranteed Deposit Account Equitable Life reserves the right to substitute the bond with the closest published term.

In determining the above guarantee, Equitable Life reserves the right to use a measurement other than the yield on Government of Canada Bonds should they become unavailable or unsuitable as determined by Equitable Life.

The effective date of each Guaranteed Deposit Account will be the same day of the month as the Effective Date of this policy that is coincident with or immediately following the date of investment. The term period for your Guaranteed Deposit Account is measured from this date.

At the end of the term of each Guaranteed Deposit Account, the Account Value of that Guaranteed Deposit Account will automatically be reinvested as another Guaranteed Deposit Account with the same term as the original Guaranteed Deposit Account unless you have elected otherwise in writing.

#### Account Value:

The Account Value of the Guaranteed Deposit Account(s) at any time is equal to the following:

- (a) Net Premium and net transfers credited to the Guaranteed Deposit Account(s); plus
- (b) interest and any Investment Bonus and Incentive Bonus credited to the Guaranteed Deposit Account(s); less
- (c) amounts withdrawn or transferred out of the Guaranteed Deposit Account(s) including any Market Value Adjustments that apply to these withdrawals or transfers; less
- (d) any administration fees or charges deemed to have come from this account.

#### Maturity Value:

The Maturity Value of a Guaranteed Deposit Account is the net amount originally invested in the Guaranteed Deposit Account plus the interest compounded annually at the guaranteed rate for the term you selected. Any amounts withdrawn, transferred out or deducted for monthly charges from the Guaranteed Deposit Account, including any Market Value Adjustment that may apply, are taken into account when the Maturity Value of a Guaranteed Deposit Account is determined.

#### Market Value Adjustment:

At any time prior to the end of the term of each Guaranteed Deposit Account, the Market Value Adjustment of a Guaranteed Deposit Account is the discounted value of the Maturity Value with the interest rate used for discounting being 1% plus the higher of:

- (a) the actual interest rate for each applicable Guaranteed Deposit Account, or
- (b) the then current interest rate based on the original term and band (as determined by us) of the Guaranteed Deposit Account being valued.

If a partial withdrawal or transfer to another Interest Account is being made a pro-rata Market Value Adjustment will apply.

## Investment Interest Accounts – continued

**Linked Interest Options:** You can select one or more of the Linked Interest Options for your Equation Generation IV policy. The Account Value of each Linked Interest Option must be at least \$150.00. If the minimum Account Value is not met we reserve the right to transfer the full value of that Linked Interest Option to the Daily Interest Account.

A Linked Interest Option Administration Fee applies. (Refer to the Monthly Charges provision of this policy for details.)

### 1) Index Interest Options:

Net Premiums allocated to one or more of these Interest Accounts are credited or debited interest from the date each Net Premium is invested. The interest debited or credited is guaranteed to be not less than 100% of the comparative increase or decrease of the Total Return (which includes dividends) of the index tracked by the Index Interest Option. The rate of return the interest is based on can be either positive or negative depending on the movement of the applicable index. A negative rate of return will result in a debit to the Account Value (a negative interest rate). A positive rate of return will result in a credit to the Account Value (a positive interest rate).

Currently, interest rates are calculated on a daily basis (Business Day) at a time as determined by Equitable Life, based on the movement of the applicable index. We reserve the right to change the timing and frequency of the calculation at our discretion.

The applicable Index for each Index Interest Option is selected by Equitable Life and may change at any time. We reserve the right to discontinue the use of any Index Interest Option(s) at our discretion, without prior notification, and transfer the Account Value to a similar Index Interest Option as determined by us, or if a similar Index Interest Option is not available at that time, we will transfer the Account Value to the Daily Interest Account.

For information on the index tracked by each Index Interest Option and its past performance please ask your financial advisor or visit our website as shown on your most recent policy statement.

The following are the current Index Interest Options available with Equation Generation IV:

**(a) Canadian Equity Index Interest Option:**

The index tracked will consist primarily of Canadian equity stocks and Equitable Life guarantees to provide interest not less than 100% of the comparative increase or decrease of the total return of the applicable index;

**(b) American Equity Index Interest Option:**

The index tracked will consist primarily of U.S. equity stocks and Equitable Life guarantees to provide interest not less than 100% of the comparative increase or decrease of the total return of the applicable index, after converting to Canadian dollars. The conversion to Canadian dollars will be based on a rate obtained from a recognized quotation service as selected by Equitable Life;

**(c) U.S. Technologies Index Interest Option:**

The index tracked will consist primarily of U.S. technology stocks and Equitable Life guarantees to provide interest not less than 100% of the comparative increase or decrease of the total return of the applicable index, after converting to Canadian dollars. The conversion to Canadian dollars will be based on a rate obtained from a recognized quotation service as selected by Equitable Life;

**(d) European Index Interest Option:**

The index tracked will consist primarily of large, well-known European stocks and Equitable Life guarantees to provide interest not less than 100% of the comparative increase or decrease of the total return of the applicable index, after converting to Canadian dollars. The conversion to Canadian dollars will be based on a rate obtained from a recognized quotation service as selected by Equitable Life;

**(e) U.S. Blue Chip Index Interest Option:**

The index tracked will consist primarily of stocks of large, well-known U.S. companies and Equitable Life guarantees to provide interest not less than 100% of the comparative increase or decrease of the total return of the applicable index, after converting to Canadian dollars. The conversion to Canadian dollars will be based on a rate obtained from a recognized quotation service as selected by Equitable Life.

## Investment Interest Accounts – continued

### 2) Performance Fund Interest Options:

Net Premiums allocated to one or more of these accounts are credited or debited interest from the date each Net Premium is invested. The interest credited or debited is guaranteed to be not less than 100% of the net rate of return (i.e. less management fees and assuming the reinvestment of dividends) of the applicable mutual fund for each Performance Fund Interest Option. The rate of return the interest is based on can be either positive or negative depending on the movement of the applicable mutual fund. A negative rate of return will result in a debit to the Account Value (a negative interest rate). A positive rate of return will result in a credit to the Account Value (a positive interest rate).

Currently, interest rates are calculated on a daily basis (Business Day) at a time determined by Equitable Life, based on the movement of the applicable mutual fund. We reserve the right to change the timing and frequency of the calculation at our discretion.

For each Performance Fund Interest Option the applicable mutual fund and series are selected by Equitable Life and may change at any time. We reserve the right to discontinue the use of any Performance Fund Interest Option at our discretion, without prior notification, and transfer the Account Value to a similar Performance Fund Interest Option as determined by us, or if a similar Performance Fund Interest Option is not available at that time, we will transfer the Account Value to the Daily Interest Account.

For information on the mutual fund tracked by each Performance Fund Interest Option and its past performance please ask your financial advisor or visit our website as shown on your most recent policy statement.

The following are the current Performance Fund Interest Options available with Equation Generation IV:

**(a) Performance Fund Interest Option – Global**

The mutual fund tracked will invest mainly in equity securities of companies around the world and fixed income securities issued by governments or companies in any country. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund;

**(b) Performance Fund Interest Option – Canadian**

The mutual fund tracked will invest mainly in a mix of long term capital growth and fixed income securities issued primarily by Canadian issuers. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund;

**(c) Performance Fund Interest Option – Canadian Bond**

The mutual fund tracked will invest mainly in fixed income Canadian securities. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund;

**(d) Performance Fund Interest Option – Global Fixed Income**

The mutual fund tracked will invest mainly in bonds issued by foreign companies and governments. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund;

**(e) Performance Fund Interest Option – Canadian Value Stock**

The mutual fund tracked will invest mainly in Canadian equities and Canadian companies. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund;

**(f) Performance Fund Interest Option – Large Cap Canadian Equity**

The mutual fund tracked will invest mainly in a select group of high-quality, large-cap Canadian businesses. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund;

**(g) Performance Fund Interest Option – Global Balanced**

The mutual fund tracked will invest mainly in debt and equity securities issued around the world. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund.

## Investment Interest Accounts – continued

### 3) Portfolio Interest Options:

Net Premiums allocated to one or more of these accounts are credited or debited interest from the date each Net Premium is invested. The interest credited or debited is guaranteed to be not less than 100% of the net rate of return (i.e. less management fees and assuming the reinvestment of dividends) of the applicable portfolio for each Portfolio Interest Option. The rate of return the interest is based on can be either positive or negative depending on the movement of the applicable portfolio. A negative rate of return will result in a debit to the Account Value (a negative interest rate). A positive rate of return will result in a credit to the Account Value (a positive interest rate).

Currently, interest rates are calculated on a daily basis (Business Day) at a time determined by Equitable Life, based on the movement of the applicable portfolio. We reserve the right to change the timing and frequency of the calculation at our discretion.

For each Portfolio Interest Option the applicable portfolio and series are selected by Equitable Life and may change at any time. We reserve the right to discontinue the use of any Portfolio Interest Option at our discretion, without prior notification, and transfer the Account Value to a similar Portfolio Interest Option as determined by us, or if a similar Portfolio Interest Option is not available at that time, we will transfer the Account Value to the Daily Interest Account.

For information on the portfolio tracked by each Portfolio Interest Option and its past performance please ask your financial advisor or visit our website as shown on your most recent policy statement.

The following are the current Portfolio Interest Options available with Equation Generation IV:

- (a) **Diversified Income Portfolio Interest Option:**  
The portfolio tracked will invest mainly in a diversified mix of income and bond mutual funds. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable portfolio;
- (b) **Balanced Income Portfolio Interest Option:**  
The portfolio tracked will invest mainly in a diversified mix of equity and income mutual funds with a bias towards income. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable portfolio;
- (c) **Balanced Growth Portfolio Interest Option:**  
The portfolio tracked will invest mainly in a diversified mix of equity and income mutual funds, with a bias towards capital appreciation. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable portfolio;
- (d) **Growth Portfolio Interest Option:**  
The portfolio tracked will invest mainly in a diversified mix of equity mutual funds, with some fixed income mutual funds to provide stability. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable portfolio;
- (e) **Diversified Equity Portfolio Interest Option:**  
The portfolio tracked will invest primarily in a diversified mix of global equity mutual funds. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable portfolio;

Account Value:

At any time the Account Value of a Linked Interest Option is equal to the following:

- (a) Net Premiums and net transfers credited to that Linked Interest Option; plus
- (b) interest and any Investment Bonus and Incentive Bonus credited to that Linked Interest Option; less
- (c) interest debited to that Linked Interest Option; less
- (d) amounts withdrawn or transferred out of that Linked Interest Option; less
- (e) any administration fees or charges deemed to have come from these accounts.



## Investment Interest Accounts – continued

### Changes to Your Investment Interest Accounts:

You may select to change your Investment Interest Accounts or the percentage of your Net Premium allocated to the various Investment Interest Accounts at any time, provided you submit your request in writing to Equitable Life's Head Office.

You may elect to transfer a portion of the Account Value of this policy from one Interest Account to another Interest Account available under this policy at any time, provided you submit your request in writing to Equitable Life's Head Office.

Equitable Life reserves the right to limit the number of requested transfers in any Policy Year.

There will be no additional fees charged for the transfers outlined below:

- (a) **Daily Interest Account:** You may elect to move savings from the Daily Interest Account to a Guaranteed Deposit Account or a Linked Interest Option at any time subject to minimum deposit requirements as determined by us. These transfers are based on the Account Value of the Daily Interest Account being transferred as of the effective date of the transfer.
- (b) **Guaranteed Deposit Account:** You may elect to move savings from one Guaranteed Deposit Account to another Guaranteed Deposit Account, the Daily Interest Account or a Linked Interest Option. These transfers are based on the Market Value Adjustment of the Account as of the effective date of the transfer. The Account Value of the Guaranteed Deposit Account must be at least equal to the \$500.00 minimum after the transfer has been made.
- (c) **Linked Interest Options:** You may request to move savings from a Linked Interest Option to another Linked Interest Option, the Daily Interest Account or a Guaranteed Deposit Account, subject to minimum deposit requirements as determined by us. These transfers are based on the Account Value of the Linked Interest Option being transferred as of the effective date of the transfer.

The effective date of the transfer will be within five (5) business days of receipt of your written request at Equitable Life's Head Office.

### About Your Investment Interest Accounts:

Linked Interest Options are NOT Mutual Funds, Portfolio Funds or Indexes; you are NOT acquiring units in a mutual fund or investment fund or other security. You are placing funds on deposit, earning interest, with the general funds of Equitable Life. Performance is NOT guaranteed. You may be credited positive or negative interest depending on the performance of the Mutual Fund, Portfolio or Index being tracked. The Mutual Fund, Portfolio or Index being tracked may change at any time. Linked Interest Option Administration Fees will apply.

## Policy Values

**Investment Bonus:** Starting in the 2<sup>nd</sup> Policy Year, at each Monthly Anniversary a guaranteed Investment Bonus will be credited to the Account Value of the Equation Generation IV policy. This Investment Bonus will be credited regardless of the Account Value of the policy. Currently the Investment Bonus credited will be allocated in the same manner as the Net Premium allocation. Equitable Life reserves the right to change the manner in which the Investment Bonus is allocated at any time without prior notification.

The Investment Bonus will be equal to 1/12<sup>th</sup> of the annual bonus percent applied to the Account Value of this policy on the applicable Monthly Anniversary.

Policy Year	Annual Bonus Percent
1	0.00%
2+	0.75%

**Incentive Bonus:** An Incentive Bonus will be credited to the Account Value of your Equation Generation IV policy beginning on the 5<sup>th</sup> Policy Anniversary, and on each Policy Anniversary thereafter, provided the Account Value at the applicable Policy Anniversary is not less than two (2) times the accumulated total of the Minimum Annual Premiums since the Effective Date of the policy.

The Incentive Bonus will be credited to the Account Value of this policy on the applicable Policy Anniversary as follows:

Policy Anniversary	Annual Bonus Percent
1 - 4	0.00%
5 - 14	0.25%
15+	0.50%

Currently the Incentive Bonus credited will be allocated to the Investment Interest Accounts in the same manner as Premiums received. Equitable Life reserves the right to change the manner in which the Incentive Bonus is allocated to the Investment Interest Accounts at any time without prior notification.

**Account Value:** The Account Value of this Equation Generation IV policy at any time will be equal to the sum of the following:

- (a) the Account Value of the Daily Interest Account;
- (b) the Account Value of all Guaranteed Deposit Accounts;
- (c) the Account Value of all Linked Interest Options.

**Cash Surrender Value:** The Cash Surrender Value of this Equation Generation IV policy at any time will be equal to the sum of the following:

- (a) the Account Value of the Daily Interest Account;
- (b) the Market Value Adjustment of all Guaranteed Deposit Accounts;
- (c) the Account Value of all Linked Interest Options;

reduced by the total Surrender Charges and any Indebtedness to the policy.

**Policy Surrender Value:** The Policy Surrender Value of this Equation Generation IV policy at any time will be equal to the Cash Surrender Value plus the Shuttle Account Value.

**Non-Guaranteed Values:** The interest rate for the Linked Interest Options is **NOT GUARANTEED** and could be positive or negative depending on the performance of the applicable Linked Interest Options. A negative rate of return will result in a debit to the Account Value (a negative interest rate). A positive rate of return will result in a credit to the Account Value (a positive interest rate).

**Surrender Charges:** The Surrender Charges applicable to each Insurance Coverage under this policy are shown in the Table of Charges. If you choose to surrender your Equation Generation IV policy in the first or second Policy Years, the Surrender Charge is shown in the Table of Charges. For subsequent years up to and including year 10, where the charge is zero (0), monthly values will grade linearly to the value at the next Policy Anniversary. At the 10<sup>th</sup> Policy Anniversary and thereafter the Surrender Charge is zero (0).

If you take a withdrawal during the first ten (10) Policy Years, a pro-rata Surrender Charge will be calculated but not applied. Upon full surrender of your Equation Generation IV policy during the first ten (10) Policy Years, any pro-rata Surrender Charges that were calculated but not applied due to withdrawals, will apply upon the full surrender of the policy. Therefore at any time during the first ten (10) Policy Years, the total Surrender Charges are the total of the above, plus any Surrender Charges held in suspense for any previous withdrawals.

## Monthly Charges

***On each Monthly Anniversary a charge will be withdrawn from the Investment Interest Accounts. These monthly charges include but are not limited to the costs for the insurance portion of your plan, as well as any additional Riders or benefits.***

The monthly charge for your Equation Generation IV policy will be equal to the sum of the following:

- (a) the total Administration Charges applicable for this policy;
- (b) the total of all Cost of Insurance Charges applicable to this policy;
- (c) the total Monthly Charge(s) for any optional additional benefits and Riders;
- (d) the Linked Interest Option Administration Fees.

Equitable Life will automatically deduct the Monthly Charges from the Accounts and/or Linked Interest Options based on the method you elected on the application for life insurance. You may have elected a percentage (%) of the total monthly charges to be deducted from specific accounts or you may have elected the monthly charges be deducted from all accounts on a pro-rata basis, depending on the Account Value in the Accounts at the Monthly Anniversary. In the event that you did not elect a method for deduction of monthly charges, the default method of pro-rata from all Accounts will be the method used. At any time you may change the method and/or Accounts from which your Monthly Charges are deducted by providing written notice at Equitable Life's Head Office.

If the Monthly Charges listed in items (a), (b), and (c), have not previously ceased, they will cease on the Policy Anniversary following the Life Insured's 100<sup>th</sup> birthday. (The same period as shown in the Table of Charges). Thereafter, no further deduction for these charges will be made.

Equitable Life reserves the right to deduct from the Investment Interest Accounts an amount equal to any taxes or assessments applicable to the policy, including those that are currently in place or may be subsequently imposed.

**Administration Charges:** The guaranteed Administration Charge for an adult Insurance Coverage on this policy is \$10.00 per month.

The guaranteed Administration Charge for a juvenile Insurance Coverage on this policy is \$8.00 per month.

### Cost of Insurance Charges Type:

The Cost of Insurance Charge for each Insurance Coverage is determined at the beginning of each Policy Month. The Cost of Insurance Charge is calculated by multiplying the current Amount at Risk by the current Cost of Insurance Rate for the applicable Insurance Coverage as shown in the Table of Charges.

Depending on the Age of the Life Insured your Equation Generation IV policy has a choice of two (2) Cost of Insurance Types: Yearly Renewable Term (YRT) or Level Cost of Insurance (Level for Life). If you have selected YRT Cost of Insurance Charges, the rate per thousand of Amount at Risk will increase yearly until the Policy Anniversary after the Life Insured's 100<sup>th</sup> birthday. If you have selected Level Cost of Insurance Charges, the rate per thousand of Amount at Risk will remain level until the Policy Anniversary after the Life Insured's 100<sup>th</sup> birthday.

If the Life Insured under this policy is an adult (the Age is 16 or greater when the Insurance Coverage is issued) you may select to have YRT or Level Cost of Insurance Charges. If the Life Insured under this policy is a juvenile (the Age is less than 16 when the Insurance Coverage is issued), the Cost of Insurance Type must be YRT until the juvenile Life Insured attains an Age at which Level Cost of Insurance rates may be available.

Subject to any minimum and maximum age restrictions and our administrative rules and guidelines in effect at the time, you may change your Cost of Insurance Charges from one type to another provided they are applicable to your Death Benefit Option. Evidence of insurability, as determined by Equitable Life, may be required when switching from one Cost of Insurance Charges type to another. The Cost of Insurance Charges that will apply will be the applicable rates, if then available, at the Life Insured's attained Age with the same class of risk and smoking status.

The Amount at Risk for an Insurance Coverage is equal to the Death Benefit less the Account Value attributable to that Insurance Coverage.

The Cost of Insurance rates, as shown in the Table of Charges, are guaranteed not to increase from those shown.

**Monthly Charges – continued****Additional Benefit****And Rider Charges:**

If you have elected to include any additional Benefit(s) and/or Rider(s) with your Equation Generation IV policy, Monthly Charges applicable to the additional Benefit(s) and/or Rider(s) are specified on the Coverage Specifications page(s) and/or are shown in the Table of Charges.

**Linked Interest Option****Administration****Fees:**

The Linked Interest Option Administration Fees apply only to the Account Value of the Index Interest Options, the Performance Fund Interest Options and the Portfolio Interest Options.

The current and maximum Linked Interest Option Administration Fees which apply to the Index Interest Options are as follows:

Canadian Equity Index Interest Option:	3.00% per Policy Year (0.25% per month);
American Equity Index Interest Option:	3.00% per Policy Year (0.25% per month);
U.S. Technologies Index Interest Option:	3.20% per Policy Year (0.2666% per month);
European Index Interest Option:	3.20% per Policy Year (0.2666% per month);
U.S. Blue Chip Index Interest Option:	3.00% per Policy Year (0.25% per month).

The Linked Interest Option Administration Fees applicable to the Index Interest Options may be changed at any time, without prior notification, however, Equitable Life guarantees they will not exceed the current maximums.

The current and maximum Linked Interest Option Administration Fees which apply to the Account Value of the Performance Fund Interest Options (PFIO) are as follows:

PFIO – Global:	1.75% per Policy Year (0.1458% per month)
PFIO – Canadian:	1.75% per Policy Year (0.1458% per month)
PFIO – Canadian Bond:	1.75% per Policy Year (0.1458% per month)
PFIO – Global Fixed Income:	1.75% per Policy Year (0.1458% per month)
PFIO – Canadian Value Stock:	1.75% per Policy Year (0.1458% per month)
PFIO – Large Cap Canadian Equity:	1.75% per Policy Year (0.1458% per month)
PFIO – Global Balanced:	1.75% per Policy Year (0.1458% per month)

Linked Interest Option Administration Fees applicable to the Performance Fund Interest Options may be changed at any time, without prior notification, however Equitable Life guarantees the fees will never exceed the current maximums.

The current and maximum Linked Interest Option Administration Fees which apply to the Account Value of Portfolio Interest Options (PIO) are as follows:

Diversified Income PIO:	2.20% per Policy Year (0.1833% per month)
Balanced Income PIO:	2.20% per Policy Year (0.1833% per month)
Balanced Growth PIO:	2.20% per Policy Year (0.1833% per month)
Growth PIO:	2.20% per Policy Year (0.1833% per month)
Diversified Equity PIO:	2.20% per Policy Year (0.1833% per month)

Linked Interest Option Administration Fees applicable to the Portfolio Interest Options may be changed at any time, without prior notification, however, Equitable Life guarantees the fees will never exceed the current maximums.

## Cash Withdrawals

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***With your Equation Generation IV Universal Life policy you have access to the cash accumulating in your policy if and when you need or want it.***

Cash Withdrawals from this Equation Generation IV policy are permitted at any time provided the Head Office of Equitable Life receives a written request from you.

The amount you can withdraw must be at least \$500.00 and cannot exceed the current Policy Surrender Value, less any Indebtedness, less, \$500.00. A Market Value Adjustment may apply to amounts withdrawn from the Guaranteed Deposit Accounts. For details on how the Policy Surrender Value is determined please see the Policy Values section.

If you choose to withdraw cash from your policy, the Death Benefit applicable to each Insurance Coverage will be reduced by the portion of the Account Value of the policy withdrawn that is attributable to that Insurance Coverage.

If you have elected Account Value Protector as your Death Benefit Option, the Account Value will reduce by the amount withdrawn, thereby reducing the Death Benefit. If you have elected Level Protector as your Death Benefit Option, the Sum Insured will be reduced by the portion of the Account Value withdrawn that is applicable to that Insurance Coverage, thereby reducing the Death Benefit.

If you choose to withdraw cash from your policy within the first ten (10) Policy Years, a pro-rata Surrender Charge equal to the amount withdrawn multiplied by the appropriate Surrender Charge rate divided by 1000 will be calculated but not deducted at the time of withdrawal. If you surrender your policy prior to completion of the 9<sup>th</sup> Policy Year, the Surrender Charge that would have been applied to the Cash Withdrawal will be deducted at that time along with any other Surrender Charges that may apply at that time.

Cash Withdrawals from your policy may have tax consequences and may be subject to income tax.

Equitable Life will charge a \$25.00 fee for each Cash Withdrawal from your policy.

You may specify the Investment Interest Accounts from which your withdrawals are to be made. However, if there is any value in the Shuttle Account, all Cash Withdrawals will be made from this Account first. In the absence of written instructions Equitable Life will make the withdrawals from the Investment Interest Accounts using the same method as used for Monthly Charges, until Equitable Life receives alternative written instruction from you at our Head Office.

Daily Interest Account, Guaranteed Deposit Account and Linked Interest Option minimum balance requirements must continue to be met.

The effective date of your Cash Withdrawal will be within five (5) Business Days of receipt of your written request at the Head Office of Equitable Life.

## Policy Loans

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***If a Cash Withdrawal does not meet your needs, you can take a Policy Loan with your Equation Generation IV policy.***

At any time while this Equation Generation IV policy is in effect, provided it has accumulated a Cash Surrender Value, you may request a Policy Loan from Equitable Life subject to our administrative rules and guidelines in effect at that time.

A Policy Loan will only be granted after Equitable Life has received a completed loan application. Normally, we will make the loan within thirty (30) days after the completed loan application has been received at our Head Office, in Waterloo, Ontario. However, we reserve the right to defer the loan for up to six (6) months.

You may borrow up to the amount by which the Maximum Loan Value of this policy exceeds any current Indebtedness to your Equation Generation IV policy.

The Maximum Loan Value for this policy is equal to 90% of the Cash Surrender Value excluding the Account Value of all Linked Interest Options reduced by one year's loan interest. Interest will be charged on Policy Loans at a rate as set by us from time to time and will accrue daily from the effective date of the loan.

At each Policy Anniversary, if the interest due on your Policy Loan is not paid, Equitable Life will add the interest due to the balance of your loan and interest will be charged on the entire Indebtedness under your policy. At any time, while this policy is in effect, you may repay all or a part of the amounts owed on the policy subject to a minimum amount as determined by us.

Taking a Policy Loan against the available value in your policy may have tax consequences and may be subject to income tax.

If, at any time while this policy is in effect, the total indebtedness to Equitable Life under this policy exceeds the Maximum Loan Value, Equitable Life reserves the right to transfer sufficient amounts, if available, from the Linked Interest Options to the Daily Interest Account or the Guaranteed Deposit Accounts, without prior notice, to ensure that the Indebtedness of the Policy remains equal to the Maximum Loan Value. The required amounts will be transferred from the Linked Interest Options using the same method as elected by you for deduction of monthly charges and deposited to the Daily Interest Account, provided the Linked Interest Option minimum balance requirements are met. If sufficient amounts are not available in the Linked Interest Options, the policy will lapse, your Insurance Coverage will terminate and Equitable Life will have no further liability under this policy subject to your rights under "Reinstatement".

The value of the Shuttle Account will not be considered in any Policy Loan calculation. You may not take a Policy Loan against the value in the Shuttle Account.

On the death of the Life Insured under this policy, the portion of any outstanding Policy Loan balance applicable to that Insurance Coverage plus any accrued interest will be deducted from the Death Benefit.

**Policy Surrender**

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At any time while your Equation Generation IV policy is in effect, you may surrender your policy for its current Policy Surrender Value, less any Indebtedness to the policy.

Please refer to the Policy Values Section of this policy for details on Policy Surrender Value determination.

On request to surrender your policy the Policy Surrender Value will be paid to you within thirty (30) days of receipt of your written request to surrender. However, we reserve the right to defer payment for a period up to six (6) months after the date we receive your request to surrender. If we defer payment for thirty (30) days or more, we will add interest, at an interest rate determined by us, calculated from the effective date of surrender of your policy to the date we forward payment of the Policy Surrender Value to you.

The effective date of surrender of your policy will be within five (5) Business Days of receipt of your written request at Equitable Life's Head Office. This policy and all benefits and any Riders associated with this policy will terminate on the effective date of the surrender and Equitable Life will have no further liability under this policy or any Riders.

Surrendering your policy for its Policy Surrender Value may have tax consequences and may be subject to income tax.

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## Policy Lapse

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Your Equation Generation IV policy will lapse and all liability of Equitable Life will cease at the earliest date on which:

- (a) the Account Value of the policy is equal to zero (0);
- (b) the Cash Surrender Value of the policy is equal to zero (0) and the total of all Premiums paid, less all Cash Withdrawals, is less than the sum of the Minimum Annual Premiums, including any Rider or additional benefit Premiums payable since the Effective Date of this policy; or
- (c) the Indebtedness under this policy is equal to the Cash Surrender Value of the policy.

However, the coverage under your policy will continue until the end of the Grace Period.

### Grace Period:

A Grace Period of 31 days measured from the date of policy lapse, as defined above, is permitted for payment in full of all overdue amounts as determined by Equitable Life. Your Equation Generation IV policy will terminate as of the date of lapse, if at the end of the Grace Period all overdue amounts have not yet been paid. Equitable Life will have no further liability under this policy.

If the Life Insured dies during the Grace Period, the portion of any overdue amounts applicable to that Life Insured will be deducted from the Death Benefit payable on the death of that Life Insured.

### Lapse Extension:

Your policy may continue for a maximum of 12 months, during which time we will deduct the Monthly Charges from your Account Value provided all of the following conditions are satisfied:

- (a) the policy has been in effect for at least 3 years;
- (b) the Account Value of the policy is greater than zero and sufficient to pay the Monthly Charges for a period of 12 months; and
- (c) the Indebtedness under the policy does not exceed the policy's current Cash Surrender Value.

After the maximum 12 months, unless a full Premium payment is remitted to cover all overdue amounts as determined by Equitable Life, your policy will terminate effective immediately. All benefits and Riders applicable to this policy will cease at that time and the policy will be terminated subject to the Grace Period provision above. Equitable Life will have no further liability under this policy.

### Reinstatement:

- a) If your Equation Generation IV insurance policy lapses at the end of the Grace Period because a premium due at the beginning of the Grace Period was not paid, the policy may be reinstated by payment of the overdue premium within a further period of thirty (30) days after the end of the Grace Period, but only if the Life Insured is alive at the time payment is made.
- b) If your Equation Generation IV insurance policy lapses and is not reinstated under subsection (a), the policy may be reinstated within two (2) years of its lapse upon written application by you and submission of evidence of insurability (according to the then current underwriting guidelines as determined by Equitable Life) pertaining to the Life Insured (based on their attained age) that is satisfactory to Equitable Life.

The Reinstatement of this policy must be accompanied by the payment of an amount equal to the sum of the following:

- (i) the Premiums that would have been required to maintain the policy in effect from the date of lapse to the date of reinstatement; plus
- (ii) interest due on the above amount; plus
- (iii) any Indebtedness under this policy.

These amounts will be determined by Equitable Life at the time of request of Reinstatement.

The rate of interest to be charged above will be determined by Equitable Life, but will not exceed that permitted under current legislation.

Any Account Value remaining in the policy at the time of lapse will be treated as a new investment and deposited as of the date of Reinstatement in the Daily Interest Account.



## **Disability Benefit Disbursement**

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The Disability Benefit Disbursement allows the Owner to apply for a payment from the Account Value of this policy if the Life Insured becomes disabled from a severe mental or physical impairment as described below.

The Disability Benefit Disbursement may be paid out subject to the following conditions and our administrative rules and guidelines in effect at the time of the disbursement:

- (a) one Disability Benefit Disbursement per policy will be permitted in any Policy Year;
- (b) each Disability Benefit Disbursement during the Surrender Charge period will be subject to the applicable Surrender Charge for that year;
- (c) if a Disability Benefit Disbursement is taken from the Guaranteed Deposit Accounts, a Market Value Adjustment will apply. The Market Value Adjustment calculation will be the same as the Market Value Adjustment which applies to a regular cash withdrawal;
- (d) the minimum and maximum Disability Benefit Disbursement in any Policy Year will be subject to our administrative rules and guidelines in effect at the time of the disbursement;
- (e) any fees that may apply for withdrawals made under the Disability Benefit Disbursement will be subject to our administrative rules and guidelines in effect at the time of the disbursement.

You may specify the Interest Accounts from which a Disability Benefit Disbursement is to be made. However, if there is any value in the Shuttle Account, all Disability Benefit Disbursements will be made from the Shuttle Account first, regardless of the order specified by you. In the absence of written instructions for Disability Benefit Disbursements, Equitable Life will make the withdrawals from the Shuttle Account and Interest Accounts using the same method as used for Monthly Charges.

The Account Value applicable to this policy will be reduced by the amount of the Disability Benefit Disbursement. If you have elected Level Protector as the Death Benefit Option for your Equation Generation IV policy, the Sum Insured will be reduced by the amount of the Disability Benefit Disbursement. If you have elected Account Value Protector as the Death Benefit Option for your Equation Generation IV policy, the Death Benefit will be reduced by the amount of the Disability Benefit Disbursement. If a Disability Benefit Disbursement occurs during the Surrender Charge period, a pro-rata Surrender Charge will be calculated but not deducted at the time of payment. If you surrender your policy prior to the completion of the Surrender Charge period, the Surrender Charge that would have applied to the Disability Benefit Disbursement will be deducted at that time along with any other Surrender Charge which may apply at that time.

A Disability Benefit Disbursement may not be available if you assigned this policy or if you have made an irrevocable beneficiary designation for the proceeds of this policy. You may be able to take a Disability Benefit Disbursement upon written authorization to Equitable Life of the assignee or the irrevocable beneficiary, subject to our administrative rules and guidelines in effect at that time and the then current income tax legislation.

Qualifying to receive the Disability Benefit Disbursement does not guarantee that your policy will remain in effect. If you have not elected Waiver of Charges as an additional Rider with this policy on the Life Insured for whom this Disability Benefit Disbursement applies, you must continue to make sufficient Premium payments in order to keep your Equation Generation IV policy in effect. .

## **Disability Benefit Disbursement – continued**

In order to receive the Disability Benefit Disbursement, the Owner must provide at their own expense evidence in writing satisfactory to Equitable Life from a medical practitioner, who is qualified and licensed in Canada, of the exhibited severe physical or mental impairment of the Life Insured. The impairment must have existed for a period of at least 90 days and:

- (a) must markedly restrict the ability of the Life Insured to perform any one of the following basic activities of daily living:
    - (i) perceiving, thinking and remembering;
    - (ii) feeding and dressing himself or herself;
    - (iii) speaking so as to be understood, in a quiet setting, by another person familiar with the Life Insured;
    - (iv) hearing so as to understand, in a quiet setting, another person familiar with the Life Insured;
    - (v) eliminating (bowel or bladder functions); or
    - (vi) walking;
  - or (b) (i) must prevent that Life Insured, if normally employed, from performing the essential duties of his or her occupation or employment; or
    - (ii) must prevent that Life Insured, if not normally employed, from performing the essential duties of any occupation or employment for which he or she is qualified or could reasonably become qualified by reason of education; training or experience; or
    - (iii) must prevent that Life Insured, if normally responsible for the maintenance of a home or care of immediate family members, from performing the essential duties of maintaining that home or caring for those individuals;
- and the impairment under sub-paragraph (a) or (b) above must arise from one or more of the following:
- AIDS (Acquired Immune Deficiency Syndrome) or HTLV-III and/or HIV infection,
  - Alzheimer's Disease,
  - Cancer or Tumour,
  - Coronary Artery Disease, Myocardial Infarction, or Congestive Heart Failure
  - Chronic Kidney Failure, or Chronic Liver Disease,
  - Loss of a Limb,
  - Neuromotor disease,
  - Muscular Dystrophy,
  - Paralysis, paraplegia, or quadriplegia,
  - Receipt of a major organ transplant,
  - Third degree burns over more than 50% of the body,
  - Multiple Sclerosis,
  - Hepatitis,
  - Stroke, with or without paralysis,
  - Huntington's Chorea;
- or (c) has resulted in the total and permanent loss of sight in both eyes, or the use of both hands, or the use of both feet, or the use of one hand and one foot;
  - or (d) either the impairment or the illness or injury that caused the impairment is expected by the medical practitioner to result in the death of that Life Insured within 24 months of the date of diagnosis.

**Pre-existing Conditions:** No Disability Benefit Disbursement will be payable if we determine that a Life Insured, who would have otherwise qualified for the Disability Benefit Disbursement, had that Disability at the Effective Date or the Reinstatement Date of this policy. That determination will be based on the conditions specifically identified in, or that can reasonably be inferred to have existed at that time from, the application, a related declaration of health, or other information required by Equitable Life.

**Taxation:** As of the Effective Date of this policy the Income Tax Act (Canada) and Regulations provide that a disability benefit is not considered a disposition of an interest in a life insurance policy. Therefore as of the Effective Date of this policy disability benefits are not subject to income tax. However, Equitable Life offers no guarantee that a Disability Benefit Disbursement will not be subject to income tax at the time it is made. Furthermore, it may not always be in the best interest of the Owner to take a Disability Benefit Disbursement, should the Income Tax Act (Canada) and Regulations change in the future.

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**Bereavement Counselling Benefit**

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On the death of the Life Insured under this policy and payment of the Death Benefit under one or more Insurance Coverages Equitable Life will provide a Bereavement Counselling Benefit to the Beneficiary(ies) of this Equation Generation IV policy. Equitable Life will reimburse the Beneficiary(ies) up to a maximum of \$500.00 toward the cost of counselling expenses, as long as the following rules are adhered to:

- the Beneficiary(ies) will submit receipts within 12 months of the date of death of the Life Insured; and
- the counsellor has professional accreditation or certification as determined appropriate by Equitable Life.

Reimbursement is subject to Equitable Life's then current administrative practices.

Regardless of the number of Beneficiaries under this policy only a sum total of \$500.00 will be reimbursed for counseling for all Beneficiaries. Equitable Life will not proportion the distribution of this benefit as per Beneficiary designation. Payment under this benefit will result upon remittance of receipts only.

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**Dividends**

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While in effect this Equation Generation IV policy may, at the end of each Policy Year, participate in the distribution of surplus of Equitable Life. If a distribution is declared for this policy, it will be credited as a dividend. The declaration of a dividend and the amount of any dividend payable, if any, will be determined by Equitable Life.

If any policy dividends are declared, they will be credited in a manner as determined by Equitable Life at that time.

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**Protection From Creditors**

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Protection from creditors of the Owner may be available with your Equation Generation IV policy, subject to certain conditions.

## **Tax Status**

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This Equation Generation IV policy is issued with the intention that it will be maintained exempt from accrual taxation under the provisions of the Income Tax Act (Canada) and Regulations in effect as of the Effective Date of this policy. Therefore, periodically, but not less than annually, this policy will be monitored to determine its tax status.

If, at any time, this Equation Generation IV policy fails any of the applicable exemption tests and is therefore subject to annual accrual taxation, according to the requirements of the Income Tax Act (Canada) and Regulations, Equitable Life reserves the right to transfer funds from a portion of the Cash Surrender Value attributable to the Daily Interest Account, Guaranteed Deposit Accounts and/or the Linked Interest Options to the Shuttle Account in order to maintain this policy's exempt status provided that it is possible for the Company to do so under the legislation in effect at that time. Funds in the Shuttle Account do not make up any part of this policy and are subject to annual taxation.

If this Equation Generation IV policy fails the exempt test at the time of a Premium payment, Equitable Life will accept as a Premium for this Equation Generation IV policy an amount that will maintain this policy's tax-exempt status. Equitable Life will deposit the balance to the Shuttle Account. The balance will not be considered a Premium payment under this policy.

If on any Policy Anniversary, there is room for additional Premiums in this Equation Generation IV policy and you have funds in the Shuttle Account, Equitable Life will automatically pay a Premium from the Shuttle Account to this Equation Generation IV policy. The Premium paid will be allocated to the Investment Interest Accounts in the same manner as elected by you on the application or subsequently changed. Provincial Government Premium Tax will be applied to each Premium paid to this Equation Generation IV policy from the Shuttle Account. (See Net Premium for details on Premium Tax).

If at any Policy Anniversary this Equation Generation IV policy fails any of the applicable exemption tests, the Sum Insured will be automatically increased by up to 8% of the Sum Insured at that Policy Anniversary. If the increase in the Sum Insured is not sufficient to maintain the exempt status of this policy, a portion of the Cash Surrender Value attributable to the Daily Interest Account, Guaranteed Deposit Accounts and/or the Linked Interest Options will be transferred to the Shuttle Account in order to maintain this policy's exempt status. No evidence of insurability is required for the automatic increase in the Sum Insured.

The above provisions reflect the current provisions of the Income Tax Act (Canada) and Regulations applicable to this policy as at the Effective Date. Equitable Life makes no guarantees that these provisions will not change. Equitable Life reserves the right to modify its practices to reflect any subsequent changes made in the Income Tax Act (Canada) and Regulations affecting this policy. Equitable Life will provide to you any required tax reporting slips.

## Shuttle Account

***The Shuttle Account is a separate premiums-on-deposit account which assists in maintaining your Equation Generation IV policy's tax-exempt status. The Shuttle Account may have a separate Beneficiary(ies) and is paid out on death of the Owner or on termination or surrender of this Equation Generation IV policy.***

In order to maintain your policy's tax-exempt status, a separate Shuttle Account (premiums-on-deposit account) will be set up in conjunction with your Equation Generation IV policy. As stated in the Premiums provision of this policy, any monies received over the Maximum Exempt Premium for any Policy Year will be deposited on your behalf to the Shuttle Account. The Shuttle Account is a premiums-on-deposit account where funds are held until such time as they can be paid as Premiums into your Equation Generation IV policy.

The Shuttle Account receives amounts in excess of the Maximum Exempt Premium. In addition, funds will be transferred to the Shuttle Account as required to maintain your Equation Generation IV policy status as exempt from annual accrual taxation. Funds in the Shuttle Account will automatically be used to pay Premiums to your Equation Generation IV policy on any Policy Anniversary, provided that enough tax-exempt room exists.

### Shuttle Interest

#### Accounts:

The Shuttle Account is set up at issue of your Equation Generation IV policy. Any amounts transferred into the Shuttle Account will be allocated to the Shuttle Interest Accounts and any interest earned will be subject to annual taxation.

The Shuttle Account of your Equation Generation IV policy is credited or debited interest based on the rate of return, less any applicable administration fees, of the Shuttle Interest Accounts available and chosen by you. If you do not choose an allocation for your Shuttle Deposits, any amounts transferred to the Shuttle Account will be allocated to the Daily Interest Account.

You may at any time in the future request in writing to change the allocation of the deposits made to the Shuttle Account, subject to our administrative rules and guidelines in effect at that time. We reserve the right to charge a fee to change the allocation.

The Shuttle Interest Accounts available with your Equation Generation IV policy are selected by Equitable Life. Equitable Life reserves the right to change or discontinue the use of any Shuttle Interest Account at our discretion, without prior notification, and transfer the value to the Daily Interest Account.

#### Shuttle Premiums:

Shuttle Premiums are Premiums paid from the Shuttle Account to your Equation Generation IV policy. At each Policy Anniversary and after exempt testing, Equitable Life will determine the Maximum Exempt Premium for the following year. Upon determination of the Maximum Exempt Premium, Equitable Life will automatically pay a Premium, if possible, from the Shuttle Account to your Equation Generation IV policy. The Premium paid, less any applicable Premium tax, will be allocated to the Investment Interest Accounts within your Equation Generation IV policy, as elected by you on the application for life insurance or subsequently changed in writing by the Owner, or to the Daily Interest Account if no selection is made. The Premium paid from the Shuttle Account will be the lesser of the Maximum Exempt Premium and the Shuttle Account Value.

Premiums paid from the Shuttle Account will be deducted from the Shuttle Interest Accounts according to our administrative practices.

#### Shuttle Deposits:

Shuttle Deposits are funds that are transferred from your Equation Generation IV policy to the Shuttle Account in order to maintain the exempt status of your policy under the provisions of the Income Tax Act (Canada) and Regulations. Shuttle Deposits will also occur at any time a Premium in excess of the Maximum Exempt Premium is paid to your Equation Generation IV policy. The amount of the Shuttle Deposit will be determined to be the amount necessary to maintain your policy's exempt status.

The Shuttle Deposits will be allocated to the Shuttle Account according to the allocation selected on the application for life insurance, or subsequently changed in writing by the Owner. If no selection is made, Shuttle Deposits will automatically be allocated to the Daily Interest Account.

Shuttle Deposits are not subject to Premium Tax.

**Shuttle Account – continued**

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<b>Investment Bonus:</b>	The Investment Bonus does not apply to the Shuttle Account.
<b>Incentive Bonus:</b>	The Incentive Bonus does not apply to the Shuttle Account.
<b>In the Event Of Death:</b>	<p>On the death of the Life Insured under this Equation Generation IV policy, the Shuttle Account Value will be paid to the Owner or the Owner's Beneficiary(ies) as stipulated on the Policy Specifications page of this policy.</p> <p>On the death of the Owner, if other than the Life Insured under this Equation Generation IV policy, the Shuttle Account Value will be paid to those entitled to this account according to the applicable laws.</p>
<b>Policy Surrender:</b>	If your Equation Generation IV policy is surrendered, any Shuttle Account Value will be surrendered and paid out to the Owner, unless prohibited by law. There are no Surrender Charges applicable to the Shuttle Account.
<b>Withdrawal:</b>	If you elect to withdraw cash from your Equation Generation IV policy and there are funds being held in the Shuttle Account, the funds held in the Shuttle Account will be withdrawn first to satisfy the requested withdrawal amount. The withdrawal provisions applicable to the Shuttle Account are the same as specified under the Cash Withdrawals section in your Equation Generation IV policy.
<b>Shuttle Account Value:</b>	At any time the Shuttle Account Value will be equal to the sum of all Shuttle Deposits plus any interest credited to the Shuttle Interest Accounts; less any interest debited to the Shuttle Interest Accounts; less any administration fees applicable to the Shuttle Interest Accounts; less any Shuttle Premiums paid to the Equation Generation IV policy; less any Cash Withdrawals.
<b>Policy Loans:</b>	You may not take a Policy Loan against the Shuttle Account Value, nor will the value of your Shuttle Account be used when determining the Maximum Loan Value for an Equation Generation IV Policy Loan.
<b>Policy Lapse:</b>	The value of your Shuttle Account will not be used in determining whether or not your Equation Generation IV policy will lapse. However, if there are funds in the Shuttle Account, room available in your Equation Generation IV policy and failure of the lapse test is imminent, Equitable Life will automatically pay a Premium from the Shuttle Account to your Equation Generation IV policy.
<b>Taxation:</b>	Any interest earned in the Shuttle Account is subject to annual taxation. Each year, the amount of interest income will be reported on a tax information slip as Canadian source interest income, under current legislation.
<b>Protection from Creditors:</b>	Protection from creditors, which may be available to you with your Equation Generation IV Universal Life policy, does NOT apply to the Shuttle Account. The Shuttle Account is not part of the Equation Generation IV policy. It is a separate Premiums-on-Deposit Account.

**SETTLEMENT OPTIONS**

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Provided this policy has not been assigned, you may elect, in writing and received at our Head Office in Waterloo, Ontario, that a specified amount of the proceeds payable in one lump sum upon the death of the Life Insured under this policy be applied under one of the following Payment Options, if available and subject to our administrative rules and guidelines in effect at the time the claim becomes payable:

- a) Limited Payments – the specified amount would be paid as monthly income for a limited period of time in the form of an annuity certain, subject to minimum and maximum amounts required by us.
- b) Continuous Payments – the specified amount would be paid as monthly income for the lifetime of the payee in the form of a life annuity or other type of annuity offered by us at the time, subject to minimum and maximum amounts required by us.
- c) Proceeds on Deposit – the specified amount would be left with us for a period as agreed to by us. Interest will accrue on the proceeds at a rate as determined by us from time to time, but is guaranteed never to be negative.
- d) Other Payment – the specified amount would be applied to any other payment option then made available by us.

You may revoke or change your election at any time in writing and received at our Head Office in Waterloo, Ontario.

The beneficiary(ies) entitled to the claims proceeds on the death of the Life Insured may also elect one of the above options with respect to the applicable claims proceeds, unless you have elected otherwise.

The amount of monthly income payable under Options a) or b) shall be an amount calculated by applying the Company's immediate annuity rates in effect on the date the monthly payments begin. The beneficiary(ies) will need to provide us with required personal information to put the annuity into effect.

## DEFINITIONS

*The following are definitions of some of the terms used in your Equation Generation IV policy. If you need additional information or clarification please call one of our Individual Customer Service Representatives at 1-800-668-4095 or your financial advisor.*

<b>Age:</b>	means the age of a Life Insured on his or her nearest birthday.
<b>Amount at Risk for an Insurance Coverage:</b>	is equal to the Death Benefit less the Account Value of the applicable Insurance Coverage.
<b>Beneficiary(ies):</b>	is (are) the person(s) designated in the application by the Owner and listed on the Policy Specifications page of this policy who is (are) to receive the Death Benefit proceeds payable in the event of the first death of the Lives Insured under this Equation Generation IV policy. While this policy is in effect, the Owner may choose to designate in writing to us a change in the Beneficiary(ies) to receive the Death Benefit proceeds payable on the death of the first of the Lives Insured under this policy if that change is allowed under laws that apply. The Equitable Life Insurance Company of Canada will pay the Death Benefit proceeds payable to the Beneficiary(ies) in effect at the date of the first death of the Lives Insured under this policy.
<b>Business Day:</b>	means any day other than Saturday, Sunday and all applicable statutory holidays in the province that the Company's Head Office is located.
<b>Class of Risk:</b>	means the Company's mortality risk assessment of a Life Insured. It is based upon our review of the application for insurance and all medical and other information received by the Company. A standard or normal mortality risk assessment is 100%. A class of risk greater than 100% indicates a higher mortality risk. The class of risk will affect the cost of insurance rates. Mortality risk refers to the incidence of death.
<b>Company:</b>	The terms "we", "our", "us", "Equitable Life" and "Company", mean The Equitable Life Insurance Company of Canada and its Head Office located in Waterloo, Ontario, Canada.
<b>Coverage Years:</b>	Each Insurance Coverage and Rider applicable to this Equation Generation IV policy has an effective date. Coverage Years are measured from the effective date of each Insurance Coverage or Rider as shown on the Coverage Specifications page(s).
<b>Currency:</b>	All amounts payable to or by the Company under the terms, conditions or provisions of this policy are payable in the lawful currency of Canada.
<b>Date Policy Takes Effect:</b>	means the later of: <ol style="list-style-type: none"> <li>either: (i) in Quebec, the date Equitable Life accepts the policy without modification; or (ii) in provinces other than Quebec, the date the policy is delivered to you; and</li> <li>the date the full amount of the first Premium has been paid to the Company;</li> </ol> provided that no change has taken place in the insurability of any Life Insured under this policy between the date the application for life insurance was signed by the Life Insured and the date the policy was delivered to you.
<b>Effective Date:</b>	means the effective date of the policy as shown on the Coverage Specifications page(s).
<b>Equivalent Single Age:</b>	is the "insurance age" for this policy and is calculated based on the Age(s) of the Lives Insured under this Equation Generation IV policy.
<b>Indebtedness:</b>	refers to outstanding Policy Loans and includes any unpaid interest owing for those loans.
<b>Insurance Coverage:</b>	is the Equation Generation IV Universal Life Death Benefit applicable to the Lives Insured. Any increases applied for and made in the future, by the Owner, will result in an additional Insurance Coverage applicable to the Lives Insured.
<b>Life or Lives Insured:</b>	are the persons for whom the life insurance associated with this policy is applicable. The Lives Insured may or may not be the Owner(s) of this Equation Generation IV policy.
<b>Monthly Anniversary:</b>	The Monthly Anniversary for this policy will occur on the same day of each month as the Effective Date of this policy. Regardless of whether the premiums are being paid annually or monthly, the Monthly Anniversary is the day each month that all of the Monthly Charges applicable to the policy are deducted.



**DEFINITIONS – continued**

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<b>Monthly Charges:</b>	All charges associated with this Equation Generation IV policy are referred to as Monthly Charges and include Cost of Insurance Charges, Administration Charges, Linked Interest Option Administration Fees and any charges applicable to additional benefits or Riders as specified on the Coverage Specifications page(s).
<b>Net Premium(s):</b>	is equal to the Premium(s) paid less any applicable government premium taxes required to be deducted now or in the future.  Equitable Life reserves the right to increase or decrease the current deduction for government premium taxes should the government premium taxes be increased or decreased.
<b>Owner:</b>	The Owner of this policy refers to the applicant(s) and Owner(s) as indicated on the Policy Specifications page of this policy. The terms “you”, “your”, and “Owner” refer to the applicant(s) and Owner(s) of this policy. The Owner(s) may or may not be the Lives Insured under this policy.
<b>Policy Anniversary:</b>	The Policy Anniversary will occur on the same day and month each year as the Effective Date of this policy, as shown on the Policy Specifications page. Policy Years and Policy Months are also measured from the Effective Date of this policy.
<b>Premium:</b>	Premium refers to the amounts paid to Equitable Life and applied to this Equation Generation IV Universal Life policy.
<b>Rider:</b>	A Rider is an additional benefit applied for and issued by us as shown on the Coverage Specifications page(s) of this policy. The provisions, terms and conditions of any Riders applicable to this policy are stated in the Rider pages attached to this Equation Generation IV policy.
<b>Shuttle Account:</b>	The Shuttle Account is a separate Premiums-on-Deposit Account set up at issue of your Equation Generation IV policy. This account is held outside of your Equation Generation IV policy and is used to hold funds that must be transferred out of your policy in order to maintain its tax exempt status. Interest and income earned on the Shuttle Account is taxed annually.

## GENERAL PROVISIONS

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*The following are General Provisions applicable to your Equation Generation IV policy.*

**Assignment:** This policy may be assigned by the Owner as permitted by law. The assignment will not be binding on Equitable Life unless the Assignment is made in writing and filed with our Head Office in Waterloo, Ontario. Equitable Life is not responsible for the validity of any Assignment.

**Death of a Beneficiary:** In the event of the death of a Beneficiary, the deceased Beneficiary's share of the proceeds from this policy (payable on the first death of the Lives Insured) will be payable to the surviving Beneficiary(ies). If no Beneficiary survives, the proceeds will be payable to the Owner or to the executors, administrators, or assignees of the Owner, subject to the right of the Owner to appoint a new Beneficiary or contingent Beneficiary.

**Contract:** The Equation Generation IV Joint First-to-Die Universal Life Contract consists of the following documents:

- this policy
- the application
- any amendments or endorsements to the policy agreed upon in writing by the Company
- any Riders attached to this policy providing additional benefits.

This policy takes effect as of the Date Policy Takes Effect.

Only the President or an Officer of The Equitable Life Insurance Company of Canada has the authority to bind the Company or to make any change in the Contract, and then only in writing. Equitable Life will not be bound by any promises or representations made by any other persons including your financial advisor, broker or agent. Without limiting the generality of the above statement, no financial advisor, broker or agent is authorized to waive, amend or modify any of the terms, conditions or provisions of this Contract.

Should any legislative or regulatory authority having jurisdiction, impose requirements that would impact this Contract, Equitable Life may unilaterally make the required changes to this Contract.

**Incontestability:** Failure to disclose a fact or the misrepresentation of a fact in the application for life insurance, medical examination, or any statement or answers provided as evidence of insurability will cause this policy including any Riders to be voidable by Equitable Life.

Where this policy has been in effect for two (2) years from the later of:

- (a) the Date Policy Takes Effect; and
- (b) the last Reinstatement date of this policy,

with the exception of Misstatement of Age or Sex which is described below, the failure to disclose or the misrepresentation, except in the case of fraud, will not cause this policy including any Riders to become voidable.

Any additional or amended Insurance Coverages effective after the Date Policy Takes Effect will be considered to be incontestable (with the exception of fraud) only after the additional or amended Insurance Coverage has been in effect for two (2) years from the later of:

- (1) the date the additional or amended Insurance Coverage took effect; and
- (2) the last Reinstatement date of this policy.

**Misstatement of Age or Sex:**

If the date of birth and/or sex of one or more of the Lives Insured has been misstated, the amount payable under this policy on the first death of the Lives Insured, will be adjusted to be the amount of Insurance Coverage the Cost of Insurance Charges (deducted at the beginning of the Policy Month in which the death has occurred) would have purchased had the Cost of Insurance Charges for the Lives Insured been calculated using the correct Equivalent Single Age.

If the date of birth and/or sex of one or more of the Lives Insured covered by a Rider has been misstated, then the amount payable for the Rider will be the amount that the Monthly Charge for that Rider would have purchased based on the correct age and/or sex.

**GENERAL PROVISIONS - continued**

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**Notice/****Correspondence:**

Any Notice or Correspondence that is required to be provided to you by the Company will be sent by regular mail, facsimile or electronic mail. We will consider the notices and/or correspondence to be received by you on the 7<sup>th</sup> Business Day following the mailing or transmission.

Any notice or correspondence from you may be sent by regular mail, facsimile or electronic mail (provided a signature is not required) and will be considered received by us on the date we receive it at our Head Office in Waterloo, Ontario.

**Proof of Age:**

Equitable Life requires satisfactory proof of the date of birth of a Life Insured before making any payment under this policy or Rider.

**Participating:**

This policy, excluding any Riders that may be attached to it, is participating and therefore may be eligible for dividends, or to participate in any divisible surplus of the Company.

**Right of Rescission:**

You will have 10 calendar days from the date you receive this policy to cancel it provided you have given us written notice of your request to cancel it within the 10 days. If for any reason during that time you want to cancel the Contract, the market value of any Premium received will be refunded as of the date Equitable Life receives your notice requesting cancellation. This policy will then be considered void from inception.

**Settlement on Death:**

In the event of the first death of the Lives Insured under this policy, before making any payment under this policy, Equitable Life will require the policy and satisfactory proof of:

- (a) the death of the Life Insured;
- (b) the date of birth of the deceased Life Insured;
- (c) the sex of the deceased Life Insured; and
- (d) the claimant's right to receive payment.

**Simultaneous Deaths:**

Where both of the Lives Insured die at the same time or in circumstances where it is uncertain which of the lives insured died first, the Death Benefit payable shall be paid as though the oldest of the Lives Insured died first.

**Smoking Classification:**

At any time, subject to our administrative rules and guidelines, you may request that the Smoker Classification of a Life Insured be changed to a Non-Smoker classification by providing a written declaration to Equitable Life that provides satisfactory evidence to qualify that Life Insured as a Non-Smoker. Equitable Life reserves the right to require evidence of good health before approving a change in Smoking Classification.

**Suicide:**

Equitable Life will not pay any Death Benefit if the Life Insured dies by suicide, regardless of the mental state of the Life Insured, within two (2) years from the later of:

- (i) the Date Policy Takes Effect; and
- (ii) the last Reinstatement date of this policy.

**Limitation Period:**

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the Insurance Act or other applicable legislation.

## **Death Benefit**

***An important part of your Joint First to Die Equation Generation IV Universal Life Insurance policy is the Death Benefit provided to the Beneficiary(ies). The Death Benefit Option you have selected is shown on the Coverage Specifications page(s) of this policy.***

**Death Benefit:** The Death Benefit will be payable to the Beneficiary(ies) provided this policy is in effect as of the date of the first death of the Lives Insured. The proceeds payable at death are calculated as of the date Equitable Life receives notice of the first death of the Lives Insured under this policy. Immediately following the calculation of the proceeds payable at death, the Account Value attributable to the policy becomes zero. Any Indebtedness under the policy will be deducted from the proceeds payable.

On the Effective Date of this policy, the initial Death Benefit will be the Sum Insured as shown on the Coverage Specifications page(s) of this policy. Thereafter, the Death Benefit will be determined in accordance with one of the following Death Benefit Options as shown on the Coverage Specification page(s).

### **Death Benefit Options:**

**Level Protector:** Under this Death Benefit Option the Sum Insured will remain level for the duration of the policy unless you take a Cash Withdrawal or unless it is increased as required to assist in maintaining the tax exempt status of your policy. Upon the first death of the Lives Insured, the Company will pay the Beneficiary(ies) the Death Benefit which is equal to the greater of the Sum Insured or the Account Value attributable to this Equation Generation IV policy.

This Death Benefit Option is available with either Yearly Renewable Term (YRT) or Level Cost of Insurance Charges.

**Account Value Protector:** Under this Death Benefit Option the Sum Insured will remain level for the duration of the policy unless it is increased as required to assist in maintaining the tax exempt status of your policy. Upon the first death of the Lives Insured, the Company will pay the Beneficiary(ies) the Death Benefit which is equal to the Sum Insured plus the Account Value attributable to this Equation Generation IV policy.

This Death Benefit Option is available with either Yearly Renewable Term (YRT) or Level Cost of Insurance Charges.

## **Changes to Insurance Coverage**

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***With Joint First to Die Equation Generation IV Universal Life Insurance you can choose to make changes to the Insurance Coverage provided by your policy.***

At any time while this policy is in effect you may request any of the following changes, subject to the following requirements, and our current administrative rules and guidelines in effect at the time:

- (a) additional Insurance Coverage, subject to evidence of insurability as determined by the Company for all Lives Insured;
- (b) a decrease in Insurance Coverage; a pro-rata Surrender Charge will be applied. The Surrender Charges under this policy are shown in the Table of Charges;
- (c) cancellation of a Rider attached to this policy;
- (d) a change in Death Benefit Option, subject to evidence of insurability as determined by the Company for all Lives Insured;
- (e) a change in the Cost of Insurance Charges Type, subject to evidence of insurability as determined by the Company for all Lives Insured.

No other changes may be made.

All changes are subject to receipt of a written request from you at the Head Office of the Company.

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## Premiums

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**Premium is the term used to define the money that you pay to Equitable Life for your Joint First to Die Equation Generation IV Universal Life policy.**

**Premiums:**

All Premiums are payable to Equitable Life and must be received in our Head Office, in Waterloo, Ontario. You may choose to submit your Premium by mail or deliver it in person or by courier. You may also choose to have your Premiums automatically withdrawn from your chequing account with our pre-authorized debit plan (P.A.D.).

At any time while this policy is in effect you may make additional Premium payments. Your Premium payments may be increased or decreased at any time or you may change the frequency of the Premium payment, subject to limits and restrictions as determined by Equitable Life at that time.

Monies received during a Policy Year in excess of the Maximum Exempt Premium for that Policy Year will be deposited into the Shuttle Account and will not be considered a Premium paid under your Equation Generation IV policy. If at any time in the future, Equitable Life determines that monies can be transferred from the Shuttle Account to your Equation Generation IV policy, these monies will be considered to be Premiums paid to the policy.

**Net Premiums:**

Government Premium tax is deducted from each Premium paid to your Equation Generation IV policy. The percentage of the deduction required varies by province. Therefore, the premium tax deducted from your policy will be based on your province of residence. Equitable Life reserves the right to change the current deduction for the Government premium taxes should the premium taxes applicable to this policy be changed. Your Premium less the applicable premium tax is the Net Premium.

**Minimum Annual Premiums:**

The Minimum Annual Premium shown on the Policy Specifications page, is the Minimum Annual Premium applicable for the first Policy Year, including the charges for any Riders. **Payment of the Minimum Annual Premium does not guarantee that your policy will remain in effect.** Depending on the Cost of Insurance Charges, Death Benefit Option, Riders and performance of the Investment Interest Account(s) you have selected, the Minimum Annual Premium may not be sufficient to maintain your Equation Generation IV policy.

**Maximum Exempt Premium:**

The Maximum Exempt Premium is the maximum Premium that you can deposit into your Equation Generation IV policy during a Policy Year. At issue and at each Policy Anniversary thereafter we will calculate this amount for the upcoming Policy Year. The Maximum Exempt Premium is the estimated maximum amount that can be deposited to your policy while maintaining your policy exempt from accrual taxation under the provisions of the Income Tax Act (Canada) and Regulations.

## Investment Interest Accounts

***The Investment Interest Accounts make up the savings portion of your Joint First to Die Equation Generation IV Universal Life policy.***

**Interest Accounts:** Each Net Premium may be invested in any combination of the following Interest Accounts:

- (a) the Daily Interest Account;
- (b) the Guaranteed Deposit Accounts;
- (c) the Linked Interest Options
  - the Index Interest Options
  - the Performance Fund Interest Options
  - the Portfolio Interest Options

The portion of each Net Premium to be allocated to the various Interest Accounts is shown on your application for life insurance for this Equation Generation IV policy, unless subsequently changed by the Owner as described below.

All Net Premiums will be invested within five (5) Business Days of receipt of the Premiums at Equitable Life's Head Office in Waterloo, Ontario, or the date of transfer from the Shuttle Account.

You may request in writing to change the portion of the Net Premiums allocated to the various Investment Interest Accounts. The first change in any Policy Year is free of charge. Any additional changes in that Policy Year will be subject to a fee of \$25.00 per change.

**The following is a description of the Interest Accounts available with Equation Generation IV:**

**Daily Interest Account:** The interest rate credited on Net Premiums allocated to this account will be determined by Equitable Life from time to time, but is guaranteed not to be less than 90% of the yield on 91-Day Government of Canada Treasury Bills less 2% to a minimum credited interest rate of 0%.

The effective annual interest rate is compounded daily and credited to the Daily Interest Account at least once per month.

Should 91-Day Government of Canada Treasury Bills become unavailable, Equitable Life reserves the right to use another yield in determining the above guarantee.

**Account Value:** The Account Value of the Daily Interest Account at any time is equal to the following:

- (a) Net Premiums and net transfers credited to the Daily Interest Account; plus
- (b) Interest and any Incentive Bonus credited to the Daily Interest Account; less
- (c) Amounts withdrawn or transferred out of the Daily Interest Account; less
- (d) Any administration fees or charges deemed to have come from this account.

### **Guaranteed Deposit Accounts:**

You can select one or more Guaranteed Deposit Accounts for your Equation Generation IV policy. The terms available for each Guaranteed Deposit Account may be 1, 5, or 10 years. We reserve the right to change or discontinue Guaranteed Deposit Account terms available to you at any time.

The minimum amount that may be allocated to a Guaranteed Deposit Account at any time is \$500.00. If you have selected a Guaranteed Deposit Account as one of your Investment Interest Accounts, Premiums will be held in the Daily Interest Account until the \$500.00 minimum is accumulated. Each allocation to a Guaranteed Deposit Account is considered separate with its own interest rate and investment term.

Equitable Life will declare the interest rate for each new Guaranteed Deposit Account as of the date of the investment.

The interest rate for a Guaranteed Deposit Account with a term of 1 year is guaranteed not to be less than (90% of X\*), less 1.50% to a minimum credited interest rate of 0%.

**Investment Interest Accounts - continued****Guaranteed Deposit Accounts: - continued**

The interest rate for a Guaranteed Deposit Account with a term of 5 years is guaranteed not to be less than the greater of:

- (a) 1.00%; and
- (b) (90% of X\*) less 1.50%.

The interest rate for a Guaranteed Deposit Account with a term of 10 years is guaranteed not to be less than the greater of:

- (a) 2.00%; and
- (b) (90% of X\*) less 1.50%

\* "X" in the above formulas represents the yield on Government of Canada bonds with the same term and date of investment as the Guaranteed Deposit Account. If at any time there is not a regularly published Government of Canada Bond of the same term as the Guaranteed Deposit Account Equitable Life reserves the right to substitute the bond with the closest published term.

In determining the above guarantee, Equitable Life reserves the right to use a measurement other than the yield on Government of Canada Bonds should they become unavailable or unsuitable as determined by Equitable Life.

The effective date of each Guaranteed Deposit Account will be the same day of the month as the Effective Date of this policy that is coincident with or immediately following the date of investment. The term period for your Guaranteed Deposit Account is measured from this date.

At the end of the term of each Guaranteed Deposit Account, the Account Value of that Guaranteed Deposit Account will automatically be reinvested as another Guaranteed Deposit Account with the same term as the original Guaranteed Deposit Account unless you have elected otherwise in writing.

**Account Value:**

The Account Value of the Guaranteed Deposit Account(s) at any time is equal to the following:

- (a) Net Premium and net transfers credited to the Guaranteed Deposit Account(s); plus
- (b) interest and any Incentive Bonus credited to the Guaranteed Deposit Account(s); less
- (c) amounts withdrawn or transferred out of the Guaranteed Deposit Account(s) including any Market Value Adjustments that apply to these withdrawals or transfers; less
- (d) any administration fees or charges deemed to have come from this account.

**Maturity Value:**

The Maturity Value of a Guaranteed Deposit Account is the net amount originally invested in the Guaranteed Deposit Account plus the interest compounded annually at the guaranteed rate for the term you selected. Any amounts withdrawn, transferred out or deducted for monthly charges from the Guaranteed Deposit Account, including any Market Value Adjustment that may apply, are taken into account when the Maturity Value of a Guaranteed Deposit Account is determined.

**Market Value Adjustment:**

At any time prior to the end of the term of each Guaranteed Deposit Account, the Market Value Adjustment of a Guaranteed Deposit Account is the discounted value of the Maturity Value with the interest rate used for discounting being 1% plus the higher of:

- (a) the actual interest rate for each applicable Guaranteed Deposit Account, or
- (b) the then current interest rate based on the original term and band (as determined by us) of the Guaranteed Deposit Account being valued.

If a partial withdrawal or transfer to another Interest Account is being made a pro-rata Market Value Adjustment will apply.



## Investment Interest Accounts – continued

**Linked Interest Options:** You can select one or more of the Linked Interest Options for your Equation Generation IV policy. The Account Value of each Linked Interest Option must be at least \$150.00. If the minimum Account Value is not met we reserve the right to transfer the full value of that Linked Interest Option to the Daily Interest Account.

A Linked Interest Option Administration Fee may apply. (Refer to the Monthly Charges provision of this policy for details.)

### 1) Index Interest Options:

Net Premiums allocated to one or more of these Interest Accounts are credited or debited interest from the date each Net Premium is invested. The interest debited or credited is guaranteed to be not less than 100% of the comparative increase or decrease of the Total Return (which includes dividends) of the index tracked by the Index Interest Option. The rate of return the interest is based on can be either positive or negative depending on the movement of the applicable index. A negative rate of return will result in a debit to the Account Value (a negative interest rate). A positive rate of return will result in a credit to the Account Value (a positive interest rate).

Currently, interest rates are calculated on a daily basis (Business Day) at a time as determined by Equitable Life, based on the movement of the applicable index. We reserve the right to change the timing and frequency of the calculation at our discretion.

The applicable Index for each Index Interest Option is selected by Equitable Life and may change at any time. We reserve the right to discontinue the use of any Index Interest Option(s) at our discretion, without prior notification, and transfer the Account Value to a similar Index Interest Option as determined by us, or if a similar Index Interest Option is not available at that time, we will transfer the Account Value to the Daily Interest Account.

For information on the index tracked by each Index Interest Option and its past performance please ask your financial advisor or visit our website as shown on your most recent policy statement.

The following are the current Index Interest Options available with Equation Generation IV:

#### (a) Canadian Equity Index Interest Option:

The index tracked will consist primarily of Canadian equity stocks and Equitable Life guarantees to provide interest not less than 100% of the comparative increase or decrease of the total return of the applicable index;

#### (b) American Equity Index Interest Option:

The index tracked will consist primarily of U.S. equity stocks and Equitable Life guarantees to provide interest not less than 100% of the comparative increase or decrease of the total return of the applicable index, after converting to Canadian dollars. The conversion to Canadian dollars will be based on a rate obtained from a recognized quotation service as selected by Equitable Life;

#### (c) U.S. Technologies Index Interest Option:

The index tracked will consist primarily of U.S. technology stocks and Equitable Life guarantees to provide interest not less than 100% of the comparative increase or decrease of the total return of the applicable index, after converting to Canadian dollars. The conversion to Canadian dollars will be based on a rate obtained from a recognized quotation service as selected by Equitable Life;

#### (d) European Index Interest Option:

The index tracked will consist primarily of large, well-known European stocks and Equitable Life guarantees to provide interest not less than 100% of the comparative increase or decrease of the total return of the applicable index, after converting to Canadian dollars. The conversion to Canadian dollars will be based on a rate obtained from a recognized quotation service as selected by Equitable Life;

#### (e) U.S. Blue Chip Index Interest Option:

The index tracked will consist primarily of stocks of large, well-known U.S. companies and Equitable Life guarantees to provide interest not less than 100% of the comparative increase or decrease of the total return of the applicable index, after converting to Canadian dollars. The conversion to Canadian dollars will be based on a rate obtained from a recognized quotation service as selected by Equitable Life.

## Investment Interest Accounts – continued

### 2) Performance Fund Interest Options:

Net Premiums allocated to one or more of these accounts are credited or debited interest from the date each Net Premium is invested. The interest credited or debited is guaranteed to be not less than 100% of the net rate of return (i.e. less management fees and assuming the reinvestment of dividends) of the applicable mutual fund for each Performance Fund Interest Option. The rate of return the interest is based on can be either positive or negative depending on the movement of the applicable mutual fund. A negative rate of return will result in a debit to the Account Value (a negative interest rate). A positive rate of return will result in a credit to the Account Value (a positive interest rate).

Currently, interest rates are calculated on a daily basis (Business Day) at a time determined by Equitable Life, based on the movement of the applicable mutual fund. We reserve the right to change the timing and frequency of the calculation at our discretion.

For each Performance Fund Interest Option the applicable mutual fund and series are selected by Equitable Life and may change at any time. We reserve the right to discontinue the use of any Performance Fund Interest Option at our discretion, without prior notification, and transfer the Account Value to a similar Performance Fund Interest Option as determined by us, or if a similar Performance Fund Interest Option is not available at that time, we will transfer the Account Value to the Daily Interest Account.

For information on the mutual fund tracked by each Performance Fund Interest Option and its past performance please ask your financial advisor or visit our website as shown on your most recent policy statement.

The following are the current Performance Fund Interest Options available with Equation Generation IV:

**(a) Performance Fund Interest Option – Global**

The mutual fund tracked will invest mainly in equity securities of companies around the world and fixed income securities issued by governments or companies in any country. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund;

**(b) Performance Fund Interest Option – Canadian**

The mutual fund tracked will invest mainly in a mix of long term capital growth and fixed income securities issued primarily by Canadian issuers. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund;

**(c) Performance Fund Interest Option – Canadian Bond**

The mutual fund tracked will invest mainly in fixed income Canadian securities. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund;

**(d) Performance Fund Interest Option – Global Fixed Income**

The mutual fund tracked will invest mainly in bonds issued by foreign companies and governments. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund;

**(e) Performance Fund Interest Option – Canadian Value Stock**

The mutual fund tracked will invest mainly in Canadian equities and Canadian companies. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund;

**(f) Performance Fund Interest Option – Large Cap Canadian Equity**

The mutual fund tracked will invest mainly in a select group of high-quality, large-cap Canadian businesses. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund;

**(g) Performance Fund Interest Option – Global Balanced**

The mutual fund tracked will invest mainly in debt and equity securities issued around the world. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund.

**Investment Interest Accounts – continued****3) Portfolio Interest****Options:**

Net Premiums allocated to one or more of these accounts are credited or debited interest from the date each Net Premium is invested. The interest credited or debited is guaranteed to be not less than 100% of the net rate of return (i.e. less management fees and assuming the reinvestment of dividends) of the applicable portfolio for each Portfolio Interest Option. The rate of return the interest is based on can be either positive or negative depending on the movement of the applicable portfolio. A negative rate of return will result in a debit to the Account Value (a negative interest rate). A positive rate of return will result in a credit to the Account Value (a positive interest rate).

Currently, interest rates are calculated on a daily basis (Business Day) at a time determined by Equitable Life, based on the movement of the applicable portfolio. We reserve the right to change the timing and frequency of the calculation at our discretion.

For each Portfolio Interest Option the applicable portfolio and series are selected by Equitable Life and may change at any time. We reserve the right to discontinue the use of any Portfolio Interest Option at our discretion, without prior notification, and transfer the Account Value to a similar Portfolio Interest Option as determined by us, or if a similar Portfolio Interest Option is not available at that time, we will transfer the Account Value to the Daily Interest Account.

For information on the portfolio tracked by each Portfolio Interest Option and its past performance please ask your financial advisor or visit our website as shown on your most recent policy statement.

The following are the current Portfolio Interest Options available with Equation Generation IV:

- (a) **Diversified Income Portfolio Interest Option:**  
The portfolio tracked will invest mainly in a diversified mix of income and bond mutual funds. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable portfolio;
- (b) **Balanced Income Portfolio Interest Option:**  
The portfolio tracked will invest mainly in a diversified mix of equity and income mutual funds with a bias towards income. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable portfolio;
- (c) **Balanced Growth Portfolio Interest Option:**  
The portfolio tracked will invest mainly in a diversified mix of equity and income mutual funds, with a bias towards capital appreciation. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable portfolio;
- (d) **Growth Portfolio Interest Option:**  
The portfolio tracked will invest mainly in a diversified mix of equity mutual funds, with some fixed income mutual funds to provide stability. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable portfolio;
- (e) **Diversified Equity Portfolio Interest Option:**  
The portfolio tracked will invest primarily in a diversified mix of global equity mutual funds. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable portfolio;

**Account Value:**

At any time the Account Value of a Linked Interest Option is equal to the following:

- (a) Net Premiums and net transfers credited to that Linked Interest Option; plus
- (b) interest and any Incentive Bonus credited to that Linked Interest Option; less
- (c) interest debited to that Linked Interest Option; less
- (d) amounts withdrawn or transferred out of that Linked Interest Option; less
- (e) any administration fees or charges deemed to have come from these accounts.

## Investment Interest Accounts – continued

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### Changes to Your Investment Interest Accounts:

You may select to change your Investment Interest Accounts or the percentage of your Net Premium allocated to the various Investment Interest Accounts at any time, provided you submit your request in writing to Equitable Life's Head Office.

You may elect to transfer a portion of the Account Value of this policy from one Investment Interest Account to another Investment Interest Account available under this policy at any time, provided you submit your request in writing to Equitable Life's Head Office.

Equitable Life reserves the right to limit the number of requested transfers in any Policy Year.

There will be no additional fees charged for the transfers outlined below:

- (a) **Daily Interest Account:** You may elect to move savings from the Daily Interest Account to a Guaranteed Deposit Account or a Linked Interest Option at any time subject to minimum deposit requirements as determined by us. These transfers are based on the Account Value of the Daily Interest Account being transferred as of the effective date of the transfer.
- (b) **Guaranteed Deposit Account:** You may elect to move savings from one Guaranteed Deposit Account to another Guaranteed Deposit Account, the Daily Interest Account or a Linked Interest Option. These transfers are based on the Market Value Adjustment of the Account as of the effective date of the transfer. The Account Value of the Guaranteed Deposit Account must be at least equal to the \$500.00 minimum after the transfer has been made.
- (c) **Linked Interest Options:** You may request to move savings from a Linked Interest Option to another Linked Interest Option, the Daily Interest Account or a Guaranteed Deposit Account, subject to minimum deposit requirements as determined by us. These transfers are based on the Account Value of the Linked Interest Option being transferred as of the effective date of the transfer.

The effective date of the transfer will be within five (5) business days of receipt of your written request at Equitable Life's Head Office.

### About Your Investment Interest Accounts:

Linked Interest Options are NOT Mutual Funds, Portfolio Funds, or Indexes; you are NOT acquiring units in a mutual fund or investment fund or other security. You are placing funds on deposit, earning interest, with the general funds of Equitable Life. Performance is NOT guaranteed. You may be credited positive or negative interest depending on the performance of the Mutual Fund, Portfolio or Index being tracked. The Mutual Fund, Portfolio or Index being tracked may change at any time. Linked Interest Option Administration Fees may apply.

## Policy Values

**Incentive Bonus:** An Incentive Bonus will be credited to the Account Value of your Equation Generation IV policy beginning on the 15<sup>th</sup> Policy Anniversary, and on each Policy Anniversary thereafter, provided the Account Value at the applicable Policy Anniversary is not less than two (2) times the accumulated total of the Minimum Annual Premiums since the Effective Date of the policy.

The Incentive Bonus will be credited to the Account Value of this policy on the applicable Policy Anniversary as follows:

Policy Anniversary	Annual Bonus Percent
1 -14	0.00%
15+	0.50%

Currently the Incentive Bonus credited will be allocated to the Investment Interest Accounts in the same manner as Premiums received. Equitable Life reserves the right to change the manner in which the Incentive Bonus is allocated to the Investment Interest Accounts at any time without prior notification.

**Account Value:** The Account Value of this Equation Generation IV policy at any time will be equal to the sum of the following:

- (a) the Account Value of the Daily Interest Account;
- (b) the Account Value of all Guaranteed Deposit Accounts;
- (c) the Account Value of all Linked Interest Options.

**Cash Surrender Value:** The Cash Surrender Value of this Equation Generation IV policy at any time will be equal to the sum of the following:

- (a) the Account Value of the Daily Interest Account;
- (b) the Market Value Adjustment of all Guaranteed Deposit Accounts;
- (c) the Account Value of all Linked Interest Options;

reduced by the total Surrender Charges and any Indebtedness to the policy.

**Policy Surrender Value:** The Policy Surrender Value of this Equation Generation IV policy at any time will be equal to the Cash Surrender Value plus the Shuttle Account Value.

**Non-Guaranteed Values:** The interest rate for the Linked Interest Options is **NOT GUARANTEED** and could be positive or negative depending on the performance of the applicable Linked Interest Options. A negative rate of return will result in a debit to the Account Value (a negative interest rate). A positive rate of return will result in a credit to the Account Value (a positive interest rate).

**Surrender Charges:** The Surrender Charges applicable to this policy are shown in the Table of Charges. If you choose to surrender your Equation Generation IV policy in the first or second Policy Years, the Surrender Charge is shown in the Table of Charges. For subsequent years up to and including year 10, where the charge is zero (0), monthly values will grade linearly to the value at the next Policy Anniversary. At the 10<sup>th</sup> Policy Anniversary and thereafter the Surrender Charge is zero (0).

If you take a withdrawal during the first ten (10) Policy Years, a pro-rata Surrender Charge will be calculated but not applied. Upon full surrender of your Equation Generation IV policy during the first ten (10) Policy Years, any pro-rata Surrender Charges that were calculated but not applied due to withdrawals, will apply upon the full surrender of the policy. Therefore at any time during the first ten (10) Policy Years, the total Surrender Charges are the total of the above, plus any Surrender Charges held in suspense for any previous withdrawals.

## Monthly Charges

***On each Monthly Anniversary a charge will be withdrawn from the Investment Interest Accounts of your Joint First to Die Equation Generation IV policy. These monthly charges include but are not limited to the costs for the insurance portion of your plan, as well as any additional Riders or benefits.***

The monthly charge for your Equation Generation IV policy will be equal to the sum of the following:

- (a) the total Administration Charges applicable for this policy;
- (b) the total of all Cost of Insurance Charges applicable to this policy;
- (c) the total Monthly Charge(s) for any optional additional benefits and Riders;
- (d) the Linked Interest Option Administration Fees.

Equitable Life will automatically deduct the Monthly Charges from the Accounts and/or Linked Interest Options based on the method you elected on the application for life insurance. You may have elected a percentage (%) of the total monthly charges to be deducted from specific accounts or you may have elected the monthly charges be deducted from all accounts on a pro-rata basis, depending on the Account Value in the Accounts at the Monthly Anniversary. In the event that you did not elect a method for deduction of monthly charges, the default method of pro-rata from all Accounts will be the method used. At any time you may change the method and/or Accounts from which your Monthly Charges are deducted by providing written notice at Equitable Life's Head Office.

If the Monthly Charges listed in items (a), (b), and (c), have not previously ceased, they will cease on the Policy Anniversary after the Equivalent Single Age is 100. (The same period as shown in the Table of Charges). Thereafter, no further deduction for these charges will be made.

Equitable Life reserves the right to deduct from the Investment Interest Accounts an amount equal to any taxes or assessments applicable to the policy, including those that are currently in place or may be subsequently imposed.

**Administration Charges:** The guaranteed Administration Charge for this Joint First-to-Die Equation Generation IV policy is \$10.00 per month.

### **Cost of Insurance Charges Type:**

The Cost of Insurance Charge for each Insurance Coverage is determined at the beginning of each Policy Month. The Cost of Insurance Charge is calculated by multiplying the current Amount at Risk by the current Cost of Insurance Rate for the applicable Insurance Coverage as shown in the Table of Charges.

Your Joint First to Die Equation Generation IV policy has a choice of two (2) Cost of Insurance Types. You may choose from Yearly Renewable Term (YRT) or Level Cost of Insurance (Level for Life). If you have selected YRT Cost of Insurance Charges, the rate per thousand of Amount at Risk will increase yearly until the Policy Anniversary after the Equivalent Single Age is 100. If you have selected Level Cost of Insurance Charges, the rate per thousand of Amount at Risk will remain level until the Policy Anniversary after the Equivalent Single Age is 100.

Subject to any minimum and maximum age restrictions and our administrative rules and guidelines in effect at the time, you may change your Cost of Insurance Charges from one type to another provided they are applicable to your Death Benefit Option. Evidence of insurability, as determined by Equitable Life, may be required when switching from one Cost of Insurance Charges type to another. The Cost of Insurance Charges that will apply will be the rates, if then available, at the Lives Insured attained Equivalent Single Age with the same class of risk and smoking status.

The Amount at Risk for an Insurance Coverage is equal to the Death Benefit less the Account Value attributable to that Insurance Coverage.

The Cost of Insurance rates, as shown in the Table of Charges, are guaranteed not to increase from those shown.

**Monthly Charges – continued****Additional Benefit  
And Rider Charges:**

If you have elected to include any additional Benefit(s) and/or Rider(s) with your Equation Generation IV policy, Monthly Charges applicable to the additional Benefit(s) and/or Rider(s) are specified on the Coverage Specifications page(s) and/or are shown in the Table of Charges.

**Linked Interest Option  
Administration  
Fees:**

The Linked Interest Option Administration Fees apply only to the Account Value of the Index Interest Options, the Performance Fund Interest Options and the Portfolio Interest Options.

The current and maximum Linked Interest Option Administration Fees which apply to the Index Interest Options are as follows:

Canadian Equity Index Interest Option:	1.75% per Policy Year (0.1458% per month);
American Equity Index Interest Option:	1.75% per Policy Year (0.1458% per month);
U.S. Technologies Index Interest Option:	1.95% per Policy Year (0.1625% per month);
European Index Interest Option:	1.95% per Policy Year (0.1625% per month);
U.S. Blue Chip Index Interest Option:	1.75% per Policy Year (0.1458% per month).

The Linked Interest Option Administration Fees applicable to the Index Interest Options may be changed at any time, without prior notification, however, Equitable Life guarantees they will not exceed the current maximums.

The current and maximum Linked Interest Option Administration Fees which apply to the Account Value of the Performance Fund Interest Options (PFIO) are as follows:

PFIO – Global	0.00% per Policy Year (0.00% per month)
PFIO – Canadian	0.75% per Policy Year (0.0625% per month)
PFIO – Canadian Bond	0.75% per Policy Year (0.0625% per month)
PFIO – Global Fixed Income	0.00% per Policy Year (0.00% per month)
PFIO – Canadian Value Stock	0.00% per Policy Year (0.00% per month)
PFIO – Large Cap Canadian Equity	0.00% per Policy Year (0.00% per month)
PFIO – Global Balanced	0.00% per Policy Year (0.00% per month)

Linked Interest Option Administration Fees applicable to the Performance Fund Interest Options may be changed at any time, without prior notification, however Equitable Life guarantees the fees will never exceed the current maximums.

The current and maximum Linked Interest Option Administration Fees which apply to the Account Value of Portfolio Interest Options (PIO) are as follows:

Diversified Income PIO	0.45% per Policy Year (0.0375% per month)
Balanced Income PIO	0.45% per Policy Year (0.0375% per month)
Balanced Growth PIO	0.45% per Policy Year (0.0375% per month)
Growth PIO	0.45% per Policy Year (0.0375% per month)
Diversified Equity PIO	0.45% per Policy Year (0.0375% per month)

Linked Interest Option Administration Fees applicable to the Portfolio Interest Options may be changed at any time, without prior notification, however, Equitable Life guarantees the fees will never exceed the current maximums.

## Cash Withdrawals

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***With your Equation Generation IV Universal Life policy you have access to the cash accumulating in your policy if and when you need or want it.***

Cash Withdrawals from this Equation Generation IV policy are permitted at any time provided the Head Office of Equitable Life receives a written request from you.

The amount you can withdraw must be at least \$500.00 and cannot exceed the current Policy Surrender Value, less any Indebtedness, less, \$500.00. A Market Value Adjustment may apply to amounts withdrawn from the Guaranteed Deposit Accounts. For details on how the Policy Surrender Value is determined please see the Policy Values section.

If you choose to withdraw cash from your policy, the Death Benefit will be reduced by the portion of the Account Value withdrawn.

If you have elected Account Value Protector as your Death Benefit Option, the Account Value will reduce by the amount withdrawn, thereby reducing the Death Benefit. If you have elected Level Protector as your Death Benefit Option, the Sum Insured will be reduced by the portion of the Account Value withdrawn, thereby reducing the Death Benefit.

If you choose to withdraw cash from your policy within the first ten (10) Policy Years, a pro-rata Surrender Charge equal to the amount withdrawn multiplied by the appropriate Surrender Charge rate divided by 1000 will be calculated but not deducted at the time of withdrawal. If you surrender your policy prior to completion of the 9<sup>th</sup> Policy Year, the Surrender Charge that would have been applied to the Cash Withdrawal will be deducted at that time along with any other Surrender Charges that may apply at that time.

Cash Withdrawals from your policy may have tax consequences and may be subject to income tax.

Equitable Life will charge a \$25.00 fee for each Cash Withdrawal from your policy.

You may specify the Investment Interest Accounts from which your withdrawals are to be made. However, if there is any value in the Shuttle Account, all Cash Withdrawals will be made from this Account first. In the absence of written instructions Equitable Life will make the withdrawals from the Investment Interest Accounts using the same method as used for Monthly Charges, until Equitable Life receives alternative written instruction from you at our Head Office.

Daily Interest Account, Guaranteed Deposit Account and Linked Interest Option minimum balance requirements must continue to be met.

The effective date of your Cash Withdrawal will be within five (5) Business Days of receipt of your written request at the Head Office of Equitable Life.



## Policy Loans

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***If a Cash Withdrawal does not meet your needs, you can take a Policy Loan with your Equation Generation IV policy.***

At any time while this Equation Generation IV policy is in effect, provided it has accumulated a Cash Surrender Value, you may request a Policy Loan from Equitable Life subject to our administrative rules and guidelines in effect at that time.

A Policy Loan will only be granted after Equitable Life has received a completed loan application. Normally, we will make the loan within thirty (30) days after the completed loan application has been received at our Head Office, in Waterloo, Ontario. However, we reserve the right to defer the loan for up to six (6) months.

You may borrow up to the amount by which the Maximum Loan Value of this policy exceeds any current Indebtedness to your Equation Generation IV policy.

The Maximum Loan Value for this policy is equal to 90% of the Cash Surrender Value excluding the Account Value of all Linked Interest Options reduced by one year's loan interest. Interest will be charged on Policy Loans at a rate as set by us from time to time and will accrue daily from the effective date of the loan.

At each Policy Anniversary, if the interest due on your Policy Loan is not paid, Equitable Life will add the interest due to the balance of your loan and interest will be charged on the entire Indebtedness under your policy. At any time, while this policy is in effect, you may repay all or a part of the amounts owed on the policy subject to a minimum amount as determined by us.

Taking a Policy Loan against the available value in your policy may have tax consequences and may be subject to income tax.

If, at any time while this policy is in effect, the total indebtedness to Equitable Life under this policy exceeds the Maximum Loan Value, Equitable Life reserves the right to transfer sufficient amounts, if available, from the Linked Interest Options to the Daily Interest Account or the Guaranteed Deposit Accounts, without prior notice, to ensure that the Indebtedness of the Policy remains equal to the Maximum Loan Value. The required amounts will be transferred from the Linked Interest Options using the same method as elected by you for deduction of monthly charges and deposited to the Daily Interest Account, provided the Linked Interest Option minimum balance requirements are met. If sufficient amounts are not available in the Linked Interest Options, the policy will lapse, your Insurance Coverage will terminate and Equitable Life will have no further liability under this policy subject to your rights under "Reinstatement".

The value of the Shuttle Account will not be considered in any Policy Loan calculation. You may not take a Policy Loan against the value in the Shuttle Account.

At the first death of the Lives Insured under this policy, the portion of any outstanding Policy Loan balance plus any accrued interest will be deducted from the Death Benefit.

## **Policy Surrender**

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At any time while your Equation Generation IV policy is in effect, you may surrender your policy for its current Policy Surrender Value, less any Indebtedness to the policy.

Please refer to the Policy Values Section of this policy for details on Policy Surrender Value determination.

On request to surrender your policy the Policy Surrender Value will be paid to you within thirty (30) days of receipt of your written request to surrender. However, we reserve the right to defer payment for a period up to six (6) months after the date we receive your request to surrender. If we defer payment for thirty (30) days or more, we will add interest, at an interest rate determined by us, calculated from the effective date of surrender of your policy to the date we forward payment of the Policy Surrender Value to you.

The effective date of surrender of your policy will be within five (5) Business Days of receipt of your written request at Equitable Life's Head Office. This policy and all benefits and any Riders associated with this policy will terminate on the effective date of the surrender and Equitable Life will have no further liability under this policy or any Riders.

Surrendering your policy for its Policy Surrender Value may have tax consequences and may be subject to income tax.

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## Policy Lapse

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Your Equation Generation IV policy will lapse and all liability of Equitable Life will cease at the earliest date on which:

- (a) the Account Value of the policy is equal to zero (0);
- (b) the Cash Surrender Value of the policy is equal to zero (0) and the total of all Premiums paid, less all Cash Withdrawals, is less than the sum of the Minimum Annual Premiums, including any Rider or additional benefit Premiums payable since the Effective Date of this policy; or
- (c) the Indebtedness under this policy is equal to the Cash Surrender Value of the policy.

However, the coverage under your policy will continue until the end of the Grace Period.

### Grace Period:

A Grace Period of 31 days measured from the date of policy lapse, as defined above, is permitted for payment in full of all overdue amounts as determined by Equitable Life. Your Equation Generation IV policy will terminate as of the date of lapse, if at the end of the Grace Period all overdue amounts have not yet been paid. Equitable Life will have no further liability under this policy.

In the event the first death of the Lives Insured occurs during the Grace Period, the portion of any overdue amounts applicable to the policy will be deducted from the Death Benefit payable.

### Lapse Extension:

Your policy may continue for a maximum of 12 months, during which time we will deduct the Monthly Charges from your Account Value provided all of the following conditions are satisfied:

- (a) the policy has been in effect for at least 3 years;
- (b) the Account Value of the policy is greater than zero and sufficient to pay the Monthly Charges for a period of 12 months; and
- (c) the Indebtedness under the policy does not exceed the policy's current Cash Surrender Value.

After the maximum 12 months, unless a full Premium payment is remitted to cover all overdue amounts as determined by Equitable Life, your policy will terminate effective immediately. All benefits and Riders applicable to this policy will cease at that time and the policy will be terminated subject to the Grace Period provision above. Equitable Life will have no further liability under this policy.

### Reinstatement:

- a) If your Equation Generation IV insurance policy lapses at the end of the Grace Period because a premium due at the beginning of the Grace Period was not paid, the policy may be reinstated by payment of the overdue premium within a further period of thirty (30) days after the end of the Grace Period, but only if the Lives Insured are alive at the time payment is made.
- b) If your Equation Generation IV insurance policy lapses and is not reinstated under subsection (a), the policy may be reinstated within two (2) years of its lapse upon written application by you and submission of evidence of insurability (according to the then current underwriting guidelines as determined by Equitable Life) pertaining to all the Lives Insured (based on their attained age) that is satisfactory to Equitable Life.

The Reinstatement of this policy must be accompanied by the payment of an amount equal to the sum of the following:

- (i) the Premiums that would have been required to maintain the policy in effect from the date of lapse to the date of reinstatement; plus
- (ii) interest due on the above amount; plus
- (iii) any Indebtedness under this policy.

These amounts will be determined by Equitable Life at the time of request of Reinstatement.

The rate of interest to be charged above will be determined by Equitable Life, but will not exceed that permitted under current legislation.

Any Account Value remaining in the policy at the time of lapse will be treated as a new investment and deposited as of the date of Reinstatement in the Daily Interest Account.

## **Disability Benefit Disbursement**

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The Disability Benefit Disbursement allows the Owner to apply for a payment from the Account Value of this policy if the Life Insured becomes disabled from a severe mental or physical impairment as described below.

The Disability Benefit Disbursement may be paid out subject to the following conditions and our administrative rules and guidelines in effect at the time of the disbursement:

- (a) one Disability Benefit Disbursement per policy will be permitted in any Policy Year;
- (b) each Disability Benefit Disbursement during the Surrender Charge period will be subject to the applicable Surrender Charge for that year;
- (c) if a Disability Benefit Disbursement is taken from the Guaranteed Deposit Accounts, a Market Value Adjustment will apply. The Market Value Adjustment calculation will be the same as the Market Value Adjustment which applies to a regular cash withdrawal;
- (d) the minimum and maximum Disability Benefit Disbursement in any Policy Year will be subject to our administrative rules and guidelines in effect at the time of the disbursement;
- (e) any fees that may apply for withdrawals made under the Disability Benefit Disbursement will be subject to our administrative rules and guidelines in effect at the time of the disbursement.

You may specify the Interest Accounts from which a Disability Benefit Disbursement is to be made. However, if there is any value in the Shuttle Account, all Disability Benefit Disbursements will be made from the Shuttle Account first, regardless of the order specified by you. In the absence of written instructions for Disability Benefit Disbursements, Equitable Life will make the withdrawals from the Shuttle Account and Interest Accounts using the same method as used for Monthly Charges.

The Account Value applicable to this policy will be reduced by the amount of the Disability Benefit Disbursement. If you have elected Level Protector as the Death Benefit Option for your Equation Generation IV policy, the Sum Insured will be reduced by the amount of the Disability Benefit Disbursement. If you have elected Account Value Protector as the Death Benefit Option for your Equation Generation IV policy, the Death Benefit will be reduced by the amount of the Disability Benefit Disbursement. If a Disability Benefit Disbursement occurs during the Surrender Charge period, a pro-rata Surrender Charge will be calculated but not deducted at the time of payment. If you surrender your policy prior to the completion of the Surrender Charge period, the Surrender Charge that would have applied to the Disability Benefit Disbursement will be deducted at that time along with any other Surrender Charge which may apply at that time.

A Disability Benefit Disbursement may not be available if you assigned this policy or if you have made an irrevocable beneficiary designation for the proceeds of this policy. You may be able to take a Disability Benefit Disbursement upon written authorization to Equitable Life of the assignee or the irrevocable beneficiary, subject to our administrative rules and guidelines in effect at that time and the then current income tax legislation.

Qualifying to receive the Disability Benefit Disbursement does not guarantee that your policy will remain in effect. If you have not elected Waiver of Charges as an additional Rider with this policy on the Life Insured for whom this Disability Benefit Disbursement applies, you must continue to make sufficient Premium payments in order to keep your Equation Generation IV policy in effect. .

**Disability Benefit Disbursement – continued**

In order to receive the Disability Benefit Disbursement, the Owner must provide at their own expense evidence in writing satisfactory to Equitable Life from a medical practitioner, who is qualified and licensed in Canada, of the exhibited severe physical or mental impairment of the Life Insured. The impairment must have existed for a period of at least 90 days and:

- (a) must markedly restrict the ability of the Life Insured to perform any one of the following basic activities of daily living:
    - (i) perceiving, thinking and remembering;
    - (ii) feeding and dressing himself or herself;
    - (iii) speaking so as to be understood, in a quiet setting, by another person familiar with the Life Insured;
    - (iv) hearing so as to understand, in a quiet setting, another person familiar with the Life Insured;
    - (v) eliminating (bowel or bladder functions); or
    - (vi) walking;
  - or (b) (i) must prevent that Life Insured, if normally employed, from performing the essential duties of his or her occupation or employment; or
    - (ii) must prevent that Life Insured, if not normally employed, from performing the essential duties of any occupation or employment for which he or she is qualified or could reasonably become qualified by reason of education; training or experience; or
    - (iii) must prevent that Life Insured, if normally responsible for the maintenance of a home or care of immediate family members, from performing the essential duties of maintaining that home or caring for those individuals;
- and the impairment under sub-paragraph (a) or (b) above must arise from one or more of the following:
- AIDS (Acquired Immune Deficiency Syndrome) or HTLV-III and/or HIV infection,
  - Alzheimer's Disease,
  - Cancer or Tumour,
  - Coronary Artery Disease, Myocardial Infarction, or Congestive Heart Failure
  - Chronic Kidney Failure, or Chronic Liver Disease,
  - Loss of a Limb,
  - Neuromotor disease,
  - Muscular Dystrophy,
  - Paralysis, paraplegia, or quadriplegia,
  - Receipt of a major organ transplant,
  - Third degree burns over more than 50% of the body,
  - Multiple Sclerosis,
  - Hepatitis,
  - Stroke, with or without paralysis,
  - Huntington's Chorea;
- or (c) has resulted in the total and permanent loss of sight in both eyes, or the use of both hands, or the use of both feet, or the use of one hand and one foot;
  - or (d) either the impairment or the illness or injury that caused the impairment is expected by the medical practitioner to result in the death of that Life Insured within 24 months of the date of diagnosis.

**Pre-existing Conditions:** No Disability Benefit Disbursement will be payable if we determine that a Life Insured, who would have otherwise qualified for the Disability Benefit Disbursement, had that Disability at the Effective Date or the Reinstatement Date of this policy. That determination will be based on the conditions specifically identified in, or that can reasonably be inferred to have existed at that time from, the application, a related declaration of health, or other information required by Equitable Life.

**Taxation:** As of the Effective Date of this policy the Income Tax Act (Canada) and Regulations provide that a disability benefit is not considered a disposition of an interest in a life insurance policy. Therefore as of the Effective Date of this policy disability benefits are not subject to income tax. However, Equitable Life offers no guarantee that a Disability Benefit Disbursement will not be subject to income tax at the time it is made. Furthermore, it may not always be in the best interest of the Owner to take a Disability Benefit Disbursement, should the Income Tax Act (Canada) and Regulations change in the future.

### **Bereavement Counselling Benefit**

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On the first death of the Lives Insured under this policy and payment of the Death Benefit, Equitable Life will provide a Bereavement Counselling Benefit to the Beneficiary(ies) of this Equation Generation IV policy. Equitable Life will reimburse the Beneficiary(ies) up to a maximum of \$500.00 toward the cost of counselling expenses, as long as the following rules are adhered to:

- the Beneficiary(ies) will submit receipts within 12 months of the date of the first death of the Lives Insured; and
- the counsellor has professional accreditation or certification as determined appropriate by Equitable Life.

Reimbursement is subject to Equitable Life's then current administrative practices.

Regardless of the number of Beneficiaries under this policy only a sum total of \$500.00 will be reimbursed for counselling for all Beneficiaries. Equitable Life will not proportion the distribution of this benefit as per Beneficiary designation. Payment under this benefit will result upon remittance of receipts only.

### **Dividends**

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While in effect, this Equation Generation IV policy may, at the end of each Policy Year, participate in the distribution of surplus of Equitable Life. If a distribution is declared for this policy, it will be credited as a dividend. The declaration of a dividend and the amount of any dividend payable, if any, will be determined by Equitable Life.

If any policy dividends are declared, they will be credited in a manner determined by Equitable Life at that time.

### **Protection From Creditors**

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Protection from creditors of the Owner may be available with your Equation Generation IV policy, subject to certain conditions.

## **Special Options Provision**

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The Joint First to Die Equation Generation IV Universal Life policy contains the following Special Options Provisions and forms part of this contract.

### **Additional Death Benefit:**

If, within 60 days of the first death of the Lives Insured, any surviving Life Insured should die, we will pay to the Beneficiary an additional death benefit equal to the sum insured in effect at the date of the first death.

### **Option on the First Death:**

This policy terminates at the first death of the Lives Insured. At the first death of the Lives Insured, the Owner or the surviving life insured may request in writing, within 60 days of the first death and without evidence of insurability, the option to purchase new single life permanent plan coverage on the surviving life insured, for an amount up to a maximum of the sum insured in effect at the date of the first death and subject to the minimum amount of coverage required for the plan selected. The premium and/or cost of insurance charges for the new permanent plan coverage will be based on the attained Age of the surviving life insured at the rates in effect at that time for a similar class of risk as determined by us. The new coverage must meet the minimums and maximums then required by us for the amount of insurance coverage, premiums and age for the products selected.

### **Option to Elect Individual Policies:**

At any Policy Anniversary prior to the Policy Anniversary nearest Age 75 of the oldest life insured and upon proof of material change in the relationship of the lives insured under this policy, as long as this policy is in good standing, the Owner may request in writing, within 60 days of a policy anniversary, to surrender this Joint First to Die Equation Generation IV policy and without evidence of insurability, elect new individual single life permanent plan coverage on each of the lives insured under this policy for an amount up to a maximum of the sum insured in effect at the time of surrender, subject to the minimum amount of coverage required for the plan selected. The premiums and/or cost of insurance charges for the new individual single life permanent coverages will be based on the attained Age of each life insured at the rates in effect at that time, for a similar class of risk as determined by us. The new coverage(s) must meet the minimums and maximums then required by us for the amount of insurance coverage, premiums and age for the products selected. This Joint First to Die Equation Generation IV policy contract will terminate at the time the new single life plan coverage(s) are issued.

If premiums or cost of insurance charges for this Joint First to Die Equation Generation IV policy are being waived under the Waiver of Premium Rider or Waiver of Monthly Charges Rider and written request is received to elect individual policies, the premiums or cost of insurance charges will NOT be waived under the new policies and will be payable for any new permanent plan coverage issued on the lives insured through this provision.

Riders and Benefits issued with the original Joint First to Die Equation Generation IV Universal Life policy may be added to the new policy coverage subject to availability and our current administrative rules and practices.

If this policy contains any exclusion, a similar exclusion will apply to the newly issued policy contract, along with any limitations to our liability included for the type, amount, and Risk Classification of the coverage issued.

All changes are subject to receipt of a written request from the Owner at the Head Office of the Company and to terms and conditions determined by Equitable Life at that time.

## **Tax Status**

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This Equation Generation IV policy is issued with the intention that it will be maintained exempt from accrual taxation under the provisions of the Income Tax Act (Canada) and Regulations in effect as of the Effective Date of this policy. Therefore, periodically, but not less than annually, this policy will be monitored to determine its tax status.

If, at any time, this Equation Generation IV policy fails any of the applicable exemption tests and is therefore subject to annual accrual taxation, according to the requirements of the Income Tax Act (Canada) and Regulations, Equitable Life reserves the right to transfer funds from a portion of the Cash Surrender Value attributable to the Daily Interest Account, Guaranteed Deposit Accounts and/or the Linked Interest Options to the Shuttle Account in order to maintain this policy's exempt status provided that it is possible for the Company to do so under the legislation in effect at that time. Funds in the Shuttle Account do not make up any part of this policy and are subject to annual taxation.

If this Equation Generation IV policy fails the exempt test at the time of a Premium payment, Equitable Life will accept as a Premium for this Equation Generation IV policy an amount that will maintain this policy's tax-exempt status. Equitable Life will deposit the balance to the Shuttle Account. The balance will not be considered a Premium payment under this policy.

If on any Policy Anniversary, there is room for additional Premiums in this Equation Generation IV policy and you have funds in the Shuttle Account, Equitable Life will automatically pay a Premium from the Shuttle Account to this Equation Generation IV policy. The Premium paid will be allocated to the Investment Interest Accounts in the same manner as elected by you on the application or subsequently changed. Provincial Government Premium Tax will be applied to each Premium paid to this Equation Generation IV policy from the Shuttle Account. (See Net Premium for details on Premium Tax).

If at any Policy Anniversary this Equation Generation IV policy fails any of the applicable exemption tests, the Sum Insured will be automatically increased by up to 8% of the Sum Insured at that Policy Anniversary. If the increase in the Sum Insured is not sufficient to maintain the exempt status of this policy, a portion of the Cash Surrender Value attributable to the Daily Interest Account, Guaranteed Deposit Accounts and/or the Linked Interest Options will be transferred to the Shuttle Account in order to maintain this policy's exempt status. No evidence of insurability is required for the automatic increase in the Sum Insured.

The above provisions reflect the current provisions of the Income Tax Act (Canada) and Regulations applicable to this policy as at the Effective Date. Equitable Life makes no guarantees that these provisions will not change. Equitable Life reserves the right to modify its practices to reflect any subsequent changes made in the Income Tax Act (Canada) and Regulations affecting this policy. Equitable Life will provide to you any required tax reporting slips.



## Shuttle Account

***The Shuttle Account is a separate premiums-on-deposit account which assists in maintaining your Equation Generation IV policy's tax-exempt status. The Shuttle Account may have a separate Beneficiary(ies) and is paid out on death of the Owner or on termination or surrender of this Equation Generation IV policy.***

In order to maintain your policy's tax-exempt status, a separate Shuttle Account (premiums-on-deposit account) will be set up in conjunction with your Equation Generation IV policy. As stated in the Premiums provision of this policy, any monies received over the Maximum Exempt Premium for any Policy Year will be deposited on your behalf to the Shuttle Account. The Shuttle Account is a premiums-on-deposit account where funds are held until such time as they can be paid as Premiums into your Equation Generation IV policy.

The Shuttle Account receives amounts in excess of the Maximum Exempt Premium. In addition, funds will be transferred to the Shuttle Account as required to maintain your Equation Generation IV policy status as exempt from annual accrual taxation. Funds in the Shuttle Account will automatically be used to pay Premiums to your Equation Generation IV policy on any Policy Anniversary, provided that enough tax-exempt room exists.

### Shuttle Interest Accounts:

The Shuttle Account is set up at issue of your Equation Generation IV policy. Any amounts transferred into the Shuttle Account will be allocated to the Shuttle Interest Accounts and any interest earned will be subject to annual taxation.

The Shuttle Account of your Equation Generation IV policy is credited or debited interest based on the rate of return, less any applicable administration fees, of the Shuttle Interest Accounts available and chosen by you. If you do not choose an allocation for your Shuttle Deposits, any amounts transferred to the Shuttle Account will be allocated to the Daily Interest Account.

You may at any time in the future request in writing to change the allocation of the deposits made to the Shuttle Account, subject to our administrative rules and guidelines in effect at that time. We reserve the right to charge a fee to change the allocation.

The Shuttle Interest Accounts available with your Equation Generation IV policy are selected by Equitable Life. Equitable Life reserves the right to change or discontinue the use of any Shuttle Interest Account at our discretion, without prior notification, and transfer the value to the Daily Interest Account.

### Shuttle Premiums:

Shuttle Premiums are Premiums paid from the Shuttle Account to your Equation Generation IV policy. At each Policy Anniversary and after exempt testing, Equitable Life will determine the Maximum Exempt Premium for the following year. Upon determination of the Maximum Exempt Premium, Equitable Life will automatically pay a Premium, if possible, from the Shuttle Account to your Equation Generation IV policy. The Premium paid, less any applicable Premium tax, will be allocated to the Investment Interest Accounts within your Equation Generation IV policy, as elected by you on the application for life insurance or subsequently changed in writing by the Owner, or to the Daily Interest Account if no selection is made. The Premium paid from the Shuttle Account will be the lesser of the Maximum Exempt Premium and the Shuttle Account Value.

Premiums paid from the Shuttle Account will be deducted from the Shuttle Interest Accounts according to our administrative practices.

### Shuttle Deposits:

Shuttle Deposits are funds that are transferred from your Equation Generation IV policy to the Shuttle Account in order to maintain the exempt status of your policy under the provisions of the Income Tax Act (Canada) and Regulations. Shuttle Deposits will also occur at any time a Premium in excess of the Maximum Exempt Premium is paid to your Equation Generation IV policy. The amount of the Shuttle Deposit will be determined to be the amount necessary to maintain your policy's exempt status.

The Shuttle Deposits will be allocated to the Shuttle Account according to the allocation selected on the application for life insurance, or subsequently changed in writing by the Owner. If no selection is made, Shuttle Deposits will automatically be allocated to the Daily Interest Account.

Shuttle Deposits are not subject to Premium Tax.

**Shuttle Account – continued**

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<b>Incentive Bonus:</b>	The Incentive Bonus does not apply to the Shuttle Account.
<b>In the Event Of Death:</b>	<p>On the first death of the Lives Insured under this Joint First-to-Die Equation Generation IV policy, the Shuttle Account Value will be paid to the Owner or the Owner's Beneficiary(ies) as stipulated on the Policy Specifications page of this policy.</p> <p>On the death of the Owner, if other than the Lives Insured under this Equation Generation IV policy, the Shuttle Account Value will be paid to those entitled to this account according to the applicable laws.</p>
<b>Policy Surrender:</b>	If your Equation Generation IV policy is surrendered, any Shuttle Account Value will be surrendered and paid out to the Owner, unless prohibited by law. There are no Surrender Charges applicable to the Shuttle Account.
<b>Withdrawal:</b>	If you elect to withdraw cash from your Equation Generation IV policy and there are funds being held in the Shuttle Account, the funds held in the Shuttle Account will be withdrawn first to satisfy the requested withdrawal amount. The withdrawal provisions applicable to the Shuttle Account are the same as specified under the Cash Withdrawals section in your Equation Generation IV policy.
<b>Shuttle Account Value:</b>	At any time the Shuttle Account Value will be equal to the sum of all Shuttle Deposits plus any interest credited to the Shuttle Interest Accounts; less any interest debited to the Shuttle Interest Accounts; less any administration fees applicable to the Shuttle Interest Accounts; less any Shuttle Premiums paid to the Equation Generation IV policy; less any Cash Withdrawals.
<b>Policy Loans:</b>	You may not take a Policy Loan against the Shuttle Account Value, nor will the value of your Shuttle Account be used when determining the Maximum Loan Value for an Equation Generation IV Policy Loan.
<b>Policy Lapse:</b>	The value of your Shuttle Account will not be used in determining whether or not your Equation Generation IV policy will lapse. However, if there are funds in the Shuttle Account, room available in your Equation Generation IV policy and failure of the lapse test is imminent, Equitable Life will automatically pay a Premium from the Shuttle Account to your Equation Generation IV policy.
<b>Taxation:</b>	Any interest earned in the Shuttle Account is subject to annual taxation. Each year, the amount of interest income will be reported on a tax information slip as Canadian source interest income, under current legislation.
<b>Protection from Creditors:</b>	Protection from creditors, which may be available to you with your Equation Generation IV Universal Life policy, does NOT apply to the Shuttle Account. The Shuttle Account is not part of the Equation Generation IV policy. It is a separate Premiums-on-Deposit Account.

**SETTLEMENT OPTIONS**

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Provided this policy has not been assigned, you may elect, in writing and received at our Head Office in Waterloo, Ontario, that a specified amount of the proceeds payable in one lump sum upon the first death of the Lives Insured under this policy be applied under one of the following Payment Options, if available and subject to our administrative rules and guidelines in effect at the time the claim becomes payable:

- a) Limited Payments – the specified amount would be paid as monthly income for a limited period of time in the form of an annuity certain, subject to minimum and maximum amounts required by us.
- b) Continuous Payments – the specified amount would be paid as monthly income for the lifetime of the payee in the form of a life annuity or other type of annuity offered by us at the time, subject to minimum and maximum amounts required by us.
- c) Proceeds on Deposit – the specified amount would be left with us for a period as agreed to by us. Interest will accrue on the proceeds at a rate as determined by us from time to time, but is guaranteed never to be negative.
- d) Other Payment – the specified amount would be applied to any other payment option then made available by us.

You may revoke or change your election at any time in writing and received at our Head Office in Waterloo, Ontario.

The beneficiary(ies) entitled to the claims proceeds on the first death of the Lives Insured may also elect one of the above options with respect to the applicable claims proceeds, unless you have elected otherwise.

The amount of monthly income payable under Options a) or b) shall be an amount calculated by applying the Company's immediate annuity rates in effect on the date the monthly payments begin. The beneficiary(ies) will need to provide us with required personal information to put the annuity into effect.

## DEFINITIONS

*The following are definitions of some of the terms used in your Equation Generation IV policy. If you need additional information or clarification please call one of our Individual Customer Service Representatives at 1-800-668-4095 or your financial advisor.*

<b>Age:</b>	means the age of a Life Insured on his or her nearest birthday.
<b>Amount at Risk for an Insurance Coverage:</b>	is equal to the Death Benefit less the Account Value of the applicable Insurance Coverage.
<b>Beneficiary(ies):</b>	is (are) the person(s) designated in the application by the Owner and listed on the Policy Specifications page of this policy who is (are) to receive the Death Benefit proceeds payable in the event of the first death of the Lives Insured under this Equation Generation IV policy. While this policy is in effect, the Owner may choose to designate in writing to us a change in the Beneficiary(ies) to receive the Death Benefit proceeds payable on the death of the first of the Lives Insured under this policy if that change is allowed under laws that apply. The Equitable Life Insurance Company of Canada will pay the Death Benefit proceeds payable to the Beneficiary(ies) in effect at the date of the first death of the Lives Insured under this policy.
<b>Business Day:</b>	means any day other than Saturday, Sunday and all applicable statutory holidays in the province that the Company's Head Office is located.
<b>Class of Risk:</b>	means the Company's mortality risk assessment of a Life Insured. It is based upon our review of the application for insurance and all medical and other information received by the Company. A standard or normal mortality risk assessment is 100%. A class of risk greater than 100% indicates a higher mortality risk. The class of risk will affect the cost of insurance rates. Mortality risk refers to the incidence of death.
<b>Company:</b>	The terms "we", "our", "us", "Equitable Life" and "Company", mean The Equitable Life Insurance Company of Canada and its Head Office located in Waterloo, Ontario, Canada.
<b>Coverage Years:</b>	Each Insurance Coverage and Rider applicable to this Equation Generation IV policy has an effective date. Coverage Years are measured from the effective date of each Insurance Coverage or Rider as shown on the Coverage Specifications page(s).
<b>Currency:</b>	All amounts payable to or by the Company under the terms, conditions or provisions of this policy are payable in the lawful currency of Canada.
<b>Date Policy Takes Effect:</b>	means the later of: <ul style="list-style-type: none"> <li>a) either: (i) in Quebec, the date Equitable Life accepts the policy without modification; or (ii) in provinces other than Quebec, the date the policy is delivered to you; and</li> <li>b) the date the full amount of the first Premium has been paid to the Company;</li> </ul> provided that no change has taken place in the insurability of any Life Insured under this policy between the date the application for life insurance was signed by the Life Insured and the date the policy was delivered to you.
<b>Effective Date:</b>	means the effective date of the policy as shown on the Coverage Specifications page(s).
<b>Equivalent Single Age:</b>	is the "insurance age" for this policy and is calculated based on the Age(s) of the Lives Insured under this Equation Generation IV policy.
<b>Indebtedness:</b>	refers to outstanding Policy Loans and includes any unpaid interest owing for those loans.
<b>Insurance Coverage:</b>	is the Equation Generation IV Universal Life Death Benefit applicable to the Lives Insured. Any increases applied for and made in the future, by the Owner, will result in an additional Insurance Coverage applicable to the Lives Insured.
<b>Life or Lives Insured:</b>	are the persons for whom the life insurance associated with this policy is applicable. The Lives Insured may or may not be the Owner(s) of this Equation Generation IV policy.
<b>Monthly Anniversary:</b>	The Monthly Anniversary for this policy will occur on the same day of each month as the Effective Date of this policy. Regardless of whether the premiums are being paid annually or monthly, the Monthly Anniversary is the day each month that all of the Monthly Charges applicable to the policy are deducted.

**DEFINITIONS – continued**

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<b>Monthly Charges:</b>	All charges associated with this Equation Generation IV policy are referred to as Monthly Charges and include Cost of Insurance Charges, Administration Charges, Linked Interest Option Administration Fees and any charges applicable to additional benefits or Riders as specified on the Coverage Specifications page(s).
<b>Net Premium(s):</b>	<p>is equal to the Premium(s) paid less any applicable government premium taxes required to be deducted now or in the future.</p> <p>Equitable Life reserves the right to increase or decrease the current deduction for government premium taxes should the government premium taxes be increased or decreased.</p>
<b>Owner:</b>	The Owner of this policy refers to the applicant(s) and Owner(s) as indicated on the Policy Specifications page of this policy. The terms “you”, “your”, and “Owner” refer to the applicant(s) and Owner(s) of this policy. The Owner(s) may or may not be the Lives Insured under this policy.
<b>Policy Anniversary:</b>	The Policy Anniversary will occur on the same day and month each year as the Effective Date of this policy, as shown on the Policy Specifications page. Policy Years and Policy Months are also measured from the Effective Date of this policy.
<b>Premium:</b>	Premium refers to the amounts paid to Equitable Life and applied to this Equation Generation IV Universal Life policy.
<b>Rider:</b>	A Rider is an additional benefit applied for and issued by us as shown on the Coverage Specifications page(s) of this policy. The provisions, terms and conditions of any Riders applicable to this Policy are stated in the Rider pages attached to this Equation Generation IV policy.
<b>Shuttle Account:</b>	The Shuttle Account is a separate Premiums-on-Deposit Account set up at issue of your Equation Generation IV policy. This account is held outside of your Equation Generation IV policy and is used to hold funds that must be transferred out of your policy in order to maintain its tax exempt status. Interest and income earned on the Shuttle Account is taxed annually.

## GENERAL PROVISIONS

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*The following are General Provisions applicable to your Equation Generation IV policy.*

**Assignment:** This policy may be assigned by the Owner as permitted by law. The assignment will not be binding on Equitable Life unless the Assignment is made in writing and filed with our Head Office in Waterloo, Ontario. Equitable Life is not responsible for the validity of any Assignment.

**Death of a Beneficiary:** In the event of the death of a Beneficiary, the deceased Beneficiary's share of the proceeds from this policy (payable on the first death of the Lives Insured) will be payable to the surviving Beneficiary(ies). If no Beneficiary survives, the proceeds will be payable to the Owner or to the executors, administrators, or assignees of the Owner, subject to the right of the Owner to appoint a new Beneficiary or contingent Beneficiary.

**Contract:** The Equation Generation IV Joint First to Die Universal Life Contract consists of the following documents:

- this policy
- the application
- any amendments or endorsements to the policy agreed upon in writing by the Company
- any Riders attached to this policy providing additional benefits.

This policy takes effect as of the Date Policy Takes Effect.

Only the President or an Officer of The Equitable Life Insurance Company of Canada has the authority to bind the Company or to make any change in the Contract, and then only in writing. Equitable Life will not be bound by any promises or representations made by any other persons including your financial advisor, broker or agent. Without limiting the generality of the above statement, no financial advisor, broker or agent is authorized to waive, amend or modify any of the terms, conditions or provisions of this Contract.

Should any legislative or regulatory authority having jurisdiction, impose requirements that would impact this Contract, Equitable Life may unilaterally make the required changes to this Contract.

**Incontestability:** Failure to disclose a fact or the misrepresentation of a fact in the application for life insurance, medical examination, or any statement or answers provided as evidence of insurability will cause this policy including any Riders to be voidable by Equitable Life.

Where this policy has been in effect for two (2) years from the later of:

- (a) the Date Policy Takes Effect; and
- (b) the last Reinstatement date of this policy,

with the exception of Misstatement of Age or Sex which is described below, the failure to disclose or the misrepresentation, except in the case of fraud, will not cause this policy including any Riders to become voidable.

Any additional or amended Insurance Coverages effective after the Date Policy Takes Effect will be considered to be incontestable (with the exception of fraud) only after the additional or amended Insurance Coverage has been in effect for two (2) years from the later of:

- (1) the date the additional or amended Insurance Coverage took effect; and
- (2) the last Reinstatement date of this policy.

**Misstatement of Age or Sex:**

If the date of birth and/or sex of one or more of the Lives Insured has been misstated, the amount payable under this policy on the first death of the Lives Insured, will be adjusted to be the amount of Insurance Coverage the Cost of Insurance Charges (deducted at the beginning of the Policy Month in which the death has occurred) would have purchased had the Cost of Insurance Charges for the Lives Insured been calculated using the correct Equivalent Single Age.

If the date of birth and/or sex of one or more of the Lives Insured covered by a Rider has been misstated, then the amount payable for the Rider will be the amount that the Monthly Charge for that Rider would have purchased based on the correct age and/or sex.

**GENERAL PROVISIONS - continued**

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**Notice/****Correspondence:**

Any Notice or Correspondence that is required to be provided to you by the Company will be sent by regular mail, facsimile or electronic mail. We will consider the notices and/or correspondence to be received by you on the 7<sup>th</sup> Business Day following the mailing or transmission.

Any notice or correspondence from you may be sent by regular mail, facsimile or electronic mail (provided a signature is not required) and will be considered received by us on the date we receive it at our Head Office in Waterloo, Ontario.

**Proof of Age:**

Equitable Life requires satisfactory proof of the date of birth of a Life Insured before making any payment under this policy or Rider.

**Participating:**

This policy, excluding any Riders that may be attached to it, is participating and therefore may be eligible for dividends, or to participate in any divisible surplus of the Company.

**Right of Rescission:**

You will have 10 calendar days from the date you receive this policy to cancel it provided you have given us written notice of your request to cancel it within the 10 days. If for any reason during that time you want to cancel the Contract, the market value of any Premium received will be refunded as of the date Equitable Life receives your notice requesting cancellation. This policy will then be considered void from inception.

**Settlement on Death:**

In the event of the first death of the Lives Insured under this policy, before making any payment under this policy, Equitable Life will require the policy and satisfactory proof of:

- (a) the death of the Life Insured;
- (b) the date of birth of the deceased Life Insured;
- (c) the sex of the deceased Life Insured; and
- (d) the claimant's right to receive payment.

**Simultaneous Deaths:**

Where both of the Lives Insured die at the same time or in circumstances where it is uncertain which of the lives insured died first, the Death Benefit payable shall be paid as though the oldest of the Lives Insured died first.

**Smoking Classification:**

At any time, subject to our administrative rules and guidelines, you may request that the Smoker Classification of a Life Insured be changed to a Non-Smoker classification by providing a written declaration to Equitable Life that provides satisfactory evidence to qualify that Life Insured as a Non-Smoker. Equitable Life reserves the right to require evidence of good health before approving a change in Smoking Classification.

**Suicide:**

Equitable Life will not pay any Death Benefit if the Life Insured dies by suicide, regardless of the mental state of the Life Insured, within two (2) years from the later of:

- (i) the Date Policy Takes Effect; and
- (ii) the last Reinstatement date of this policy.

**Limitation Period:**

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the Insurance Act or other applicable legislation.

## **Death Benefit**

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***An important part of your Joint First to Die Equation Generation IV Universal Life Insurance policy is the Death Benefit provided to the Beneficiary(ies). The Death Benefit Option you have selected is shown on the Coverage Specifications page(s) of this policy.***

**Death Benefit:** The Death Benefit will be payable to the Beneficiary(ies) provided this policy is in effect as of the date of the first death of the Lives Insured. The proceeds payable at death are calculated as of the date Equitable Life receives notice of the first death of the Lives Insured under this policy. Immediately following the calculation of the proceeds payable at death, the Account Value attributable to the policy becomes zero. Any Indebtedness under the policy will be deducted from the proceeds payable.

On the Effective Date of this policy, the initial Death Benefit will be the Sum Insured as shown on the Coverage Specifications page(s) of this policy. Thereafter, the Death Benefit will be determined in accordance with one of the following Death Benefit Options as shown on the Coverage Specification page(s).

### **Death Benefit Options:**

**Level Protector:** Under this Death Benefit Option the Sum Insured will remain level for the duration of the policy unless you take a Cash Withdrawal or unless it is increased as required to assist in maintaining the tax exempt status of your policy. Upon the first death of the Lives Insured, the Company will pay the Beneficiary(ies) the Death Benefit which is equal to the greater of the Sum Insured or the Account Value attributable to this Equation Generation IV policy.

This Death Benefit Option is available with either Yearly Renewable Term (YRT) or Level Cost of Insurance Charges.

**Account Value Protector:** Under this Death Benefit Option the Sum Insured will remain level for the duration of the policy unless it is increased as required to assist in maintaining the tax exempt status of your policy. Upon the first death of the Lives Insured, the Company will pay the Beneficiary(ies) the Death Benefit which is equal to the Sum Insured plus the Account Value attributable to this Equation Generation IV policy.

This Death Benefit Option is available with either Yearly Renewable Term (YRT) or Level Cost of Insurance Charges.



## **Changes to Insurance Coverage**

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***With Joint First to Die Equation Generation IV Universal Life Insurance you can choose to make changes to the Insurance Coverage provided by your policy.***

At any time while this policy is in effect you may request any of the following changes, subject to the following requirements, and our current administrative rules and guidelines in effect at the time:

- (a) additional Insurance Coverage, subject to evidence of insurability as determined by the Company for all Lives Insured;
- (b) a decrease in Insurance Coverage; a pro-rata Surrender Charge will be applied. The Surrender Charges under this policy are shown in the Table of Charges;
- (c) cancellation of a Rider attached to this policy;
- (d) a change in Death Benefit Option, subject to evidence of insurability as determined by the Company for all Lives Insured;
- (e) a change in the Cost of Insurance Charges Type, subject to evidence of insurability as determined by the Company for all Lives Insured.

No other changes may be made.

All changes are subject to receipt of a written request from you at the Head Office of the Company.

SAMPLE

## Premiums

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***Premium is the term used to define the money that you pay to Equitable Life for your Joint First to Die Equation Generation IV Universal Life policy.***

### Premiums:

All Premiums are payable to Equitable Life and must be received in our Head Office, in Waterloo, Ontario. You may choose to submit your Premium by mail or deliver it in person or by courier. You may also choose to have your Premiums automatically withdrawn from your chequing account with our pre-authorized debit plan (P.A.D.).

At any time while this policy is in effect you may make additional Premium payments. Your Premium payments may be increased or decreased at any time or you may change the frequency of the Premium payment, subject to limits and restrictions as determined by Equitable Life at that time.

Monies received during a Policy Year in excess of the Maximum Exempt Premium for that Policy Year will be deposited into the Shuttle Account and will not be considered a Premium paid under your Equation Generation IV policy. If at any time in the future, Equitable Life determines that monies can be transferred from the Shuttle Account to your Equation Generation IV policy, these monies will be considered to be Premiums paid to the policy.

### Net Premiums:

Government Premium tax is deducted from each Premium paid to your Equation Generation IV policy. The percentage of the deduction required varies by province. Therefore, the premium tax deducted from your policy will be based on your province of residence. Equitable Life reserves the right to change the current deduction for the Government premium taxes should the premium taxes applicable to this policy be changed. Your Premium less the applicable premium tax is the Net Premium.

### Minimum Annual Premiums:

The Minimum Annual Premium shown on the Policy Specifications page, is the Minimum Annual Premium applicable for the first Policy Year, including the charges for any Riders. **Payment of the Minimum Annual Premium does not guarantee that your policy will remain in effect.** Depending on the Cost of Insurance Charges, Death Benefit Option, Riders and performance of the Investment Interest Account(s) you have selected, the Minimum Annual Premium may not be sufficient to maintain your Equation Generation IV policy.

### Maximum Exempt Premium:

The Maximum Exempt Premium is the maximum Premium that you can deposit into your Equation Generation IV policy during a Policy Year. At issue and at each Policy Anniversary thereafter we will calculate this amount for the upcoming Policy Year. The Maximum Exempt Premium is the estimated maximum amount that can be deposited to your policy while maintaining your policy exempt from accrual taxation under the provisions of the Income Tax Act (Canada) and Regulations.

## Investment Interest Accounts

*The Investment Interest Accounts make up the savings portion of your Joint First to Die Equation Generation IV Universal Life policy.*

**Interest Accounts:** Each Net Premium may be invested in any combination of the following Interest Accounts:

- (a) the Daily Interest Account;
- (b) the Guaranteed Deposit Accounts;
- (c) the Linked Interest Options
  - the Index Interest Options
  - the Performance Fund Interest Options
  - the Portfolio Interest Options

The portion of each Net Premium to be allocated to the various Interest Accounts is shown on your application for life insurance for this Equation Generation IV policy, unless subsequently changed by the Owner as described below.

All Net Premiums will be invested within five (5) Business Days of receipt of the Premiums at Equitable Life's Head Office in Waterloo, Ontario, or the date of transfer from the Shuttle Account.

You may request in writing to change the portion of the Net Premiums allocated to the various Investment Interest Accounts. The first change in any Policy Year is free of charge. Any additional changes in that Policy Year will be subject to a fee of \$25.00 per change.

**The following is a description of the Interest Accounts available with Equation Generation IV:**

**Daily Interest Account:** The interest rate credited on Net Premiums allocated to this account will be determined by Equitable Life from time to time, but is guaranteed not to be less than 90% of the yield on 91-Day Government of Canada Treasury Bills less 2% to a minimum credited interest rate of 0%.

The effective annual interest rate is compounded daily and credited to the Daily Interest Account at least once per month.

Should 91-Day Government of Canada Treasury Bills become unavailable, Equitable Life reserves the right to use another yield in determining the above guarantee.

**Account Value:** The Account Value of the Daily Interest Account at any time is equal to the following:

- (a) Net Premiums and net transfers credited to the Daily Interest Account; plus
- (b) Interest and any Investment Bonus and Incentive Bonus credited to the Daily Interest Account; less
- (c) Amounts withdrawn or transferred out of the Daily Interest Account; less
- (d) Any administration fees or charges deemed to have come from this account.

**Guaranteed Deposit Accounts:**

You can select one or more Guaranteed Deposit Accounts for your Equation Generation IV policy. The terms available for each Guaranteed Deposit Account may be 1, 5, or 10 years. We reserve the right to change or discontinue Guaranteed Deposit Account terms available to you at any time.

The minimum amount that may be allocated to a Guaranteed Deposit Account at any time is \$500.00. If you have selected a Guaranteed Deposit Account as one of your Investment Interest Accounts, Premiums will be held in the Daily Interest Account until the \$500.00 minimum is accumulated. Each allocation to a Guaranteed Deposit Account is considered separate with its own interest rate and investment term.

Equitable Life will declare the interest rate for each new Guaranteed Deposit Account as of the date of the investment.

The interest rate for a Guaranteed Deposit Account with a term of 1 year is guaranteed not to be less than (90% of X\*), less 2% to a minimum credited interest rate of 0%.

**Investment Interest Accounts - continued****Guaranteed Deposit Accounts: - continued**

The interest rate for a Guaranteed Deposit Account with a term of 5 years is guaranteed not to be less than the greater of:

- (a) 0.50%; and
- (b) (90% of X\*) less 2.00%.

The interest rate for a Guaranteed Deposit Account with a term of 10 years is guaranteed not to be less than the greater of:

- (a) 1.50%; and
- (b) (90% of X\*) less 2.00%

\* "X" in the above formulas represents the yield on Government of Canada bonds with the same term and date of investment as the Guaranteed Deposit Account. If at any time there is not a regularly published Government of Canada Bond of the same term as the Guaranteed Deposit Account Equitable Life reserves the right to substitute the bond with the closest published term.

In determining the above guarantee, Equitable Life reserves the right to use a measurement other than the yield on Government of Canada Bonds should they become unavailable or unsuitable as determined by Equitable Life.

The effective date of each Guaranteed Deposit Account will be the same day of the month as the Effective Date of this policy that is coincident with or immediately following the date of investment. The term period for your Guaranteed Deposit Account is measured from this date.

At the end of the term of each Guaranteed Deposit Account, the Account Value of that Guaranteed Deposit Account will automatically be reinvested as another Guaranteed Deposit Account with the same term as the original Guaranteed Deposit Account unless you have elected otherwise in writing.

Account Value:

The Account Value of the Guaranteed Deposit Account(s) at any time is equal to the following:

- (a) Net Premium and net transfers credited to the Guaranteed Deposit Account(s); plus
- (b) interest and any Investment Bonus and Incentive Bonus credited to the Guaranteed Deposit Account(s); less
- (c) amounts withdrawn or transferred out of the Guaranteed Deposit Account(s) including any Market Value Adjustments that apply to these withdrawals or transfers; less
- (d) any administration fees or charges deemed to have come from this account.

Maturity Value:

The Maturity Value of a Guaranteed Deposit Account is the net amount originally invested in the Guaranteed Deposit Account plus the interest compounded annually at the guaranteed rate for the term you selected. Any amounts withdrawn, transferred out or deducted for monthly charges from the Guaranteed Deposit Account, including any Market Value Adjustment that may apply, are taken into account when the Maturity Value of a Guaranteed Deposit Account is determined.

Market Value Adjustment:

At any time prior to the end of the term of each Guaranteed Deposit Account, the Market Value Adjustment of a Guaranteed Deposit Account is the discounted value of the Maturity Value with the interest rate used for discounting being 1% plus the higher of:

- (a) the actual interest rate for each applicable Guaranteed Deposit Account, or
- (b) the then current interest rate based on the original term and band (as determined by us) of the Guaranteed Deposit Account being valued.

If a partial withdrawal or transfer to another Interest Account is being made a pro-rata Market Value Adjustment will apply.

**Investment Interest Accounts – continued**

**Linked Interest Options:** You can select one or more of the Linked Interest Options for your Equation Generation IV policy. The Account Value of each Linked Interest Option must be at least \$150.00. If the minimum Account Value is not met we reserve the right to transfer the full value of that Linked Interest Option to the Daily Interest Account.

A Linked Interest Option Administration Fee applies. (Refer to the Monthly Charges provision of this policy for details.)

**1) Index Interest Options:**

Net Premiums allocated to one or more of these Interest Accounts are credited or debited interest from the date each Net Premium is invested. The interest debited or credited is guaranteed to be not less than 100% of the comparative increase or decrease of the Total Return (which includes dividends) of the index tracked by the Index Interest Option. The rate of return the interest is based on can be either positive or negative depending on the movement of the applicable index. A negative rate of return will result in a debit to the Account Value (a negative interest rate). A positive rate of return will result in a credit to the Account Value (a positive interest rate).

Currently, interest rates are calculated on a daily basis (Business Day) at a time as determined by Equitable Life, based on the movement of the applicable index. We reserve the right to change the timing and frequency of the calculation at our discretion.

The applicable Index for each Index Interest Option is selected by Equitable Life and may change at any time. We reserve the right to discontinue the use of any Index Interest Option(s) at our discretion, without prior notification, and transfer the Account Value to a similar Index Interest Option as determined by us, or if a similar Index Interest Option is not available at that time, we will transfer the Account Value to the Daily Interest Account.

For information on the index tracked by each Index Interest Option and its past performance please ask your financial advisor or visit our website as shown on your most recent policy statement.

The following are the current Index Interest Options available with Equation Generation IV:

**(a) Canadian Equity Index Interest Option:**

The index tracked will consist primarily of Canadian equity stocks and Equitable Life guarantees to provide interest not less than 100% of the comparative increase or decrease of the total return of the applicable index;

**(b) American Equity Index Interest Option:**

The index tracked will consist primarily of U.S. equity stocks and Equitable Life guarantees to provide interest not less than 100% of the comparative increase or decrease of the total return of the applicable index, after converting to Canadian dollars. The conversion to Canadian dollars will be based on a rate obtained from a recognized quotation service as selected by Equitable Life;

**(c) U.S. Technologies Index Interest Option:**

The index tracked will consist primarily of U.S. technology stocks and Equitable Life guarantees to provide interest not less than 100% of the comparative increase or decrease of the total return of the applicable index, after converting to Canadian dollars. The conversion to Canadian dollars will be based on a rate obtained from a recognized quotation service as selected by Equitable Life;

**(d) European Index Interest Option:**

The index tracked will consist primarily of large, well-known European stocks and Equitable Life guarantees to provide interest not less than 100% of the comparative increase or decrease of the total return of the applicable index, after converting to Canadian dollars. The conversion to Canadian dollars will be based on a rate obtained from a recognized quotation service as selected by Equitable Life;

**(e) U.S. Blue Chip Index Interest Option:**

The index tracked will consist primarily of stocks of large, well-known U.S. companies and Equitable Life guarantees to provide interest not less than 100% of the comparative increase or decrease of the total return of the applicable index, after converting to Canadian dollars. The conversion to Canadian dollars will be based on a rate obtained from a recognized quotation service as selected by Equitable Life.

## Investment Interest Accounts – continued

### 2) Performance Fund Interest Options:

Net Premiums allocated to one or more of these accounts are credited or debited interest from the date each Net Premium is invested. The interest credited or debited is guaranteed to be not less than 100% of the net rate of return (i.e. less management fees and assuming the reinvestment of dividends) of the applicable mutual fund for each Performance Fund Interest Option. The rate of return the interest is based on can be either positive or negative depending on the movement of the applicable mutual fund. A negative rate of return will result in a debit to the Account Value (a negative interest rate). A positive rate of return will result in a credit to the Account Value (a positive interest rate).

Currently, interest rates are calculated on a daily basis (Business Day) at a time determined by Equitable Life, based on the movement of the applicable mutual fund. We reserve the right to change the timing and frequency of the calculation at our discretion.

For each Performance Fund Interest Option the applicable mutual fund and series are selected by Equitable Life and may change at any time. We reserve the right to discontinue the use of any Performance Fund Interest Option at our discretion, without prior notification, and transfer the Account Value to a similar Performance Fund Interest Option as determined by us, or if a similar Performance Fund Interest Option is not available at that time, we will transfer the Account Value to the Daily Interest Account.

For information on the mutual fund tracked by each Performance Fund Interest Option and its past performance please ask your financial advisor or visit our website as shown on your most recent policy statement.

The following are the current Performance Fund Interest Options available with Equation Generation IV:

**(a) Performance Fund Interest Option – Global**

The mutual fund tracked will invest mainly in equity securities of companies around the world and fixed income securities issued by governments or companies in any country. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund;

**(b) Performance Fund Interest Option – Canadian**

The mutual fund tracked will invest mainly in a mix of long term capital growth and fixed income securities issued primarily by Canadian issuers. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund;

**(c) Performance Fund Interest Option – Canadian Bond**

The mutual fund tracked will invest mainly in fixed income Canadian securities. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund;

**(d) Performance Fund Interest Option – Global Fixed Income**

The mutual fund tracked will invest mainly in bonds issued by foreign companies and governments. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund;

**(e) Performance Fund Interest Option – Canadian Value Stock**

The mutual fund tracked will invest mainly in Canadian equities and Canadian companies. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund;

**(f) Performance Fund Interest Option – Large Cap Canadian Equity**

The mutual fund tracked will invest mainly in a select group of high-quality, large-cap Canadian businesses. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund;

**(g) Performance Fund Interest Option – Global Balanced**

The mutual fund tracked will invest mainly in debt and equity securities issued around the world. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund.

**Investment Interest Accounts – continued****3) Portfolio Interest Options:**

Net Premiums allocated to one or more of these accounts are credited or debited interest from the date each Net Premium is invested. The interest credited or debited is guaranteed to be not less than 100% of the net rate of return (i.e. less management fees and assuming the reinvestment of dividends) of the applicable portfolio for each Portfolio Interest Option. The rate of return the interest is based on can be either positive or negative depending on the movement of the applicable portfolio. A negative rate of return will result in a debit to the Account Value (a negative interest rate). A positive rate of return will result in a credit to the Account Value (a positive interest rate).

Currently, interest rates are calculated on a daily basis (Business Day) at a time determined by Equitable Life, based on the movement of the applicable portfolio. We reserve the right to change the timing and frequency of the calculation at our discretion.

For each Portfolio Interest Option the applicable portfolio and series are selected by Equitable Life and may change at any time. We reserve the right to discontinue the use of any Portfolio Interest Option at our discretion, without prior notification, and transfer the Account Value to a similar Portfolio Interest Option as determined by us, or if a similar Portfolio Interest Option is not available at that time, we will transfer the Account Value to the Daily Interest Account.

For information on the portfolio tracked by each Portfolio Interest Option and its past performance please ask your financial advisor or visit our website as shown on your most recent policy statement.

The following are the current Portfolio Interest Options available with Equation Generation IV:

- (a) **Diversified Income Portfolio Interest Option:**  
The portfolio tracked will invest mainly in a diversified mix of income and bond mutual funds. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable portfolio;
- (b) **Balanced Income Portfolio Interest Option:**  
The portfolio tracked will invest mainly in a diversified mix of equity and income mutual funds with a bias towards income. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable portfolio;
- (c) **Balanced Growth Portfolio Interest Option:**  
The portfolio tracked will invest mainly in a diversified mix of equity and income mutual funds, with a bias towards capital appreciation. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable portfolio;
- (d) **Growth Portfolio Interest Option:**  
The portfolio tracked will invest mainly in a diversified mix of equity mutual funds, with some fixed income mutual funds to provide stability. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable portfolio;
- (e) **Diversified Equity Portfolio Interest Option:**  
The portfolio tracked will invest primarily in a diversified mix of global equity mutual funds. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable portfolio;

**Account Value:**

At any time the Account Value of a Linked Interest Option is equal to the following:

- (a) Net Premiums and net transfers credited to that Linked Interest Option; plus
- (b) interest and any Investment Bonus and Incentive Bonus credited to that Linked Interest Option; less
- (c) interest debited to that Linked Interest Option; less
- (d) amounts withdrawn or transferred out of that Linked Interest Option; less
- (e) any administration fees or charges deemed to have come from these accounts.

## Investment Interest Accounts – continued

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### Changes to Your Investment Interest Accounts:

You may select to change your Investment Interest Accounts or the percentage of your Net Premium allocated to the various Investment Interest Accounts at any time, provided you submit your request in writing to Equitable Life's Head Office.

You may elect to transfer a portion of the Account Value of this policy from one Investment Interest Account to another Investment Interest Account available under this policy at any time, provided you submit your request in writing to Equitable Life's Head Office.

Equitable Life reserves the right to limit the number of requested transfers in any Policy Year.

There will be no additional fees charged for the transfers outlined below:

- (a) **Daily Interest Account:** You may elect to move savings from the Daily Interest Account to a Guaranteed Deposit Account or a Linked Interest Option at any time subject to minimum deposit requirements as determined by us. These transfers are based on the Account Value of the Daily Interest Account being transferred as of the effective date of the transfer.
- (b) **Guaranteed Deposit Account:** You may elect to move savings from one Guaranteed Deposit Account to another Guaranteed Deposit Account, the Daily Interest Account or a Linked Interest Option. These transfers are based on the Market Value Adjustment of the Account as of the effective date of the transfer. The Account Value of the Guaranteed Deposit Account must be at least equal to the \$500.00 minimum after the transfer has been made.
- (c) **Linked Interest Options:** You may request to move savings from a Linked Interest Option to another Linked Interest Option, the Daily Interest Account or a Guaranteed Deposit Account, subject to minimum deposit requirements as determined by us. These transfers are based on the Account Value of the Linked Interest Option being transferred as of the effective date of the transfer.

The effective date of the transfer will be within five (5) business days of receipt of your written request at Equitable Life's Head Office.

### About Your Investment Interest Accounts:

Linked Interest Options are NOT Mutual Funds, Portfolio Funds or Indexes; you are NOT acquiring units in a mutual fund or investment fund or other security. You are placing funds on deposit, earning interest, with the general funds of Equitable Life. Performance is NOT guaranteed. You may be credited positive or negative interest depending on the performance of the Mutual Fund, Portfolio or Index being tracked. The Mutual Fund, Portfolio or Index being tracked may change at any time. Linked Interest Option Administration Fees will apply.



## Policy Values

**Investment Bonus:** Starting in the 2<sup>nd</sup> Policy Year, at each Monthly Anniversary a guaranteed Investment Bonus will be credited to the Account Value of the Equation Generation IV policy. This Investment Bonus will be credited regardless of the Account Value of the policy. Currently the Investment Bonus credited will be allocated in the same manner as the Net Premium allocation. Equitable Life reserves the right to change the manner in which the Investment Bonus is allocated at any time without prior notification.

The Investment Bonus will be equal to 1/12<sup>th</sup> of the annual bonus percent applied to the Account Value of this policy on the applicable Monthly Anniversary.

Policy Year	Annual Bonus Percent
1	0.00%
2+	0.75%

**Incentive Bonus:** An Incentive Bonus will be credited to the Account Value of your Equation Generation IV policy beginning on the 5<sup>th</sup> Policy Anniversary, and on each Policy Anniversary thereafter, provided the Account Value at the applicable Policy Anniversary is not less than two (2) times the accumulated total of the Minimum Annual Premiums since the Effective Date of the policy.

The Incentive Bonus will be credited to the Account Value of this policy on the applicable Policy Anniversary as follows:

Policy Anniversary	Annual Bonus Percent
1 - 4	0.00%
5 - 14	0.25%
15+	0.50%

Currently the Incentive Bonus credited will be allocated to the Investment Interest Accounts in the same manner as Premiums received. Equitable Life reserves the right to change the manner in which the Incentive Bonus is allocated to the Investment Interest Accounts at any time without prior notification.

**Account Value:** The Account Value of this Equation Generation IV policy at any time will be equal to the sum of the following:

- (a) the Account Value of the Daily Interest Account;
- (b) the Account Value of all Guaranteed Deposit Accounts;
- (c) the Account Value of all Linked Interest Options.

**Cash Surrender Value:** The Cash Surrender Value of this Equation Generation IV policy at any time will be equal to the sum of the following:

- (a) the Account Value of the Daily Interest Account;
- (b) the Market Value Adjustment of all Guaranteed Deposit Accounts;
- (c) the Account Value of all Linked Interest Options;

reduced by the total Surrender Charges and any Indebtedness to the policy.

**Policy Surrender Value:** The Policy Surrender Value of this Equation Generation IV policy at any time will be equal to the Cash Surrender Value plus the Shuttle Account Value.

**Non-Guaranteed Values:** The interest rate for the Linked Interest Options is **NOT GUARANTEED** and could be positive or negative depending on the performance of the applicable Linked Interest Options. A negative rate of return will result in a debit to the Account Value (a negative interest rate). A positive rate of return will result in a credit to the Account Value (a positive interest rate).

**Surrender Charges:** The Surrender Charges applicable to this policy are shown in the Table of Charges. If you choose to surrender your Equation Generation IV policy in the first or second Policy Years, the Surrender Charge is shown in the Table of Charges. For subsequent years up to and including year 10, where the charge is zero (0), monthly values will grade linearly to the value at the next Policy Anniversary. At the 10<sup>th</sup> Policy Anniversary and thereafter the Surrender Charge is zero (0).

If you take a withdrawal during the first ten (10) Policy Years, a pro-rata Surrender Charge will be calculated but not applied. Upon full surrender of your Equation Generation IV policy during the first ten (10) Policy Years, any pro-rata Surrender Charges that were calculated but not applied due to withdrawals, will apply upon the full surrender of the policy. Therefore at any time during the first ten (10) Policy Years, the total Surrender Charges are the total of the above, plus any Surrender Charges held in suspense for any previous withdrawals.

## Monthly Charges

***On each Monthly Anniversary a charge will be withdrawn from the Investment Interest Accounts of your Joint First to Die Equation Generation IV policy. These monthly charges include but are not limited to the costs for the insurance portion of your plan, as well as any additional Riders or benefits.***

The monthly charge for your Equation Generation IV policy will be equal to the sum of the following:

- (a) the total Administration Charges applicable for this policy;
- (b) the total of all Cost of Insurance Charges applicable to this policy;
- (c) the total Monthly Charge(s) for any optional additional benefits and Riders;
- (d) the Linked Interest Option Administration Fees.

Equitable Life will automatically deduct the Monthly Charges from the Accounts and/or Linked Interest Options based on the method you elected on the application for life insurance. You may have elected a percentage (%) of the total monthly charges to be deducted from specific accounts or you may have elected the monthly charges be deducted from all accounts on a pro-rata basis, depending on the Account Value in the Accounts at the Monthly Anniversary. In the event that you did not elect a method for deduction of monthly charges, the default method of pro-rata from all Accounts will be the method used. At any time you may change the method and/or Accounts from which your Monthly Charges are deducted by providing written notice at Equitable Life's Head Office.

If the Monthly Charges listed in items (a), (b), and (c), have not previously ceased, they will cease on the Policy Anniversary after the Equivalent Single Age is 100. (The same period as shown in the Table of Charges). Thereafter, no further deduction for these charges will be made.

Equitable Life reserves the right to deduct from the Investment Interest Accounts an amount equal to any taxes or assessments applicable to the policy, including those that are currently in place or may be subsequently imposed.

**Administration Charges:** The guaranteed Administration Charge for this Joint First to Die Equation Generation IV policy is \$10.00 per month.

### **Cost of Insurance Charges Type:**

The Cost of Insurance Charge for each Insurance Coverage is determined at the beginning of each Policy Month. The Cost of Insurance Charge is calculated by multiplying the current Amount at Risk by the current Cost of Insurance Rate for the applicable Insurance Coverage as shown in the Table of Charges.

Your Joint First to Die Equation Generation IV policy has a choice of two (2) Cost of Insurance Types. You may choose from Yearly Renewable Term (YRT) or Level Cost of Insurance (Level for Life). If you have selected YRT Cost of Insurance Charges, the rate per thousand of Amount at Risk will increase yearly until the Policy Anniversary after the Equivalent Single Age is 100. If you have selected Level Cost of Insurance Charges, the rate per thousand of Amount at Risk will remain level until the Policy Anniversary after the Equivalent Single Age is 100.

Subject to any minimum and maximum age restrictions and our administrative rules and guidelines in effect at the time, you may change your Cost of Insurance Charges from one type to another provided they are applicable to your Death Benefit Option. Evidence of insurability, as determined by Equitable Life, may be required when switching from one Cost of Insurance Charges type to another. The Cost of Insurance Charges that will apply will be the rates, if then available, at the Lives Insured attained Equivalent Single Age with the same class of risk and smoking status.

The Amount at Risk for an Insurance Coverage is equal to the Death Benefit less the Account Value attributable to that Insurance Coverage.

The Cost of Insurance rates, as shown in the Table of Charges, are guaranteed not to increase from those shown.

**Monthly Charges – continued****Additional Benefit  
And Rider Charges:**

If you have elected to include any additional Benefit(s) and/or Rider(s) with your Equation Generation IV policy, Monthly Charges applicable to the additional Benefit(s) and/or Rider(s) are specified on the Coverage Specifications page(s) and/or are shown in the Table of Charges.

**Linked Interest Option  
Administration  
Fees:**

The Linked Interest Option Administration Fees apply only to the Account Value of the Index Interest Options, the Performance Fund Interest Options and the Portfolio Interest Options.

The current and maximum Linked Interest Option Administration Fees which apply to the Index Interest Options are as follows:

Canadian Equity Index Interest Option:	3.00% per Policy Year (0.25% per month);
American Equity Index Interest Option:	3.00% per Policy Year (0.25% per month);
U.S. Technologies Index Interest Option:	3.20% per Policy Year (0.2666% per month);
European Index Interest Option:	3.20% per Policy Year (0.2666% per month);
U.S. Blue Chip Index Interest Option:	3.00% per Policy Year (0.25% per month).

The Linked Interest Option Administration Fees applicable to the Index Interest Options may be changed at any time, without prior notification, however, Equitable Life guarantees they will not exceed the current maximums.

The current and maximum Linked Interest Option Administration Fees which apply to the Account Value of the Performance Fund Interest Options (PFIO) are as follows:

PFIO – Global	1.75% per Policy Year (0.1458% per month)
PFIO – Canadian	1.75% per Policy Year (0.1458% per month)
PFIO – Canadian Bond	1.75% per Policy Year (0.1458% per month)
PFIO – Global Fixed Income	1.75% per Policy Year (0.1458% per month)
PFIO – Canadian Value Stock	1.75% per Policy Year (0.1458% per month)
PFIO – Large Cap Canadian Equity	1.75% per Policy Year (0.1458% per month)
PFIO – Global Balanced	1.75% per Policy Year (0.1458% per month)

Linked Interest Option Administration Fees applicable to the Performance Fund Interest Options may be changed at any time, without prior notification, however Equitable Life guarantees the fees will never exceed the current maximums.

The current and maximum Linked Interest Option Administration Fees which apply to the Account Value of Portfolio Interest Options (PIO) are as follows:

Diversified Income PIO	2.20% per Policy Year (0.1833% per month)
Balanced Income PIO	2.20% per Policy Year (0.1833% per month)
Balanced Growth PIO	2.20% per Policy Year (0.1833% per month)
Growth PIO	2.20% per Policy Year (0.1833% per month)
Diversified Equity PIO	2.20% per Policy Year (0.1833% per month)

Linked Interest Option Administration Fees applicable to the Portfolio Interest Options may be changed at any time, without prior notification, however, Equitable Life guarantees the fees will never exceed the current maximums.

## Cash Withdrawals

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***With your Equation Generation IV Universal Life policy you have access to the cash accumulating in your policy if and when you need or want it.***

Cash Withdrawals from this Equation Generation IV policy are permitted at any time provided the Head Office of Equitable Life receives a written request from you.

The amount you can withdraw must be at least \$500.00 and cannot exceed the current Policy Surrender Value, less any Indebtedness, less, \$500.00. A Market Value Adjustment may apply to amounts withdrawn from the Guaranteed Deposit Accounts. For details on how the Policy Surrender Value is determined please see the Policy Values section.

If you choose to withdraw cash from your policy, the Death Benefit will be reduced by the portion of the Account Value withdrawn.

If you have elected Account Value Protector as your Death Benefit Option, the Account Value will reduce by the amount withdrawn, thereby reducing the Death Benefit. If you have elected Level Protector as your Death Benefit Option, the Sum Insured will be reduced by the portion of the Account Value withdrawn, thereby reducing the Death Benefit.

If you choose to withdraw cash from your policy within the first ten (10) Policy Years, a pro-rata Surrender Charge equal to the amount withdrawn multiplied by the appropriate Surrender Charge rate divided by 1000 will be calculated but not deducted at the time of withdrawal. If you surrender your policy prior to completion of the 9<sup>th</sup> Policy Year, the Surrender Charge that would have been applied to the Cash Withdrawal will be deducted at that time along with any other Surrender Charges that may apply at that time.

Cash Withdrawals from your policy may have tax consequences and may be subject to income tax.

Equitable Life will charge a \$25.00 fee for each Cash Withdrawal from your policy.

You may specify the Investment Interest Accounts from which your withdrawals are to be made. However, if there is any value in the Shuttle Account, all Cash Withdrawals will be made from this Account first. In the absence of written instructions Equitable Life will make the withdrawals from the Investment Interest Accounts using the same method as used for Monthly Charges, until Equitable Life receives alternative written instruction from you at our Head Office.

Daily Interest Account, Guaranteed Deposit Account and Linked Interest Option minimum balance requirements must continue to be met.

The effective date of your Cash Withdrawal will be within five (5) Business Days of receipt of your written request at the Head Office of Equitable Life.

## Policy Loans

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***If a Cash Withdrawal does not meet your needs, you can take a Policy Loan with your Equation Generation IV policy.***

At any time while this Equation Generation IV policy is in effect, provided it has accumulated a Cash Surrender Value, you may request a Policy Loan from Equitable Life subject to our administrative rules and guidelines in effect at that time.

A Policy Loan will only be granted after Equitable Life has received a completed loan application. Normally, we will make the loan within thirty (30) days after the completed loan application has been received at our Head Office, in Waterloo, Ontario. However, we reserve the right to defer the loan for up to six (6) months.

You may borrow up to the amount by which the Maximum Loan Value of this policy exceeds any current Indebtedness to your Equation Generation IV policy.

The Maximum Loan Value for this policy is equal to 90% of the Cash Surrender Value excluding the Account Value of all Linked Interest Options reduced by one year's loan interest. Interest will be charged on Policy Loans at a rate as set by us from time to time and will accrue daily from the effective date of the loan.

At each Policy Anniversary, if the interest due on your Policy Loan is not paid, Equitable Life will add the interest due to the balance of your loan and interest will be charged on the entire Indebtedness under your policy. At any time, while this policy is in effect, you may repay all or a part of the amounts owed on the policy subject to a minimum amount as determined by us.

Taking a Policy Loan against the available value in your policy may have tax consequences and may be subject to income tax.

If, at any time while this policy is in effect, the total indebtedness to Equitable Life under this policy exceeds the Maximum Loan Value, Equitable Life reserves the right to transfer sufficient amounts, if available, from the Linked Interest Options to the Daily Interest Account or the Guaranteed Deposit Accounts, without prior notice, to ensure that the Indebtedness of the Policy remains equal to the Maximum Loan Value. The required amounts will be transferred from the Linked Interest Options using the same method as elected by you for deduction of monthly charges and deposited to the Daily Interest Account, provided the Linked Interest Option minimum balance requirements are met. If sufficient amounts are not available in the Linked Interest Options, the policy will lapse, your Insurance Coverage will terminate and Equitable Life will have no further liability under this policy subject to your rights under "Reinstatement".

The value of the Shuttle Account will not be considered in any Policy Loan calculation. You may not take a Policy Loan against the value in the Shuttle Account.

At the first death of the Lives Insured under this policy, the portion of any outstanding Policy Loan balance plus any accrued interest will be deducted from the Death Benefit.

## **Policy Surrender**

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At any time while your Equation Generation IV policy is in effect, you may surrender your policy for its current Policy Surrender Value, less any Indebtedness to the policy.

Please refer to the Policy Values Section of this policy for details on Policy Surrender Value determination.

On request to surrender your policy the Policy Surrender Value will be paid to you within thirty (30) days of receipt of your written request to surrender. However, we reserve the right to defer payment for a period up to six (6) months after the date we receive your request to surrender. If we defer payment for thirty (30) days or more, we will add interest, at an interest rate determined by us, calculated from the effective date of surrender of your policy to the date we forward payment of the Policy Surrender Value to you.

The effective date of surrender of your policy will be within five (5) Business Days of receipt of your written request at Equitable Life's Head Office. This policy and all benefits and any Riders associated with this policy will terminate on the effective date of the surrender and Equitable Life will have no further liability under this policy or any Riders.

Surrendering your policy for its Policy Surrender Value may have tax consequences and may be subject to income tax.

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## Policy Lapse

Your Equation Generation IV policy will lapse and all liability of Equitable Life will cease at the earliest date on which:

- (a) the Account Value of the policy is equal to zero (0);
- (b) the Cash Surrender Value of the policy is equal to zero (0) and the total of all Premiums paid, less all Cash Withdrawals, is less than the sum of the Minimum Annual Premiums, including any Rider or additional benefit Premiums payable since the Effective Date of this policy; or
- (c) the Indebtedness under this policy is equal to the Cash Surrender Value of the policy.

However, the coverage under your policy will continue until the end of the Grace Period.

### Grace Period:

A Grace Period of 31 days measured from the date of policy lapse, as defined above, is permitted for payment in full of all overdue amounts as determined by Equitable Life. Your Equation Generation IV policy will terminate as of the date of lapse, if at the end of the Grace Period all overdue amounts have not yet been paid. Equitable Life will have no further liability under this policy.

In the event the first death of the Lives Insured occurs during the Grace Period, the portion of any overdue amounts applicable to the policy will be deducted from the Death Benefit payable.

### Lapse Extension:

Your policy may continue for a maximum of 12 months, during which time we will deduct the Monthly Charges from your Account Value provided all of the following conditions are satisfied:

- (a) the policy has been in effect for at least 3 years;
- (b) the Account Value of the policy is greater than zero and sufficient to pay the Monthly Charges for a period of 12 months; and
- (c) the Indebtedness under the policy does not exceed the policy's current Cash Surrender Value.

After the maximum 12 months, unless a full Premium payment is remitted to cover all overdue amounts as determined by Equitable Life, your policy will terminate effective immediately. All benefits and Riders applicable to this policy will cease at that time and the policy will be terminated subject to the Grace Period provision above. Equitable Life will have no further liability under this policy.

### Reinstatement:

- a) If your Equation Generation IV insurance policy lapses at the end of the Grace Period because a premium due at the beginning of the Grace Period was not paid, the policy may be reinstated by payment of the overdue premium within a further period of thirty (30) days after the end of the Grace Period, but only if the Lives Insured are alive at the time payment is made.
- b) If your Equation Generation IV insurance policy lapses and is not reinstated under subsection (a), the policy may be reinstated within two (2) years of its lapse upon written application by you and submission of evidence of insurability (according to the then current underwriting guidelines as determined by Equitable Life) pertaining to all the Lives Insured (based on their attained age) that is satisfactory to Equitable Life.

The Reinstatement of this policy must be accompanied by the payment of an amount equal to the sum of the following:

- (i) the Premiums that would have been required to maintain the policy in effect from the date of lapse to the date of reinstatement; plus
- (ii) interest due on the above amount; plus
- (iii) any Indebtedness under this policy.

These amounts will be determined by Equitable Life at the time of request of Reinstatement.

The rate of interest to be charged above will be determined by Equitable Life, but will not exceed that permitted under current legislation.

Any Account Value remaining in the policy at the time of lapse will be treated as a new investment and deposited as of the date of Reinstatement in the Daily Interest Account.

## Disability Benefit Disbursement

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The Disability Benefit Disbursement allows the Owner to apply for a payment from the Account Value of this policy if the Life Insured becomes disabled from a severe mental or physical impairment as described below.

The Disability Benefit Disbursement may be paid out subject to the following conditions and our administrative rules and guidelines in effect at the time of the disbursement:

- (a) one Disability Benefit Disbursement per policy will be permitted in any Policy Year;
- (b) each Disability Benefit Disbursement during the Surrender Charge period will be subject to the applicable Surrender Charge for that year;
- (c) if a Disability Benefit Disbursement is taken from the Guaranteed Deposit Accounts, a Market Value Adjustment will apply. The Market Value Adjustment calculation will be the same as the Market Value Adjustment which applies to a regular cash withdrawal;
- (d) the minimum and maximum Disability Benefit Disbursement in any Policy Year will be subject to our administrative rules and guidelines in effect at the time of the disbursement;
- (e) any fees that may apply for withdrawals made under the Disability Benefit Disbursement will be subject to our administrative rules and guidelines in effect at the time of the disbursement.

You may specify the Interest Accounts from which a Disability Benefit Disbursement is to be made. However, if there is any value in the Shuttle Account, all Disability Benefit Disbursements will be made from the Shuttle Account first, regardless of the order specified by you. In the absence of written instructions for Disability Benefit Disbursements, Equitable Life will make the withdrawals from the Shuttle Account and Interest Accounts using the same method as used for Monthly Charges.

The Account Value applicable to this policy will be reduced by the amount of the Disability Benefit Disbursement. If you have elected Level Protector as the Death Benefit Option for your Equation Generation IV policy, the Sum Insured will be reduced by the amount of the Disability Benefit Disbursement. If you have elected Account Value Protector as the Death Benefit Option for your Equation Generation IV policy, the Death Benefit will be reduced by the amount of the Disability Benefit Disbursement. If a Disability Benefit Disbursement occurs during the Surrender Charge period, a pro-rata Surrender Charge will be calculated but not deducted at the time of payment. If you surrender your policy prior to the completion of the Surrender Charge period, the Surrender Charge that would have applied to the Disability Benefit Disbursement will be deducted at that time along with any other Surrender Charge which may apply at that time.

A Disability Benefit Disbursement may not be available if you assigned this policy or if you have made an irrevocable beneficiary designation for the proceeds of this policy. You may be able to take a Disability Benefit Disbursement upon written authorization to Equitable Life of the assignee or the irrevocable beneficiary, subject to our administrative rules and guidelines in effect at that time and the then current income tax legislation.

Qualifying to receive the Disability Benefit Disbursement does not guarantee that your policy will remain in effect. If you have not elected Waiver of Charges as an additional Rider with this policy on the Life Insured for whom this Disability Benefit Disbursement applies, you must continue to make sufficient Premium payments in order to keep your Equation Generation IV policy in effect. .



**Disability Benefit Disbursement – continued**

In order to receive the Disability Benefit Disbursement, the Owner must provide at their own expense evidence in writing satisfactory to Equitable Life from a medical practitioner, who is qualified and licensed in Canada, of the exhibited severe physical or mental impairment of the Life Insured. The impairment must have existed for a period of at least 90 days and:

- (a) must markedly restrict the ability of the Life Insured to perform any one of the following basic activities of daily living:
    - (i) perceiving, thinking and remembering;
    - (ii) feeding and dressing himself or herself;
    - (iii) speaking so as to be understood, in a quiet setting, by another person familiar with the Life Insured;
    - (iv) hearing so as to understand, in a quiet setting, another person familiar with the Life Insured;
    - (v) eliminating (bowel or bladder functions); or
    - (vi) walking;
  - or (b) (i) must prevent that Life Insured, if normally employed, from performing the essential duties of his or her occupation or employment; or
    - (ii) must prevent that Life Insured, if not normally employed, from performing the essential duties of any occupation or employment for which he or she is qualified or could reasonably become qualified by reason of education; training or experience; or
    - (iii) must prevent that Life Insured, if normally responsible for the maintenance of a home or care of immediate family members, from performing the essential duties of maintaining that home or caring for those individuals;
- and the impairment under sub-paragraph (a) or (b) above must arise from one or more of the following:
- AIDS (Acquired Immune Deficiency Syndrome) or HTLV-III and/or HIV infection,
  - Alzheimer's Disease,
  - Cancer or Tumour,
  - Coronary Artery Disease, Myocardial Infarction, or Congestive Heart Failure
  - Chronic Kidney Failure, or Chronic Liver Disease,
  - Loss of a Limb,
  - Neuromotor disease,
  - Muscular Dystrophy,
  - Paralysis, paraplegia, or quadriplegia,
  - Receipt of a major organ transplant,
  - Third degree burns over more than 50% of the body,
  - Multiple Sclerosis,
  - Hepatitis,
  - Stroke, with or without paralysis,
  - Huntington's Chorea;
- or (c) has resulted in the total and permanent loss of sight in both eyes, or the use of both hands, or the use of both feet, or the use of one hand and one foot;
  - or (d) either the impairment or the illness or injury that caused the impairment is expected by the medical practitioner to result in the death of that Life Insured within 24 months of the date of diagnosis.

**Pre-existing Conditions:** No Disability Benefit Disbursement will be payable if we determine that a Life Insured, who would have otherwise qualified for the Disability Benefit Disbursement, had that Disability at the Effective Date or the Reinstatement Date of this policy. That determination will be based on the conditions specifically identified in, or that can reasonably be inferred to have existed at that time from, the application, a related declaration of health, or other information required by Equitable Life.

**Taxation:** As of the Effective Date of this policy the Income Tax Act (Canada) and Regulations provide that a disability benefit is not considered a disposition of an interest in a life insurance policy. Therefore as of the Effective Date of this policy disability benefits are not subject to income tax. However, Equitable Life offers no guarantee that a Disability Benefit Disbursement will not be subject to income tax at the time it is made. Furthermore, it may not always be in the best interest of the Owner to take a Disability Benefit Disbursement, should the Income Tax Act (Canada) and Regulations change in the future.

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**Bereavement Counselling Benefit**

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On the first death of the Lives Insured under this policy and payment of the Death Benefit, Equitable Life will provide a Bereavement Counselling Benefit to the Beneficiary(ies) of this Equation Generation IV policy. Equitable Life will reimburse the Beneficiary(ies) up to a maximum of \$500.00 toward the cost of counselling expenses, as long as the following rules are adhered to:

- the Beneficiary(ies) will submit receipts within 12 months of the date of the first death of the Lives Insured; and
- the counsellor has professional accreditation or certification as determined appropriate by Equitable Life.

Reimbursement is subject to Equitable Life's then current administrative practices.

Regardless of the number of Beneficiaries under this policy only a sum total of \$500.00 will be reimbursed for counselling for all Beneficiaries. Equitable Life will not proportion the distribution of this benefit as per Beneficiary designation. Payment under this benefit will result upon remittance of receipts only.

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**Dividends**

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While in effect, this Equation Generation IV policy may, at the end of each Policy Year, participate in the distribution of surplus of Equitable Life. If a distribution is declared for this policy, it will be credited as a dividend. The declaration of a dividend and the amount of any dividend payable, if any, will be determined by Equitable Life.

If any policy dividends are declared, they will be credited in a manner determined by Equitable Life at that time.

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**Protection From Creditors**

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Protection from creditors of the Owner may be available with your Equation Generation IV policy, subject to certain conditions.

## Special Options Provision

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The Joint First to Die Equation Generation IV Universal Life policy contains the following Special Options Provisions and forms part of this contract.

### Additional Death Benefit:

If, within 60 days of the first death of the Lives Insured, any surviving Life Insured should die, we will pay to the Beneficiary an additional death benefit equal to the sum insured in effect at the date of the first death.

### Option on the First Death:

This policy terminates at the first death of the Lives Insured. At the first death of the Lives Insured, the Owner or the surviving life insured may request in writing, within 60 days of the first death and without evidence of insurability, the option to purchase new single life permanent plan coverage on the surviving life insured, for an amount up to a maximum of the sum insured in effect at the date of the first death and subject to the minimum amount of coverage required for the plan selected. The premium and/or cost of insurance charges for the new permanent plan coverage will be based on the attained Age of the surviving life insured at the rates in effect at that time for a similar class of risk as determined by us. The new coverage must meet the minimums and maximums then required by us for the amount of insurance coverage, premiums and age for the products selected.

### Option to Elect Individual Policies:

At any Policy Anniversary prior to the Policy Anniversary nearest Age 75 of the oldest life insured and upon proof of material change in the relationship of the lives insured under this policy, as long as this policy is in good standing, the Owner may request in writing, within 60 days of a policy anniversary, to surrender this Joint First to Die Equation Generation IV policy and without evidence of insurability, elect new individual single life permanent plan coverage on each of the lives insured under this policy for an amount up to a maximum of the sum insured in effect at the time of surrender, subject to the minimum amount of coverage required for the plan selected. The premiums and/or cost of insurance charges for the new individual single life permanent coverages will be based on the attained Age of each life insured at the rates in effect at that time, for a similar class of risk as determined by us. The new coverage(s) must meet the minimums and maximums then required by us for the amount of insurance coverage, premiums and age for the products selected. This Joint First to Die Equation Generation IV policy contract will terminate at the time the new single life plan coverage(s) are issued.

If premiums or cost of insurance charges for this Joint First to Die Equation Generation IV policy are being waived under the Waiver of Premium Rider or Waiver of Monthly Charges Rider and written request is received to elect individual policies, the premiums or cost of insurance charges will NOT be waived under the new policies and will be payable for any new permanent plan coverage issued on the lives insured through this provision.

Riders and Benefits issued with the original Joint First to Die Equation Generation IV Universal Life policy may be added to the new policy coverage subject to availability and our current administrative rules and practices.

If this policy contains any exclusion, a similar exclusion will apply to the newly issued policy contract, along with any limitations to our liability included for the type, amount, and Risk Classification of the coverage issued.

All changes are subject to receipt of a written request from the Owner at the Head Office of the Company and to terms and conditions determined by Equitable Life at that time.

## Tax Status

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This Equation Generation IV policy is issued with the intention that it will be maintained exempt from accrual taxation under the provisions of the Income Tax Act (Canada) and Regulations in effect as of the Effective Date of this policy. Therefore, periodically, but not less than annually, this policy will be monitored to determine its tax status.

If, at any time, this Equation Generation IV policy fails any of the applicable exemption tests and is therefore subject to annual accrual taxation, according to the requirements of the Income Tax Act (Canada) and Regulations, Equitable Life reserves the right to transfer funds from a portion of the Cash Surrender Value attributable to the Daily Interest Account, Guaranteed Deposit Accounts and/or the Linked Interest Options to the Shuttle Account in order to maintain this policy's exempt status provided that it is possible for the Company to do so under the legislation in effect at that time. Funds in the Shuttle Account do not make up any part of this policy and are subject to annual taxation.

If this Equation Generation IV policy fails the exempt test at the time of a Premium payment, Equitable Life will accept as a Premium for this Equation Generation IV policy an amount that will maintain this policy's tax-exempt status. Equitable Life will deposit the balance to the Shuttle Account. The balance will not be considered a Premium payment under this policy.

If on any Policy Anniversary, there is room for additional Premiums in this Equation Generation IV policy and you have funds in the Shuttle Account, Equitable Life will automatically pay a Premium from the Shuttle Account to this Equation Generation IV policy. The Premium paid will be allocated to the Investment Interest Accounts in the same manner as elected by you on the application or subsequently changed. Provincial Government Premium Tax will be applied to each Premium paid to this Equation Generation IV policy from the Shuttle Account. (See Net Premium for details on Premium Tax).

If at any Policy Anniversary this Equation Generation IV policy fails any of the applicable exemption tests, the Sum Insured will be automatically increased by up to 8% of the Sum Insured at that Policy Anniversary. If the increase in the Sum Insured is not sufficient to maintain the exempt status of this policy, a portion of the Cash Surrender Value attributable to the Daily Interest Account, Guaranteed Deposit Accounts and/or the Linked Interest Options will be transferred to the Shuttle Account in order to maintain this policy's exempt status. No evidence of insurability is required for the automatic increase in the Sum Insured.

The above provisions reflect the current provisions of the Income Tax Act (Canada) and Regulations applicable to this policy as at the Effective Date. Equitable Life makes no guarantees that these provisions will not change. Equitable Life reserves the right to modify its practices to reflect any subsequent changes made in the Income Tax Act (Canada) and Regulations affecting this policy. Equitable Life will provide to you any required tax reporting slips.

## Shuttle Account

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***The Shuttle Account is a separate premiums-on-deposit account which assists in maintaining your Equation Generation IV policy's tax-exempt status. The Shuttle Account may have a separate Beneficiary(ies) and is paid out on death of the Owner or on termination or surrender of this Equation Generation IV policy.***

In order to maintain your policy's tax-exempt status, a separate Shuttle Account (premiums-on-deposit account) will be set up in conjunction with your Equation Generation IV policy. As stated in the Premiums provision of this policy, any monies received over the Maximum Exempt Premium for any Policy Year will be deposited on your behalf to the Shuttle Account. The Shuttle Account is a premiums-on-deposit account where funds are held until such time as they can be paid as Premiums into your Equation Generation IV policy.

The Shuttle Account receives amounts in excess of the Maximum Exempt Premium. In addition, funds will be transferred to the Shuttle Account as required to maintain your Equation Generation IV policy status as exempt from annual accrual taxation. Funds in the Shuttle Account will automatically be used to pay Premiums to your Equation Generation IV policy on any Policy Anniversary, provided that enough tax-exempt room exists.

### Shuttle Interest Accounts:

The Shuttle Account is set up at issue of your Equation Generation IV policy. Any amounts transferred into the Shuttle Account will be allocated to the Shuttle Interest Accounts and any interest earned will be subject to annual taxation.

The Shuttle Account of your Equation Generation IV policy is credited or debited interest based on the rate of return, less any applicable administration fees, of the Shuttle Interest Accounts available and chosen by you. If you do not choose an allocation for your Shuttle Deposits, any amounts transferred to the Shuttle Account will be allocated to the Daily Interest Account.

You may at any time in the future request in writing to change the allocation of the deposits made to the Shuttle Account, subject to our administrative rules and guidelines in effect at that time. We reserve the right to charge a fee to change the allocation.

The Shuttle Interest Accounts available with your Equation Generation IV policy are selected by Equitable Life. Equitable Life reserves the right to change or discontinue the use of any Shuttle Interest Account at our discretion, without prior notification, and transfer the value to the Daily Interest Account.

### Shuttle Premiums:

Shuttle Premiums are Premiums paid from the Shuttle Account to your Equation Generation IV policy. At each Policy Anniversary and after exempt testing, Equitable Life will determine the Maximum Exempt Premium for the following year. Upon determination of the Maximum Exempt Premium, Equitable Life will automatically pay a Premium, if possible, from the Shuttle Account to your Equation Generation IV policy. The Premium paid, less any applicable Premium tax, will be allocated to the Investment Interest Accounts within your Equation Generation IV policy, as elected by you on the application for life insurance or subsequently changed in writing by the Owner, or to the Daily Interest Account if no selection is made. The Premium paid from the Shuttle Account will be the lesser of the Maximum Exempt Premium and the Shuttle Account Value.

Premiums paid from the Shuttle Account will be deducted from the Shuttle Interest Accounts according to our administrative practices.

### Shuttle Deposits:

Shuttle Deposits are funds that are transferred from your Equation Generation IV policy to the Shuttle Account in order to maintain the exempt status of your policy under the provisions of the Income Tax Act (Canada) and Regulations. Shuttle Deposits will also occur at any time a Premium in excess of the Maximum Exempt Premium is paid to your Equation Generation IV policy. The amount of the Shuttle Deposit will be determined to be the amount necessary to maintain your policy's exempt status.

The Shuttle Deposits will be allocated to the Shuttle Account according to the allocation selected on the application for life insurance, or subsequently changed in writing by the Owner. If no selection is made, Shuttle Deposits will automatically be allocated to the Daily Interest Account.

Shuttle Deposits are not subject to Premium Tax.

**Shuttle Account – continued**

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<b>Investment Bonus:</b>	The Investment Bonus does not apply to the Shuttle Account.
<b>Incentive Bonus:</b>	The Incentive Bonus does not apply to the Shuttle Account.
<b>In the Event Of Death:</b>	<p>On the first death of the Lives Insured under this Joint First to Die Equation Generation IV policy, the Shuttle Account Value will be paid to the Owner or the Owner's Beneficiary(ies) as stipulated on the Policy Specifications page of this policy.</p> <p>On the death of the Owner, if other than the Lives Insured under this Equation Generation IV policy, the Shuttle Account Value will be paid to those entitled to this account according to the applicable laws.</p>
<b>Policy Surrender:</b>	If your Equation Generation IV policy is surrendered, any Shuttle Account Value will be surrendered and paid out to the Owner, unless prohibited by law. There are no Surrender Charges applicable to the Shuttle Account.
<b>Withdrawal:</b>	If you elect to withdraw cash from your Equation Generation IV policy and there are funds being held in the Shuttle Account, the funds held in the Shuttle Account will be withdrawn first to satisfy the requested withdrawal amount. The withdrawal provisions applicable to the Shuttle Account are the same as specified under the Cash Withdrawals section in your Equation Generation IV policy.
<b>Shuttle Account Value:</b>	At any time the Shuttle Account Value will be equal to the sum of all Shuttle Deposits plus any interest credited to the Shuttle Interest Accounts; less any interest debited to the Shuttle Interest Accounts; less any administration fees applicable to the Shuttle Interest Accounts; less any Shuttle Premiums paid to the Equation Generation IV policy; less any Cash Withdrawals.
<b>Policy Loans:</b>	You may not take a Policy Loan against the Shuttle Account Value, nor will the value of your Shuttle Account be used when determining the Maximum Loan Value for an Equation Generation IV Policy Loan.
<b>Policy Lapse:</b>	The value of your Shuttle Account will not be used in determining whether or not your Equation Generation IV policy will lapse. However, if there are funds in the Shuttle Account, room available in your Equation Generation IV policy and failure of the lapse test is imminent, Equitable Life will automatically pay a Premium from the Shuttle Account to your Equation Generation IV policy.
<b>Taxation:</b>	Any interest earned in the Shuttle Account is subject to annual taxation. Each year, the amount of interest income will be reported on a tax information slip as Canadian source interest income, under current legislation.
<b>Protection from Creditors:</b>	Protection from creditors, which may be available to you with your Equation Generation IV Universal Life policy, does NOT apply to the Shuttle Account. The Shuttle Account is not part of the Equation Generation IV policy. It is a separate Premiums-on-Deposit Account.

**SETTLEMENT OPTIONS**

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Provided this policy has not been assigned, you may elect, in writing and received at our Head Office in Waterloo, Ontario, that a specified amount of the proceeds payable in one lump sum upon the first death of the Lives Insured under this policy be applied under one of the following Payment Options, if available and subject to our administrative rules and guidelines in effect at the time the claim becomes payable:

- a) Limited Payments – the specified amount would be paid as monthly income for a limited period of time in the form of an annuity certain, subject to minimum and maximum amounts required by us.
- b) Continuous Payments – the specified amount would be paid as monthly income for the lifetime of the payee in the form of a life annuity or other type of annuity offered by us at the time, subject to minimum and maximum amounts required by us.
- c) Proceeds on Deposit – the specified amount would be left with us for a period as agreed to by us. Interest will accrue on the proceeds at a rate as determined by us from time to time, but is guaranteed never to be negative.
- d) Other Payment – the specified amount would be applied to any other payment option then made available by us.

You may revoke or change your election at any time in writing and received at our Head Office in Waterloo, Ontario.

The beneficiary(ies) entitled to the claims proceeds on the first death of the Lives Insured may also elect one of the above options with respect to the applicable claims proceeds, unless you have elected otherwise.

The amount of monthly income payable under Options a) or b) shall be an amount calculated by applying the Company's immediate annuity rates in effect on the date the monthly payments begin. The beneficiary(ies) will need to provide us with required personal information to put the annuity into effect.

## DEFINITIONS

*The following are definitions of some of the terms used in your Equation Generation IV policy. If you need additional information or clarification please call one of our Individual Customer Service Representatives at 1-800-668-4095 or your financial advisor.*

<b>Age:</b>	means the age of a Life Insured on his or her nearest birthday.
<b>Amount at Risk for an Insurance Coverage :</b>	is equal to the Death Benefit less the Account Value of the applicable Insurance Coverage.
<b>Beneficiary(ies):</b>	is (are) the person(s) designated in the application by the Owner and listed on the Policy Specifications page of this policy who is (are) to receive the Death Benefit proceeds payable in the event of the last death of the Lives Insured under this Equation Generation IV policy. While this policy is in effect, the Owner may choose to designate in writing to us a change in the Beneficiary(ies) to receive the Death Benefit proceeds payable on the last death of the Lives Insured under this policy if that change is allowed under laws that apply. The Equitable Life Insurance Company of Canada will pay the Death Benefit proceeds payable to the Beneficiary(ies) in effect at the date of the last death of the Lives Insured under this policy.
<b>Business Day:</b>	means any day other than Saturday, Sunday and all applicable statutory holidays in the province that the Company's Head Office is located.
<b>Class of Risk:</b>	means the Company's mortality risk assessment of a Life Insured. It is based upon our review of the application for insurance and all medical and other information received by the Company. A standard or normal mortality risk assessment is 100%. A class of risk greater than 100% indicates a higher mortality risk. The class of risk will affect the cost of insurance rates. Mortality risk refers to the incidence of death.
<b>Company:</b>	The terms "we", "our", "us", "Equitable Life" and "Company", mean The Equitable Life Insurance Company of Canada and its Head Office located in Waterloo, Ontario, Canada.
<b>Coverage Years:</b>	Each Insurance Coverage and Rider applicable to this Equation Generation IV policy has an effective date. Coverage Years are measured from the effective date of each Insurance Coverage or Rider as shown on the Coverage Specifications page(s).
<b>Currency:</b>	All amounts payable to or by the Company under the terms, conditions or provisions of this policy are payable in the lawful currency of Canada.
<b>Date Policy Takes Effect:</b>	means the later of: <ol style="list-style-type: none"> <li>either: (i) in Quebec, the date Equitable Life accepts the policy without modification; or (ii) in provinces other than Quebec, the date the policy is delivered to you; and</li> <li>the date the full amount of the first Premium has been paid to the Company;</li> </ol> provided that no change has taken place in the insurability of any Life Insured under this policy between the date the application for life insurance was signed by the Life Insured and the date the policy was delivered to you.
<b>Effective Date:</b>	means the effective date of the policy as shown on the Coverage Specifications page(s).
<b>Equivalent Single Age:</b>	is the "insurance age" for this policy and is calculated based on the ages of both of the Lives Insured under this Equation Generation IV policy.
<b>Indebtedness:</b>	refers to outstanding Policy Loans and includes any unpaid interest owing for those loans.
<b>Insurance Coverage:</b>	is the Equation Generation IV Universal Life Death Benefit applicable to the Lives Insured. Any increases applied for and made in the future, by the Owner, will result in an additional Insurance Coverage applicable to the Lives Insured.
<b>Life or Lives Insured:</b>	are the persons for whom the life insurance associated with this policy is applicable. The Lives Insured may or may not be the Owner(s) of this Equation Generation IV policy.
<b>Monthly Anniversary:</b>	The Monthly Anniversary for this policy will occur on the same day of each month as the Effective Date of this policy. Regardless of whether the premiums are being paid annually or monthly, the Monthly Anniversary is the day each month that all of the Monthly Charges applicable to the policy are deducted.



**DEFINITIONS - continued**

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<b>Monthly Charges:</b>	All charges associated with this Equation Generation IV policy are referred to as Monthly Charges and include Cost of Insurance Charges, Administration Charges, Linked Interest Option Administration Fees and any charges applicable to additional benefits or Riders as specified on the Coverage Specifications page(s).
<b>Net Premium(s):</b>	<p>is equal to the Premium(s) paid less any applicable government premium taxes required to be deducted now or in the future.</p> <p>Equitable Life reserves the right to increase or decrease the current deduction for government premium taxes should the government premium taxes be increased or decreased.</p>
<b>Owner:</b>	The Owner of this policy refers to the applicant(s) and Owner(s) as indicated on the Policy Specifications page of this policy. The terms "you", "your", and "Owner" refer to the applicant(s) and Owner(s) of this policy. The Owner(s) may or may not be the Lives Insured under this policy.
<b>Policy Anniversary:</b>	The Policy Anniversary will occur on the same day and month each year as the Effective Date of this policy, as shown on the Policy Specifications page. Policy Years and Policy Months are also measured from the Effective Date of this policy.
<b>Premium:</b>	Premium refers to the amounts paid to Equitable Life and applied to this Equation Generation IV Universal Life policy.
<b>Rider:</b>	A Rider is an additional benefit applied for and issued by us as shown on the Coverage Specifications page(s) of this policy. The provisions, terms and conditions of any Riders applicable to this policy are stated in the Rider pages attached to this Equation Generation IV policy.
<b>Shuttle Account:</b>	The Shuttle Account is a separate Premiums-on-Deposit Account set up at issue of your Equation Generation IV policy. This account is held outside of your Equation Generation IV policy and is used to hold funds that must be transferred out of your policy in order to maintain its tax exempt status. Interest and income earned on the Shuttle Account is taxed annually.

## GENERAL PROVISIONS

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*The following are General Provisions applicable to your Equation Generation IV policy.*

**Assignment:** This policy may be assigned by the Owner as permitted by law. The assignment will not be binding on Equitable Life unless the Assignment is made in writing and filed with our Head Office in Waterloo, Ontario. Equitable Life is not responsible for the validity of any Assignment.

**Death of a Beneficiary:** In the event of the death of a Beneficiary, the deceased Beneficiary's share of the proceeds from this policy (payable on the last death of the Lives Insured) will be payable to the surviving Beneficiary(ies). If no Beneficiary survives, the proceeds will be payable to the Owner or to the executors, administrators, or assignees of the Owner, subject to the right of the Owner to appoint a new Beneficiary or contingent Beneficiary.

**Contract:** The Equation Generation IV Joint Last-to-Die Universal Life Contract consists of the following documents:

- this policy
- the application
- any amendments or endorsements to the policy agreed upon in writing by the Company
- any Riders attached to this policy providing additional benefits.

This policy takes effect as of the Date Policy Takes Effect.

Only the President or an Officer of The Equitable Life Insurance Company of Canada has the authority to bind the Company or to make any change in the Contract, and then only in writing. Equitable Life will not be bound by any promises or representations made by any other persons including your financial advisor, broker or agent. Without limiting the generality of the above statement, no financial advisor, broker or agent is authorized to waive, amend or modify any of the terms, conditions or provisions of this Contract.

Should any legislative or regulatory authority having jurisdiction, impose requirements that would impact this Contract, Equitable Life may unilaterally make the required changes to this Contract.

**Incontestability:** Failure to disclose a fact or the misrepresentation of a fact in the application for life insurance, medical examination, or any statement or answers provided as evidence of insurability will cause this policy including any Riders to be voidable by Equitable Life.

Where this policy has been in effect for two (2) years from the later of:

- (a) the Date Policy Takes Effect; and
- (b) the last Reinstatement date of this policy,

with the exception of Misstatement of Age or Sex which is described below, the failure to disclose or the misrepresentation, except in the case of fraud, will not cause this policy including any Riders to become voidable.

Any additional or amended Insurance Coverages effective after the Date Policy Takes Effect will be considered to be incontestable (with the exception of fraud) only after the additional or amended Insurance Coverage has been in effect for two (2) years from the later of:

- (1) the date the additional or amended Insurance Coverage took effect; and
- (2) the last Reinstatement date of this policy.

**Misstatement of Age or Sex:**

If the date of birth and/or sex of one or more of the Lives Insured has been misstated, the amount payable under this policy on the last death of the Lives Insured, will be adjusted to be the amount of Insurance Coverage the Cost of Insurance Charges (deducted at the beginning of the Policy Month in which the death has occurred) would have purchased had the Cost of Insurance Charges for the Lives Insured been calculated using the correct Equivalent Single Age.

If the date of birth and/or sex of one or more of the Lives Insured covered by a Rider has been misstated, then the amount payable for the Rider will be the amount that the Monthly Charge for that Rider would have purchased based on the correct age and/or sex.

**GENERAL PROVISIONS - continued**

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**Notice/****Correspondence:**

Any Notice or Correspondence that is required to be provided to you by the Company will be sent by regular mail, facsimile or electronic mail. We will consider the notices and/or correspondence to be received by you on the 7<sup>th</sup> Business Day following the mailing or transmission.

Any notice or correspondence from you may be sent by regular mail, facsimile or electronic mail (provided a signature is not required) and will be considered received by us on the date we receive it at our Head Office in Waterloo, Ontario.

**Proof of Age:**

Equitable Life requires satisfactory proof of the date of birth of a Life Insured before making any payment under this policy or Rider.

**Participating:**

This policy, excluding any Riders that may be attached to it, is participating and therefore may be eligible for dividends, or to participate in any divisible surplus of the Company.

**Right of Rescission:**

You will have 10 calendar days from the date you receive this policy to cancel it provided you have given us written notice of your request to cancel it within the 10 days. If for any reason during that time you want to cancel the Contract, the market value of any Premium received will be refunded as of the date Equitable Life receives your notice requesting cancellation. This policy will then be considered void from inception.

**Settlement on Death:**

At the last death of the Lives Insured under this policy, before making any payment under this policy, Equitable Life will require the policy and satisfactory proof of:

- (a) the death of the Life Insured;
- (b) the date of birth of the deceased Life Insured;
- (c) the sex of the deceased Life Insured; and
- (d) the claimant's right to receive payment.

**Simultaneous Deaths:**

Where two both of the Lives Insured die at the same time or in circumstances where it is uncertain which of the lives insured died first, the Death Benefit payable shall be paid as though the oldest of the Lives Insured died first.

**Smoking Classification:**

At any time, subject to our administrative rules and guidelines, you may request that the Smoker Classification of a Life Insured be changed to a Non-Smoker classification by providing a written declaration to Equitable Life that provides satisfactory evidence to qualify that Life Insured as a Non-Smoker. Equitable Life reserves the right to require evidence of good health before approving a change in Smoking Classification.

**Suicide:**

Equitable Life will not pay any Death Benefit if the Life Insured dies by suicide, regardless of the mental state of the Life Insured, within two (2) years from the later of:

- (i) the Date Policy Takes Effect; and
- (ii) the last Reinstatement date of this policy.

**Limitation Period:**

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the Insurance Act or other applicable legislation.

## **Death Benefit**

***An important part of your Joint Last to Die Equation Generation IV Universal Life Insurance policy is the Death Benefit provided to the Beneficiary(ies). The Death Benefit Option you have selected is shown on the Coverage Specifications page(s) of this policy.***

**Death Benefit:** The Death Benefit will be payable to the Beneficiary(ies) provided this policy is in effect as of the date of the last death of the Lives Insured. The proceeds payable at death are calculated as of the date Equitable Life receives notice of the last death of the Lives Insured under this policy. Immediately following the calculation of the proceeds payable at death, the Account Value attributable to the policy becomes zero. Any Indebtedness under the policy will be deducted from the proceeds payable.

On the Effective Date of this policy, the initial Death Benefit will be the Sum Insured as shown on the Coverage Specifications page(s) of this policy. Thereafter, the Death Benefit will be determined in accordance with one of the following Death Benefit Options as shown on the Coverage Specification page(s).

### **Death Benefit Options:**

**Level Protector:** Under this Death Benefit Option the Sum Insured will remain level for the duration of the policy unless you take a Cash Withdrawal or unless it is increased as required to assist in maintaining the tax exempt status of your policy. Upon the last death of the Lives Insured, the Company will pay the Beneficiary(ies) the Death Benefit which is equal to the greater of the Sum Insured or the Account Value attributable to this Equation Generation IV policy.

This Death Benefit Option is available with either Yearly Renewable Term (YRT) or Level Cost of Insurance Charges.

**Account Value Protector:** Under this Death Benefit Option the Sum Insured will remain level for the duration of the policy unless it is increased as required to assist in maintaining the tax exempt status of your policy. Upon the last death of the Lives Insured, the Company will pay the Beneficiary(ies) the Death Benefit which is equal to the Sum Insured plus the Account Value attributable to this Equation Generation IV policy.

This Death Benefit Option is available with either Yearly Renewable Term (YRT) or Level Cost of Insurance Charges.

## **Changes to Insurance Coverage**

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***With Joint Last to Die Equation Generation IV Universal Life Insurance you can choose to make changes to the Insurance Coverage provided by your policy.***

At any time while this policy is in effect you may request any of the following changes, subject to the following requirements, and our current administrative rules and guidelines in effect at the time:

- (a) additional Insurance Coverage, subject to evidence of insurability as determined by the Company for both Lives Insured;
- (b) a decrease in Insurance Coverage; a pro-rata Surrender Charge will be applied. The Surrender Charges under this policy are shown in the Table of Charges;
- (c) cancellation of a Rider attached to this policy;
- (d) a change in Death Benefit Option, subject to evidence of insurability as determined by the Company for both Lives Insured;
- (e) a change in the Cost of Insurance Charges Type, subject to evidence of insurability as determined by the Company for both Lives Insured.

No other changes may be made.

All changes are subject to receipt of a written request from you at the Head Office of the Company.

SAMPLE

## Premiums

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**Premium is the term used to define the money that you pay to Equitable Life for your Joint Last to Die Equation Generation IV Universal Life policy.**

**Premiums:**

All Premiums are payable to Equitable Life and must be received in our Head Office, in Waterloo, Ontario. You may choose to submit your Premium by mail or deliver it in person or by courier. You may also choose to have your Premiums automatically withdrawn from your chequing account with our pre-authorized debit plan (P.A.D.).

At any time while this policy is in effect you may make additional Premium payments. Your Premium payments may be increased or decreased at any time or you may change the frequency of the Premium payment, subject to limits and restrictions as determined by Equitable Life at that time.

Monies received during a Policy Year in excess of the Maximum Exempt Premium for that Policy Year will be deposited into the Shuttle Account and will not be considered a Premium paid under your Equation Generation IV policy. If at any time in the future, Equitable Life determines that monies can be transferred from the Shuttle Account to your Equation Generation IV policy, these monies will be considered to be Premiums paid to the policy.

**Net Premiums:**

Government Premium tax is deducted from each Premium paid to your Equation Generation IV policy. The percentage of the deduction required varies by province. Therefore, the premium tax deducted from your policy will be based on your province of residence. Equitable Life reserves the right to change the current deduction for the Government premium taxes should the premium taxes applicable to this policy be changed. Your Premium less the applicable premium tax is the Net Premium.

**Minimum Annual Premiums:**

The Minimum Annual Premium shown on the Policy Specifications page, is the Minimum Annual Premium applicable for the first Policy Year, including the charges for any Riders. **Payment of the Minimum Annual Premium does not guarantee that your policy will remain in effect.** Depending on the Cost of Insurance Charges, Death Benefit Option, Riders and performance of the Investment Interest Account(s) you have selected, the Minimum Annual Premium may not be sufficient to maintain your Equation Generation IV policy.

**Maximum Exempt Premium:**

The Maximum Exempt Premium is the maximum Premium that you can deposit into your Equation Generation IV policy during a Policy Year. At issue and at each Policy Anniversary thereafter we will calculate this amount for the upcoming Policy Year. The Maximum Exempt Premium is the estimated maximum amount that can be deposited to your policy while maintaining your policy exempt from accrual taxation under the provisions of the Income Tax Act (Canada) and Regulations.

## Investment Interest Accounts

***The Investment Interest Accounts make up the savings portion of your Joint Last-to-Die Equation Generation IV Universal Life Policy.***

**Interest Accounts:** Each Net Premium may be invested in any combination of the following Interest Accounts:

- (a) the Daily Interest Account;
- (b) the Guaranteed Deposit Accounts;
- (c) the Linked Interest Options
  - the Index Interest Options
  - the Performance Fund Interest Options
  - the Portfolio Interest Options

The portion of each Net Premium to be allocated to the various Interest Accounts is shown on your application for life insurance for this Equation Generation IV policy, unless subsequently changed by the Owner as described below.

All Net Premiums will be invested within five (5) Business Days of receipt of the Premiums at Equitable Life's Head Office in Waterloo, Ontario, or the date of transfer from the Shuttle Account.

You may request in writing to change the portion of the Net Premiums allocated to the various Investment Interest Accounts. The first change in any Policy Year is free of charge. Any additional changes in that Policy Year will be subject to a fee of \$25.00 per change.

**The following is a description of the Interest Accounts available with Equation Generation IV:**

**Daily Interest Account:** The interest rate credited on Net Premiums allocated to this account will be determined by Equitable Life from time to time, but is guaranteed not to be less than 90% of the yield on 91-Day Government of Canada Treasury Bills less 2% to a minimum credited interest rate of 0%.

The effective annual interest rate is compounded daily and credited to the Daily Interest Account at least once per month.

Should 91-Day Government of Canada Treasury Bills become unavailable, Equitable Life reserves the right to use another yield in determining the above guarantee.

**Account Value:** The Account Value of the Daily Interest Account at any time is equal to the following:

- (a) Net Premiums and net transfers credited to the Daily Interest Account; plus
- (b) Interest and any Incentive Bonus credited to the Daily Interest Account; less
- (c) Amounts withdrawn or transferred out of the Daily Interest Account; less
- (d) Any administration fees or charges deemed to have come from this account.

**Guaranteed Deposit Accounts:**

You can select one or more Guaranteed Deposit Accounts for your Equation Generation IV policy. The terms available for each Guaranteed Deposit Account may be 1, 5, or 10 years. We reserve the right to change or discontinue Guaranteed Deposit Account terms available to you at any time.

The minimum amount that may be allocated to a Guaranteed Deposit Account at any time is \$500.00. If you have selected a Guaranteed Deposit Account as one of your Investment Interest Accounts, Premiums will be held in the Daily Interest Account until the \$500.00 minimum is accumulated. Each allocation to a Guaranteed Deposit Account is considered separate with its own interest rate and investment term.

Equitable Life will declare the interest rate for each new Guaranteed Deposit Account as of the date of the investment.

The interest rate for a Guaranteed Deposit Account with a term of 1 year is guaranteed not to be less than (90% of X\*), less 1.50% to a minimum credited interest rate of 0%.

## Investment Interest Accounts – continued

### Guaranteed Deposit Accounts: - continued

The interest rate for a Guaranteed Deposit Account with a term of 5 years is guaranteed not to be less than the greater of:

- (a) 1.00%; and
- (b) (90% of X\*) less 1.50%.

The interest rate for a Guaranteed Deposit Account with a term of 10 years is guaranteed not to be less than the greater of:

- (a) 2.00%; and
- (b) (90% of X\*) less 1.50%

\* "X" in the above formulas represents the yield on Government of Canada bonds with the same term and date of investment as the Guaranteed Deposit Account. If at any time there is not a regularly published Government of Canada Bond of the same term as the Guaranteed Deposit Account Equitable Life reserves the right to substitute the bond with the closest published term.

In determining the above guarantee, Equitable Life reserves the right to use a measurement other than the yield on Government of Canada Bonds should they become unavailable or unsuitable as determined by Equitable Life.

The effective date of each Guaranteed Deposit Account will be the same day of the month as the Effective Date of this policy that is coincident with or immediately following the date of investment. The term period for your Guaranteed Deposit Account is measured from this date.

At the end of the term of each Guaranteed Deposit Account, the Account Value of that Guaranteed Deposit Account will automatically be reinvested as another Guaranteed Deposit Account with the same term as the original Guaranteed Deposit Account unless you have elected otherwise in writing.

#### Account Value:

The Account Value of the Guaranteed Deposit Account(s) at any time is equal to the following:

- (a) Net Premium and net transfers credited to the Guaranteed Deposit Account(s); plus
- (b) interest and any Incentive Bonus credited to the Guaranteed Deposit Account(s); less
- (c) amounts withdrawn or transferred out of the Guaranteed Deposit Account(s) including any Market Value Adjustments that apply to these withdrawals or transfers; less
- (d) any administration fees or charges deemed to have come from this account.

#### Maturity Value:

The Maturity Value of a Guaranteed Deposit Account is the net amount originally invested in the Guaranteed Deposit Account plus the interest compounded annually at the guaranteed rate for the term you selected. Any amounts withdrawn, transferred out or deducted for monthly charges from the Guaranteed Deposit Account, including any Market Value Adjustment that may apply, are taken into account when the Maturity Value of a Guaranteed Deposit Account is determined.

#### Market Value Adjustment:

At any time prior to the end of the term of each Guaranteed Deposit Account, the Market Value Adjustment of a Guaranteed Deposit Account is the discounted value of the Maturity Value with the interest rate used for discounting being 1% plus the higher of:

- (a) the actual interest rate for each applicable Guaranteed Deposit Account, or
- (b) the then current interest rate based on the original term and band (as determined by us) of the Guaranteed Deposit Account being valued.

If a partial withdrawal or transfer to another Interest Account is being made a pro-rata Market Value Adjustment will apply.



## Investment Interest Accounts – continued

**Linked Interest Options:** You can select one or more of the Linked Interest Options for your Equation Generation IV policy. The Account Value of each Linked Interest Option must be at least \$150.00. If the minimum Account Value is not met we reserve the right to transfer the full value of that Linked Interest Option to the Daily Interest Account.

A Linked Interest Option Administration Fee may apply. (Refer to the Monthly Charges provision of this policy for details.)

### 1) Index Interest Options:

Net Premiums allocated to one or more of these Interest Accounts are credited or debited interest from the date each Net Premium is invested. The interest debited or credited is guaranteed to be not less than 100% of the comparative increase or decrease of the Total Return (which includes dividends) of the index tracked by the Index Interest Option. The rate of return the interest is based on can be either positive or negative depending on the movement of the applicable index. A negative rate of return will result in a debit to the Account Value (a negative interest rate). A positive rate of return will result in a credit to the Account Value (a positive interest rate).

Currently, interest rates are calculated on a daily basis (Business Day) at a time as determined by Equitable Life, based on the movement of the applicable index. We reserve the right to change the timing and frequency of the calculation at our discretion.

The applicable Index for each Index Interest Option is selected by Equitable Life and may change at any time. We reserve the right to discontinue the use of any Index Interest Option(s) at our discretion, without prior notification, and transfer the Account Value to a similar Index Interest Option as determined by us, or if a similar Index Interest Option is not available at that time, we will transfer the Account Value to the Daily Interest Account.

For information on the index tracked by each Index Interest Option and its past performance please ask your financial advisor or visit our website as shown on your most recent policy statement.

The following are the current Index Interest Options available with Equation Generation IV:

#### (a) Canadian Equity Index Interest Option:

The index tracked will consist primarily of Canadian equity stocks and Equitable Life guarantees to provide interest not less than 100% of the comparative increase or decrease of the total return of the applicable index;

#### (b) American Equity Index Interest Option:

The index tracked will consist primarily of U.S. equity stocks and Equitable Life guarantees to provide interest not less than 100% of the comparative increase or decrease of the total return of the applicable index, after converting to Canadian dollars. The conversion to Canadian dollars will be based on a rate obtained from a recognized quotation service as selected by Equitable Life;

#### (c) U.S. Technologies Index Interest Option:

The index tracked will consist primarily of U.S. technology stocks and Equitable Life guarantees to provide interest not less than 100% of the comparative increase or decrease of the total return of the applicable index, after converting to Canadian dollars. The conversion to Canadian dollars will be based on a rate obtained from a recognized quotation service as selected by Equitable Life;

#### (d) European Index Interest Option:

The index tracked will consist primarily of large, well-known European stocks and Equitable Life guarantees to provide interest not less than 100% of the comparative increase or decrease of the total return of the applicable index, after converting to Canadian dollars. The conversion to Canadian dollars will be based on a rate obtained from a recognized quotation service as selected by Equitable Life;

#### (e) U.S. Blue Chip Index Interest Option:

The index tracked will consist primarily of stocks of large, well-known U.S. companies and Equitable Life guarantees to provide interest not less than 100% of the comparative increase or decrease of the total return of the applicable index, after converting to Canadian dollars. The conversion to Canadian dollars will be based on a rate obtained from a recognized quotation service as selected by Equitable Life.

## Investment Interest Accounts – continued

### 2) Performance Fund Interest Options:

Net Premiums allocated to one or more of these accounts are credited or debited interest from the date each Net Premium is invested. The interest credited or debited is guaranteed to be not less than 100% of the net rate of return (i.e. less management fees and assuming the reinvestment of dividends) of the applicable mutual fund for each Performance Fund Interest Option. The rate of return the interest is based on can be either positive or negative depending on the movement of the applicable mutual fund. A negative rate of return will result in a debit to the Account Value (a negative interest rate). A positive rate of return will result in a credit to the Account Value (a positive interest rate).

Currently, interest rates are calculated on a daily basis (Business Day) at a time determined by Equitable Life, based on the movement of the applicable mutual fund. We reserve the right to change the timing and frequency of the calculation at our discretion.

For each Performance Fund Interest Option the applicable mutual fund and series are selected by Equitable Life and may change at any time. We reserve the right to discontinue the use of any Performance Fund Interest Option at our discretion, without prior notification, and transfer the Account Value to a similar Performance Fund Interest Option as determined by us, or if a similar Performance Fund Interest Option is not available at that time, we will transfer the Account Value to the Daily Interest Account.

For information on the mutual fund tracked by each Performance Fund Interest Option and its past performance please ask your financial advisor or visit our website as shown on your most recent policy statement.

The following are the current Performance Fund Interest Options available with Equation Generation IV:

**(a) Performance Fund Interest Option – Global**

The mutual fund tracked will invest mainly in equity securities of companies around the world and fixed income securities issued by governments or companies in any country. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund;

**(b) Performance Fund Interest Option – Canadian**

The mutual fund tracked will invest mainly in a mix of long term capital growth and fixed income securities issued primarily by Canadian issuers. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund;

**(c) Performance Fund Interest Option – Canadian Bond**

The mutual fund tracked will invest mainly in fixed income Canadian securities. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund;

**(d) Performance Fund Interest Option – Global Fixed Income**

The mutual fund tracked will invest mainly in bonds issued by foreign companies and governments. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund;

**(e) Performance Fund Interest Option – Canadian Value Stock**

The mutual fund tracked will invest mainly in Canadian equities and Canadian companies. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund;

**(f) Performance Fund Interest Option – Large Cap Canadian Equity**

The mutual fund tracked will invest mainly in a select group of high-quality, large-cap Canadian businesses. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund;

**(g) Performance Fund Interest Option – Global Balanced**

The mutual fund tracked will invest mainly in debt and equity securities issued around the world. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund.

## Investment Interest Accounts – continued

### 3) Portfolio Interest Options:

Net Premiums allocated to one or more of these accounts are credited or debited interest from the date each Net Premium is invested. The interest credited or debited is guaranteed to be not less than 100% of the net rate of return (i.e. less management fees and assuming the reinvestment of dividends) of the applicable portfolio for each Portfolio Interest Option. The rate of return the interest is based on can be either positive or negative depending on the movement of the applicable portfolio. A negative rate of return will result in a debit to the Account Value (a negative interest rate). A positive rate of return will result in a credit to the Account Value (a positive interest rate).

Currently, interest rates are calculated on a daily basis (Business Day) at a time determined by Equitable Life, based on the movement of the applicable portfolio. We reserve the right to change the timing and frequency of the calculation at our discretion.

For each Portfolio Interest Option the applicable portfolio and series are selected by Equitable Life and may change at any time. We reserve the right to discontinue the use of any Portfolio Interest Option at our discretion, without prior notification, and transfer the Account Value to a similar Portfolio Interest Option as determined by us, or if a similar Portfolio Interest Option is not available at that time, we will transfer the Account Value to the Daily Interest Account.

For information on the portfolio tracked by each Portfolio Interest Option and its past performance please ask your financial advisor or visit our website as shown on your most recent policy statement.

The following are the current Portfolio Interest Options available with Equation Generation IV:

- (a) **Diversified Income Portfolio Interest Option:**  
The portfolio tracked will invest mainly in a diversified mix of income and bond mutual funds. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable portfolio;
- (b) **Balanced Income Portfolio Interest Option:**  
The portfolio tracked will invest mainly in a diversified mix of equity and income mutual funds with a bias towards income. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable portfolio;
- (c) **Balanced Growth Portfolio Interest Option:**  
The portfolio tracked will invest mainly in a diversified mix of equity and income mutual funds, with a bias towards capital appreciation. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable portfolio;
- (d) **Growth Portfolio Interest Option:**  
The portfolio tracked will invest mainly in a diversified mix of equity mutual funds, with some fixed income mutual funds to provide stability. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable portfolio;
- (e) **Diversified Equity Portfolio Interest Option:**  
The portfolio tracked will invest primarily in a diversified mix of global equity mutual funds. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable portfolio;

#### Account Value:

At any time the Account Value of a Linked Interest Option is equal to the following:

- (a) Net Premiums and net transfers credited to that Linked Interest Option; plus
- (b) interest and Incentive Bonus credited to that Linked Interest Option; less
- (c) interest debited to that Linked Interest Option; less
- (d) amounts withdrawn or transferred out of that Linked Interest Option; less
- (e) any administration fees or charges deemed to have come from these accounts.

## Investment Interest Accounts – continued

### Changes to Your Investment Interest Accounts:

You may select to change your Investment Interest Accounts or the percentage of your Net Premium allocated to the various Investment Interest Accounts at any time, provided you submit your request in writing to Equitable Life's Head Office.

You may elect to transfer a portion of the Account Value of this policy from one Investment Interest Account to another Investment Interest Account available under this policy at any time, provided you submit your request in writing to Equitable Life's Head Office.

Equitable Life reserves the right to limit the number of requested transfers in any Policy Year.

There will be no additional fees charged for the transfers outlined below:

- (a) **Daily Interest Account:** You may elect to move savings from the Daily Interest Account to a Guaranteed Deposit Account or a Linked Interest Option at any time subject to minimum deposit requirements as determined by us. These transfers are based on the Account Value of the Daily Interest Account being transferred as of the effective date of the transfer.
- (b) **Guaranteed Deposit Account:** You may elect to move savings from one Guaranteed Deposit Account to another Guaranteed Deposit Account, the Daily Interest Account or a Linked Interest Option. These transfers are based on the Market Value Adjustment of the Account as of the effective date of the transfer. The Account Value of the Guaranteed Deposit Account must be at least equal to the \$500.00 minimum after the transfer has been made.
- (c) **Linked Interest Options:** You may request to move savings from a Linked Interest Option to another Linked Interest Option, the Daily Interest Account or a Guaranteed Deposit Account, subject to minimum deposit requirements as determined by us. These transfers are based on the Account Value of the Linked Interest Option being transferred as of the effective date of the transfer.

The effective date of the transfer will be within five (5) business days of receipt of your written request at Equitable Life's Head Office.

### About Your Investment Interest Accounts:

Linked Interest Options are NOT Mutual Funds, Portfolio Funds or Indexes; you are NOT acquiring units in a mutual fund or investment fund or other security. You are placing funds on deposit, earning interest, with the general funds of Equitable Life. Performance is NOT guaranteed. You may be credited positive or negative interest depending on the performance of the Mutual Fund, Portfolio or Index being tracked. The Mutual Fund, Portfolio or Index being tracked may change at any time. Linked Interest Option Administration Fees may apply.

## Policy Values

**Incentive Bonus:** An Incentive Bonus will be credited to the Account Value of your Equation Generation IV policy beginning on the 15<sup>th</sup> Policy Anniversary, and on each Policy Anniversary thereafter, provided the Account Value at the applicable Policy Anniversary is not less than two (2) times the accumulated total of the Minimum Annual Premiums since the Effective Date of the policy.  
The Incentive Bonus will be credited to the Account Value of this policy on the applicable Policy Anniversary as follows:

Policy Anniversary	Annual Bonus Percent
1 - 14	0.00%
15+	0.50%

Currently the Incentive Bonus credited will be allocated to the Investment Interest Accounts in the same manner as Premiums received. Equitable Life reserves the right to change the manner in which the Incentive Bonus is allocated to the Investment Interest Accounts at any time without prior notification.

**Account Value:** The Account Value of this Equation Generation IV policy at any time will be equal to the sum of the following:

- (a) the Account Value of the Daily Interest Account;
- (b) the Account Value of all Guaranteed Deposit Accounts;
- (c) the Account Value of all Linked Interest Options.

**Cash Surrender Value:** The Cash Surrender Value of this Equation Generation IV policy at any time will be equal to the sum of the following:

- (a) the Account Value of the Daily Interest Account;
- (b) the Market Value Adjustment of all Guaranteed Deposit Accounts;
- (c) the Account Value of all Linked Interest Options;

reduced by the total Surrender Charges and any Indebtedness to the policy.

**Policy Surrender Value:** The Policy Surrender Value of this Equation Generation IV policy at any time will be equal to the Cash Surrender Value plus the Shuttle Account Value.

**Non-Guaranteed Values:** The interest rate for the Linked Interest Options is **NOT GUARANTEED** and could be positive or negative depending on the performance of the applicable Linked Interest Options. A negative rate of return will result in a debit to the Account Value (a negative interest rate). A positive rate of return will result in a credit to the Account Value (a positive interest rate).

**Surrender Charges:** The Surrender Charges applicable to this policy are shown in the Table of Charges. If you choose to surrender your Equation Generation IV policy in the first or second Policy Years, the Surrender Charge is shown in the Table of Charges. For subsequent years up to and including year 10, where the charge is zero (0), monthly values will grade linearly to the value at the next Policy Anniversary. At the 10<sup>th</sup> Policy Anniversary and thereafter the Surrender Charge is zero (0).

If you take a withdrawal during the first ten (10) Policy Years, a pro-rata Surrender Charge will be calculated but not applied. Upon full surrender of your Equation Generation IV policy during the first ten (10) Policy Years, any pro-rata Surrender Charges that were calculated but not applied due to withdrawals, will apply upon the full surrender of the policy. Therefore at any time during the first ten (10) Policy Years, the total Surrender Charges are the total of the above, plus any Surrender Charges held in suspense for any previous withdrawals.

## Monthly Charges

***On each Monthly Anniversary a charge will be withdrawn from the Investment Interest Accounts of your Joint Last to Die Equation Generation IV policy. These monthly charges include but are not limited to the costs for the insurance portion of your plan, as well as any additional Riders or benefits.***

The monthly charge for your Equation Generation IV policy will be equal to the sum of the following:

- (a) the total Administration Charges applicable for this policy;
- (b) the total of all Cost of Insurance Charges applicable to this policy;
- (c) the total Monthly Charge(s) for any optional additional benefits and Riders;
- (d) the Linked Interest Option Administration Fees.

Equitable Life will automatically deduct the Monthly Charges from the Accounts and/or Linked Interest Options based on the method you elected on the application for life insurance. You may have elected a percentage (%) of the total monthly charges to be deducted from specific accounts or you may have elected the monthly charges be deducted from all accounts on a pro-rata basis, depending on the Account Value in the Accounts at the Monthly Anniversary. In the event that you did not elect a method for deduction of monthly charges, the default method of pro-rata from all Accounts will be the method used. At any time you may change the method and/or Accounts from which your Monthly Charges are deducted by providing written notice at Equitable Life's Head Office.

If the Monthly Charges listed in items (a), (b), and (c), have not previously ceased, they will cease on the Policy Anniversary after the Equivalent Single Age is 100. (The same period as shown in the Table of Charges). Thereafter, no further deduction for these charges will be made.

Equitable Life reserves the right to deduct from the Investment Interest Accounts an amount equal to any taxes or assessments applicable to the policy, including those that are currently in place or may be subsequently imposed.

**Administration Charges:** The guaranteed Administration Charge for this Joint Last to Die Equation Generation IV policy is \$10.00 per month.

### **Cost of Insurance Charges Type:**

The Cost of Insurance Charge for each Insurance Coverage is determined at the beginning of each Policy Month. The Cost of Insurance Charge is calculated by multiplying the current Amount at Risk by the current Cost of Insurance Rate for the applicable Insurance Coverage as shown in the Table of Charges.

Your Joint Last to Die Equation Generation IV policy has a choice of two (2) Cost of Insurance Types. You may choose from Yearly Renewable Term (YRT) or Level Cost of Insurance (Level for Life). If you have selected YRT Cost of Insurance Charges, the rate per thousand of Amount at Risk will increase yearly until the Policy Anniversary after the Equivalent Single Age is 100. If you have selected Level Cost of Insurance Charges, the rate per thousand of Amount at Risk will remain level until the Policy Anniversary after the Equivalent Single Age is 100.

Subject to any minimum and maximum age restrictions and our administrative rules and guidelines in effect at the time, you may change your Cost of Insurance Charges from one type to another provided they are applicable to your Death Benefit Option. Evidence of insurability, as determined by Equitable Life, may be required when switching from one Cost of Insurance Charges type to another. The Cost of Insurance Charges that will apply will be the rates, if then available, at the Lives Insured attained Equivalent Single Age with the same class of risk and smoking status.

The Amount at Risk for an Insurance Coverage is equal to the Death Benefit less the Account Value attributable to that Insurance Coverage.

The Cost of Insurance rates, as shown in the Table of Charges, are guaranteed not to increase from those shown.

**Monthly Charges – continued****Additional Benefit****And Rider Charges:**

If you have elected to include any additional Benefit(s) and/or Rider(s) with your Equation Generation IV policy, Monthly Charges applicable to the additional Benefit(s) and/or Rider(s) are specified on the Coverage Specifications page(s) and/or are shown in the Table of Charges.

**Linked Interest Option****Administration****Fees:**

The Linked Interest Option Administration Fees apply only to the Account Value of the Index Interest Options, the Performance Fund Interest Options and the Portfolio Interest Options.

The current and maximum Linked Interest Option Administration Fees which apply to the Index Interest Options are as follows:

Canadian Equity Index Interest Option:	1.75% per Policy Year (0.1458% per month);
American Equity Index Interest Option:	1.75% per Policy Year (0.1458% per month);
U.S. Technologies Index Interest Option:	1.95% per Policy Year (0.1625% per month);
European Index Interest Option:	1.95% per Policy Year (0.1625% per month);
U.S. Blue Chip Index Interest Option:	1.75% per Policy Year (0.1458% per month).

The Linked Interest Option Administration Fees applicable to the Index Interest Options may be changed at any time, without prior notification, however, Equitable Life guarantees they will not exceed the current maximums.

The current and maximum Linked Interest Option Administration Fees which apply to the Account Value of the Performance Fund Interest Options (PFIO) are as follows:

PFIO – Global	0.00% per Policy Year (0.00% per month)
PFIO – Canadian	0.75% per Policy Year (0.0625% per month)
PFIO – Canadian Bond	0.75% per Policy Year (0.0625% per month)
PFIO – Global Fixed Income	0.00% per Policy Year (0.00% per month)
PFIO – Canadian Value Stock	0.00% per Policy Year (0.00% per month)
PFIO – Large Cap Canadian Equity	0.00% per Policy Year (0.00% per month)
PFIO – Global Balanced	0.00% per Policy Year (0.00% per month)

Linked Interest Option Administration Fees applicable to the Performance Fund Interest Options may be changed at any time, without prior notification, however Equitable Life guarantees the fees will never exceed the current maximums.

The current and maximum Linked Interest Option Administration Fees which apply to the Account Value of Portfolio Interest Options (PIO) are as follows:

Diversified Income PIO	0.45% per Policy Year (0.0375% per month)
Balanced Income PIO	0.45% per Policy Year (0.0375% per month)
Balanced Growth PIO	0.45% per Policy Year (0.0375% per month)
Growth PIO	0.45% per Policy Year (0.0375% per month)
Diversified Equity PIO	0.45% per Policy Year (0.0375% per month)

Linked Interest Option Administration Fees applicable to the Portfolio Interest Options may be changed at any time, without prior notification, however, Equitable Life guarantees the fees will never exceed the current maximums.

## Cash Withdrawals

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***With your Equation Generation IV Universal Life policy you have access to the cash accumulating in your policy if and when you need or want it.***

Cash Withdrawals from this Equation Generation IV policy are permitted at any time provided the Head Office of Equitable Life receives a written request from you.

The amount you can withdraw must be at least \$500.00 and cannot exceed the current Policy Surrender Value, less any Indebtedness, less, \$500.00. A Market Value Adjustment may apply to amounts withdrawn from the Guaranteed Deposit Accounts. For details on how the Policy Surrender Value is determined please see the Policy Values section.

If you choose to withdraw cash from your policy, the Death Benefit will be reduced by the portion of the Account Value withdrawn.

If you have elected Account Value Protector as your Death Benefit Option, the Account Value will reduce by the amount withdrawn, thereby reducing the Death Benefit. If you have elected Level Protector as your Death Benefit Option, the Sum Insured will be reduced by the portion of the Account Value withdrawn, thereby reducing the Death Benefit.

If you choose to withdraw cash from your policy within the first ten (10) Policy Years, a pro-rata Surrender Charge equal to the amount withdrawn multiplied by the appropriate Surrender Charge rate divided by 1000 will be calculated but not deducted at the time of withdrawal. If you surrender your policy prior to completion of the 9<sup>th</sup> Policy Year, the Surrender Charge that would have been applied to the Cash Withdrawal will be deducted at that time along with any other Surrender Charges that may apply at that time.

Cash Withdrawals from your policy may have tax consequences and may be subject to income tax.

Equitable Life will charge a \$25.00 fee for each Cash Withdrawal from your policy.

You may specify the Investment Interest Accounts from which your withdrawals are to be made. However, if there is any value in the Shuttle Account, all Cash Withdrawals will be made from this Account first. In the absence of written instructions Equitable Life will make the withdrawals from the Investment Interest Accounts using the same method as used for Monthly Charges, until Equitable Life receives alternative written instruction from you at our Head Office.

Daily Interest Account, Guaranteed Deposit Account and Linked Interest Option minimum balance requirements must continue to be met.

The effective date of your Cash Withdrawal will be within five (5) Business Days of receipt of your written request at the Head Office of Equitable Life.



## Policy Loans

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***If a Cash Withdrawal does not meet your needs, you can take a Policy Loan with your Equation Generation IV policy.***

At any time while this Equation Generation IV policy is in effect, provided it has accumulated a Cash Surrender Value, you may request a Policy Loan from Equitable Life subject to our administrative rules and guideline in effect at that time.

A Policy Loan will only be granted after Equitable Life has received a completed loan application. Normally, we will make the loan within thirty (30) days after the completed loan application has been received at our Head Office, in Waterloo, Ontario. However, we reserve the right to defer the loan for up to six (6) months.

You may borrow up to the amount by which the Maximum Loan Value of this policy exceeds any current Indebtedness to your Equation Generation IV policy.

The Maximum Loan Value for this policy is equal to 90% of the Cash Surrender Value excluding the Account Value of all Linked Interest Options reduced by one year's loan interest. Interest will be charged on Policy Loans at a rate as set by us from time to time and will accrue daily from the effective date of the loan.

At each Policy Anniversary, if the interest due on your Policy Loan is not paid, Equitable Life will add the interest due to the balance of your loan and interest will be charged on the entire Indebtedness under your policy. At any time, while this policy is in effect, you may repay all or a part of the amounts owed on the policy subject to a minimum amount as determined by us.

Taking a Policy Loan against the available value in your policy may have tax consequences and may be subject to income tax.

If, at any time while this policy is in effect, the total indebtedness to Equitable Life under this policy exceeds the Maximum Loan Value, Equitable Life reserves the right to transfer sufficient amounts, if available, from the Linked Interest Options to the Daily Interest Account or the Guaranteed Deposit Accounts, without prior notice, to ensure that the Indebtedness of the Policy remains equal to the Maximum Loan Value. The required amounts will be transferred from the Linked Interest Options using the same method as elected by you for deduction of monthly charges and deposited to the Daily Interest Account, provided the Linked Interest Option minimum balance requirements are met. If sufficient amounts are not available in the Linked Interest Options, the policy will lapse, your Insurance Coverage will terminate and Equitable Life will have no further liability under this policy subject to your rights under "Reinstatement".

The value of the Shuttle Account will not be considered in any Policy Loan calculation. You may not take a Policy Loan against the value in the Shuttle Account.

At the last death of the Lives Insured under this policy, the portion of any outstanding Policy Loan balance plus any accrued interest will be deducted from the Death Benefit.

**Policy Surrender**

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At any time while your Equation Generation IV policy is in effect, you may surrender your policy for its current Policy Surrender Value, less any Indebtedness to the policy.

Please refer to the Policy Values Section of this policy for details on Policy Surrender Value determination.

On request to surrender your policy the Policy Surrender Value will be paid to you within thirty (30) days of receipt of your written request to surrender. However, we reserve the right to defer payment for a period up to six (6) months after the date we receive your request to surrender. If we defer payment for thirty (30) days or more, we will add interest, at an interest rate determined by us, calculated from the effective date of surrender of your policy to the date we forward payment of the Policy Surrender Value to you.

The effective date of surrender of your policy will be within five (5) Business Days of receipt of your written request at Equitable Life's Head Office. This policy and all benefits and any Riders associated with this policy will terminate on the effective date of the surrender and Equitable Life will have no further liability under this policy or any Riders.

Surrendering your policy for its Policy Surrender Value may have tax consequences and may be subject to income tax.

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## Policy Lapse

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Your Equation Generation IV policy will lapse and all liability of Equitable Life will cease at the earliest date on which:

- (a) the Account Value of the policy is equal to zero (0);
- (b) the Cash Surrender Value of the policy is equal to zero (0) and the total of all Premiums paid, less all Cash Withdrawals, is less than the sum of the Minimum Annual Premiums, including any Rider or additional benefit Premiums payable since the Effective Date of this policy; or
- (c) the Indebtedness under this policy is equal to the Cash Surrender Value of the policy.

However, the coverage under your policy will continue until the end of the Grace Period.

### Grace Period:

A Grace Period of 31 days measured from the date of policy lapse, as defined above, is permitted for payment in full of all overdue amounts as determined by Equitable Life. Your Equation Generation IV policy will terminate as of the date of lapse, if at the end of the Grace Period all overdue amounts have not yet been paid. Equitable Life will have no further liability under this policy.

In the event the last death of the lives insured occurs during the Grace Period, the portion of any overdue amounts applicable to the policy will be deducted from the Death Benefit payable.

### Lapse Extension:

Your policy may continue for a maximum of 12 months, during which time we will deduct the Monthly Charges from your Account Value provided all of the following conditions are satisfied:

- (a) the policy has been in effect for at least 3 years;
- (b) the Account Value of the policy is greater than zero and sufficient to pay the Monthly Charges for a period of 12 months; and
- (c) the Indebtedness under the policy does not exceed the policy's current Cash Surrender Value.

After the maximum 12 months, unless a full Premium payment is remitted to cover all overdue amounts as determined by Equitable Life, your policy will terminate effective immediately. All benefits and Riders applicable to this policy will cease at that time and the policy will be terminated subject to the Grace Period provision above. Equitable Life will have no further liability under this policy.

### Reinstatement:

- a) If your Equation Generation IV insurance policy lapses at the end of the Grace Period because a premium due at the beginning of the Grace Period was not paid, the policy may be reinstated by payment of the overdue premium within a further period of thirty (30) days after the end of the Grace Period, but only if the Lives Insured are alive at the time payment is made.
- b) If your Equation Generation IV insurance policy lapses and is not reinstated under subsection (a), the policy may be reinstated within two (2) years of its lapse upon written application by you and submission of evidence of insurability (according to the then current underwriting guidelines as determined by Equitable Life) pertaining to all the Lives Insured (based on their attained age) that is satisfactory to Equitable Life.

The Reinstatement of this policy must be accompanied by the payment of an amount equal to the sum of the following:

- (i) the Premiums that would have been required to maintain the policy in effect from the date of lapse to the date of reinstatement; plus
- (ii) interest due on the above amount; plus
- (iii) any Indebtedness under this policy.

These amounts will be determined by Equitable Life at the time of request of Reinstatement.

The rate of interest to be charged above will be determined by Equitable Life, but will not exceed that permitted under current legislation.

Any Account Value remaining in the policy at the time of lapse will be treated as a new investment and deposited as of the date of Reinstatement in the Daily Interest Account.

## **Disability Benefit Disbursement**

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The Disability Benefit Disbursement allows the Owner to apply for a payment from the Account Value of this policy if the Life Insured becomes disabled from a severe mental or physical impairment as described below.

The Disability Benefit Disbursement may be paid out subject to the following conditions and our administrative rules and guidelines in effect at the time of the disbursement:

- (a) one Disability Benefit Disbursement per policy will be permitted in any Policy Year;
- (b) each Disability Benefit Disbursement during the Surrender Charge period will be subject to the applicable Surrender Charge for that year;
- (c) if a Disability Benefit Disbursement is taken from the Guaranteed Deposit Accounts, a Market Value Adjustment will apply. The Market Value Adjustment calculation will be the same as the Market Value Adjustment which applies to a regular cash withdrawal;
- (d) the minimum and maximum Disability Benefit Disbursement in any Policy Year will be subject to our administrative rules and guidelines in effect at the time of the disbursement;
- (e) any fees that may apply for withdrawals made under the Disability Benefit Disbursement will be subject to our administrative rules and guidelines in effect at the time of the disbursement.

You may specify the Interest Accounts from which a Disability Benefit Disbursement is to be made. However, if there is any value in the Shuttle Account, all Disability Benefit Disbursements will be made from the Shuttle Account first, regardless of the order specified by you. In the absence of written instructions for Disability Benefit Disbursements, Equitable Life will make the withdrawals from the Shuttle Account and Interest Accounts using the same method as used for Monthly Charges.

The Account Value applicable to this policy will be reduced by the amount of the Disability Benefit Disbursement. If you have elected Level Protector as the Death Benefit Option for your Equation Generation IV policy, the Sum Insured will be reduced by the amount of the Disability Benefit Disbursement. If you have elected Account Value Protector as the Death Benefit Option for your Equation Generation IV policy, the Death Benefit will be reduced by the amount of the Disability Benefit Disbursement. If a Disability Benefit Disbursement occurs during the Surrender Charge period, a pro-rata Surrender Charge will be calculated but not deducted at the time of payment. If you surrender your policy prior to the completion of the Surrender Charge period, the Surrender Charge that would have applied to the Disability Benefit Disbursement will be deducted at that time along with any other Surrender Charge which may apply at that time.

A Disability Benefit Disbursement may not be available if you assigned this policy or if you have made an irrevocable beneficiary designation for the proceeds of this policy. You may be able to take a Disability Benefit Disbursement upon written authorization to Equitable Life of the assignee or the irrevocable beneficiary, subject to our administrative rules and guidelines in effect at that time and the then current income tax legislation.

Qualifying to receive the Disability Benefit Disbursement does not guarantee that your policy will remain in effect. If you have not elected Waiver of Charges as an additional Rider with this policy on the Life Insured for whom this Disability Benefit Disbursement applies, you must continue to make sufficient Premium payments in order to keep your Equation Generation IV policy in effect. .

## **Disability Benefit Disbursement – continued**

In order to receive the Disability Benefit Disbursement, the Owner must provide at their own expense evidence in writing satisfactory to Equitable Life from a medical practitioner, who is qualified and licensed in Canada, of the exhibited severe physical or mental impairment of the Life Insured. The impairment must have existed for a period of at least 90 days and:

- (a) must markedly restrict the ability of the Life Insured to perform any one of the following basic activities of daily living:
    - (i) perceiving, thinking and remembering;
    - (ii) feeding and dressing himself or herself;
    - (iii) speaking so as to be understood, in a quiet setting, by another person familiar with the Life Insured;
    - (iv) hearing so as to understand, in a quiet setting, another person familiar with the Life Insured;
    - (v) eliminating (bowel or bladder functions); or
    - (vi) walking;
  - or (b) (i) must prevent that Life Insured, if normally employed, from performing the essential duties of his or her occupation or employment; or
    - (ii) must prevent that Life Insured, if not normally employed, from performing the essential duties of any occupation or employment for which he or she is qualified or could reasonably become qualified by reason of education; training or experience; or
    - (iii) must prevent that Life Insured, if normally responsible for the maintenance of a home or care of immediate family members, from performing the essential duties of maintaining that home or caring for those individuals;
- and the impairment under sub-paragraph (a) or (b) above must arise from one or more of the following:
- AIDS (Acquired Immune Deficiency Syndrome) or HTLV-III and/or HIV infection,
  - Alzheimer's Disease,
  - Cancer or Tumour,
  - Coronary Artery Disease, Myocardial Infarction, or Congestive Heart Failure
  - Chronic Kidney Failure, or Chronic Liver Disease,
  - Loss of a Limb,
  - Neuromotor disease,
  - Muscular Dystrophy,
  - Paralysis, paraplegia, or quadriplegia,
  - Receipt of a major organ transplant,
  - Third degree burns over more than 50% of the body,
  - Multiple Sclerosis,
  - Hepatitis,
  - Stroke, with or without paralysis,
  - Huntington's Chorea;
- or (c) has resulted in the total and permanent loss of sight in both eyes, or the use of both hands, or the use of both feet, or the use of one hand and one foot;
  - or (d) either the impairment or the illness or injury that caused the impairment is expected by the medical practitioner to result in the death of that Life Insured within 24 months of the date of diagnosis.

**Pre-existing Conditions:** No Disability Benefit Disbursement will be payable if we determine that a Life Insured, who would have otherwise qualified for the Disability Benefit Disbursement, had that Disability at the Effective Date or the Reinstatement Date of this policy. That determination will be based on the conditions specifically identified in, or that can reasonably be inferred to have existed at that time from, the application, a related declaration of health, or other information required by Equitable Life.

**Taxation:** As of the Effective Date of this policy the Income Tax Act (Canada) and Regulations provide that a disability benefit is not considered a disposition of an interest in a life insurance policy. Therefore as of the Effective Date of this policy disability benefits are not subject to income tax. However, Equitable Life offers no guarantee that a Disability Benefit Disbursement will not be subject to income tax at the time it is made. Furthermore, it may not always be in the best interest of the Owner to take a Disability Benefit Disbursement, should the Income Tax Act (Canada) and Regulations change in the future.

### **Bereavement Counselling Benefit**

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On the last death of the Lives Insured under this policy and payment of the Death Benefit, Equitable Life will provide a Bereavement Counselling Benefit to the Beneficiary(ies) of this Equation Generation IV policy. Equitable Life will reimburse the Beneficiary(ies) up to a maximum of \$500.00 toward the cost of counselling expenses, as long as the following rules are adhered to:

- the Beneficiary(ies) will submit receipts within 12 months of the date of the last death of the Lives Insured; and
- the counsellor has professional accreditation or certification as determined appropriate by Equitable Life.

Reimbursement is subject to Equitable Life's then current administrative practices.

Regardless of the number of Beneficiaries under this policy only a sum total of \$500.00 will be reimbursed for counselling for all Beneficiaries. Equitable Life will not proportion the distribution of this benefit as per Beneficiary designation. Payment under this benefit will result upon remittance of receipts only.

### **Dividends**

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While in effect, this Equation Generation IV policy may, at the end of each Policy Year, participate in the distribution of surplus of Equitable Life. If a distribution is declared for this policy, it will be credited as a dividend. The declaration of a dividend and the amount of any dividend payable, if any, will be determined by Equitable Life.

If any policy dividends are declared, they will be credited in a manner determined by Equitable Life at that time

### **Protection From Creditors**

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Protection from creditors of the Owner may be available with your Equation Generation IV policy, subject to certain conditions.

## **Tax Status**

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This Equation Generation IV policy is issued with the intention that it will be maintained exempt from accrual taxation under the provisions of the Income Tax Act (Canada) and Regulations in effect as of the Effective Date of this policy. Therefore, periodically, but not less than annually, this policy will be monitored to determine its tax status.

If, at any time, this Equation Generation IV policy fails any of the applicable exemption tests and is therefore subject to annual accrual taxation, according to the requirements of the Income Tax Act (Canada) and Regulations, Equitable Life reserves the right to transfer funds from a portion of the Cash Surrender Value attributable to the Daily Interest Account, Guaranteed Deposit Accounts and/or the Linked Interest Options to the Shuttle Account in order to maintain this policy's exempt status provided that it is possible for the Company to do so under the legislation in effect at that time. Funds in the Shuttle Account do not make up any part of this policy and are subject to annual taxation.

If this Equation Generation IV policy fails the exempt test at the time of a Premium payment, Equitable Life will accept as a Premium for this Equation Generation IV policy an amount that will maintain this policy's tax-exempt status. Equitable Life will deposit the balance to the Shuttle Account. The balance will not be considered a Premium payment under this policy.

If on any Policy Anniversary, there is room for additional Premiums in this Equation Generation IV policy and you have funds in the Shuttle Account, Equitable Life will automatically pay a Premium from the Shuttle Account to this Equation Generation IV policy. The Premium paid will be allocated to the Investment Interest Accounts in the same manner as elected by you on the application or subsequently changed. Provincial Government Premium Tax will be applied to each Premium paid to this Equation Generation IV policy from the Shuttle Account. (See Net Premium for details on Premium Tax).

If at any Policy Anniversary this Equation Generation IV policy fails any of the applicable exemption tests, the Sum Insured will be automatically increased by up to 8% of the Sum Insured at that Policy Anniversary. If the increase in the Sum Insured is not sufficient to maintain the exempt status of this policy, a portion of the Cash Surrender Value attributable to the Daily Interest Account, Guaranteed Deposit Accounts and/or the Linked Interest Options will be transferred to the Shuttle Account in order to maintain this policy's exempt status. No evidence of insurability is required for the automatic increase in the Sum Insured.

The above provisions reflect the current provisions of the Income Tax Act (Canada) and Regulations applicable to this policy as at the Effective Date. Equitable Life makes no guarantees that these provisions will not change. Equitable Life reserves the right to modify its practices to reflect any subsequent changes made in the Income Tax Act (Canada) and Regulations affecting this policy. Equitable Life will provide to you any required tax reporting slips.

## Shuttle Account

***The Shuttle Account is a separate premiums-on-deposit account which assists in maintaining your Equation Generation IV policy's tax-exempt status. The Shuttle Account may have a separate Beneficiary(ies) and is paid out on death of the Owner or on termination or surrender of this Equation Generation IV policy.***

In order to maintain your policy's tax-exempt status, a separate Shuttle Account (premiums-on-deposit account) will be set up in conjunction with your Equation Generation IV policy. As stated in the Premiums provision of this policy, any monies received over the Maximum Exempt Premium for any Policy Year will be deposited on your behalf to the Shuttle Account. The Shuttle Account is a premiums-on-deposit account where funds are held until such time as they can be paid as Premiums into your Equation Generation IV policy.

The Shuttle Account receives amounts in excess of the Maximum Exempt Premium. In addition, funds will be transferred to the Shuttle Account as required to maintain your Equation Generation IV policy status as exempt from annual accrual taxation. Funds in the Shuttle Account will automatically be used to pay Premiums to your Equation Generation IV policy on any Policy Anniversary, provided that enough tax-exempt room exists.

### Shuttle Interest Accounts:

The Shuttle Account is set up at issue of your Equation Generation IV policy. Any amounts transferred into the Shuttle Account will be allocated to the Shuttle Interest Accounts and any interest earned will be subject to annual taxation.

The Shuttle Account of your Equation Generation IV policy is credited or debited interest based on the rate of return, less any applicable administration fees, of the Shuttle Interest Accounts available and chosen by you. If you do not choose an allocation for your Shuttle Deposits, any amounts transferred to the Shuttle Account will be allocated to the Daily Interest Account.

You may at any time in the future request in writing to change the allocation of the deposits made to the Shuttle Account, subject to our administrative rules and guidelines in effect at that time. We reserve the right to charge a fee to change the allocation.

The Shuttle Interest Accounts available with your Equation Generation IV policy are selected by Equitable Life. Equitable Life reserves the right to change or discontinue the use of any Shuttle Interest Account at our discretion, without prior notification, and transfer the value to the Daily Interest Account.

### Shuttle Premiums:

Shuttle Premiums are Premiums paid from the Shuttle Account to your Equation Generation IV policy. At each Policy Anniversary and after exempt testing, Equitable Life will determine the Maximum Exempt Premium for the following year. Upon determination of the Maximum Exempt Premium, Equitable Life will automatically pay a Premium, if possible, from the Shuttle Account to your Equation Generation IV policy. The Premium paid, less any applicable Premium tax, will be allocated to the Investment Interest Accounts within your Equation Generation IV policy, as elected by you on the application for life insurance or subsequently changed in writing by the Owner, or to the Daily Interest Account if no selection is made. The Premium paid from the Shuttle Account will be the lesser of the Maximum Exempt Premium and the Shuttle Account Value.

Premiums paid from the Shuttle Account will be deducted from the Shuttle Interest Accounts according to our administrative practices.

### Shuttle Deposits:

Shuttle Deposits are funds that are transferred from your Equation Generation IV policy to the Shuttle Account in order to maintain the exempt status of your policy under the provisions of the Income Tax Act (Canada) and Regulations. Shuttle Deposits will also occur at any time a Premium in excess of the Maximum Exempt Premium is paid to your Equation Generation IV policy. The amount of the Shuttle Deposit will be determined to be the amount necessary to maintain your policy's exempt status.

The Shuttle Deposits will be allocated to the Shuttle Account according to the allocation selected on the application for life insurance, or subsequently changed in writing by the Owner. If no selection is made, Shuttle Deposits will automatically be allocated to the Daily Interest Account.

Shuttle Deposits are not subject to Premium Tax.



**Shuttle Account – continued**

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<b>Incentive Bonus:</b>	The Incentive Bonus does not apply to the Shuttle Account.
<b>In the Event Of Death:</b>	<p>On the last death of the Lives Insured under this Joint Last-to-Die Equation Generation IV policy, the Shuttle Account Value will be paid to the Owner or the Owner's Beneficiary(ies) as stipulated on the Policy Specifications page of this policy.</p> <p>On the death of the Owner, if other than the Lives Insured under this Equation Generation IV policy, the Shuttle Account Value will be paid to those entitled to this account according to the applicable laws.</p>
<b>Policy Surrender:</b>	If your Equation Generation IV policy is surrendered, any Shuttle Account Value will be surrendered and paid out to the Owner. There are no Surrender Charges applicable to the Shuttle Account.
<b>Withdrawal:</b>	If you elect to withdraw cash from your Equation Generation IV policy and there are funds being held in the Shuttle Account, the funds held in the Shuttle Account will be withdrawn first to satisfy the requested withdrawal amount. The withdrawal provisions applicable to the Shuttle Account are the same as specified under the Cash Withdrawals section in your Equation Generation IV policy.
<b>Shuttle Account Value:</b>	At any time the Shuttle Account Value will be equal to the sum of all Shuttle Deposits plus any interest credited to the Shuttle Interest Accounts; less any interest debited to the Shuttle Interest Accounts; less any administration fees applicable to the Shuttle Interest Accounts; less any Shuttle Premiums paid to the Equation Generation IV policy; less any Cash Withdrawals.
<b>Policy Loans:</b>	You may not take a Policy Loan against the Shuttle Account Value, nor will the value of your Shuttle Account be used when determining the Maximum Loan Value for an Equation Generation IV Policy Loan.
<b>Policy Lapse:</b>	The value of your Shuttle Account will not be used in determining whether or not your Equation Generation IV policy will lapse. However, if there are funds in the Shuttle Account, room available in your Equation Generation IV policy and failure of the lapse test is imminent, Equitable Life will automatically pay a Premium from the Shuttle Account to your Equation Generation IV policy.
<b>Taxation:</b>	Any interest earned in the Shuttle Account is subject to annual taxation. Each year, the amount of interest income will be reported on a tax information slip as Canadian source interest income, under current legislation.
<b>Protection from Creditors:</b>	Protection from creditors, which may be available to you with your Equation Generation IV Universal Life policy, does NOT apply to the Shuttle Account. The Shuttle Account is not part of the Equation Generation IV policy. It is a separate Premiums-on-Deposit Account.

**SETTLEMENT OPTIONS**

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Provided this policy has not been assigned, you may elect, in writing and received at our Head Office in Waterloo, Ontario, that a specified amount of the proceeds payable in one lump sum upon the last death of the Lives Insured under this policy be applied under one of the following Payment Options, if available and subject to our administrative rules and guidelines in effect at the time the claim becomes payable:

- a) Limited Payments – the specified amount would be paid as monthly income for a limited period of time in the form of an annuity certain, subject to minimum and maximum amounts required by us.
- b) Continuous Payments – the specified amount would be paid as monthly income for the lifetime of the payee in the form of a life annuity or other type of annuity offered by us at the time, subject to minimum and maximum amounts required by us.
- c) Proceeds on Deposit – the specified amount would be left with us for a period as agreed to by us. Interest will accrue on the proceeds at a rate as determined by us from time to time, but is guaranteed never to be negative.
- d) Other Payment – the specified amount would be applied to any other payment option then made available by us.

You may revoke or change your election at any time in writing and received at our Head Office in Waterloo, Ontario.

The beneficiary(ies) entitled to the claims proceeds on the last death of the Lives Insured may also elect one of the above options with respect to the applicable claims proceeds, unless you have elected otherwise.

The amount of monthly income payable under Options a) or b) shall be an amount calculated by applying the Company's immediate annuity rates in effect on the date the monthly payments begin. The beneficiary(ies) will need to provide us with required personal information to put the annuity into effect.

## DEFINITIONS

*The following are definitions of some of the terms used in your Equation Generation IV policy. If you need additional information or clarification please call one of our Individual Customer Service Representatives at 1-800-668-4095 or your Financial Advisor.*

<b>Age:</b>	means the age of a Life Insured on his or her nearest birthday.
<b>Amount at Risk for an Insurance Coverage:</b>	is equal to the Death Benefit less the Account Value of the applicable Insurance Coverage.
<b>Beneficiary(ies):</b>	is (are) the person(s) designated in the application by the Owner and listed on the Policy Specifications page of this policy who is (are) to receive the Death Benefit proceeds payable in the event of the last death of the Lives Insured under this Equation Generation IV policy. While this policy is in effect, the Owner may choose to designate in writing to us a change in the Beneficiary(ies) to receive the Death Benefit proceeds payable on the last death of the Lives Insured under this policy if that change is allowed under laws that apply. The Equitable Life Insurance Company of Canada will pay the Death Benefit proceeds payable to the Beneficiary(ies) in effect at the date of the last death of the Lives Insured under this policy.
<b>Business Day:</b>	means any day other than Saturday, Sunday and all applicable statutory holidays in the province that the Company's Head Office is located.
<b>Class of Risk:</b>	means the Company's mortality risk assessment of a Life Insured. It is based upon our review of the application for insurance and all medical and other information received by the Company. A standard or normal mortality risk assessment is 100%. A class of risk greater than 100% indicates a higher mortality risk. The class of risk will affect the cost of insurance rates. Mortality risk refers to the incidence of death.
<b>Company:</b>	The terms "we", "our", "us", "Equitable Life" and "Company", mean The Equitable Life Insurance Company of Canada and its Head Office located in Waterloo, Ontario, Canada.
<b>Coverage Years:</b>	Each Insurance Coverage and Rider applicable to this Equation Generation IV policy has an effective date. Coverage Years are measured from the effective date of each Insurance Coverage or Rider as shown on the Coverage Specifications page(s).
<b>Currency:</b>	All amounts payable to or by the Company under the terms, conditions or provisions of this policy are payable in the lawful currency of Canada.
<b>Date Policy Takes Effect:</b>	means the later of: <ol style="list-style-type: none"> <li>either: (i) in Quebec, the date Equitable Life accepts the policy without modification; or (ii) in provinces other than Quebec, the date the policy is delivered to you; and</li> <li>the date the full amount of the first Premium has been paid to the Company;</li> </ol> provided that no change has taken place in the insurability of any Life Insured under this policy between the date the application for life insurance was signed by the Life Insured and the date the policy was delivered to you.
<b>Effective Date:</b>	means the effective date of the policy as shown on the Coverage Specifications page(s).
<b>Equivalent Single Age:</b>	is the "insurance age" for this policy and is calculated based on the ages of both of the Lives Insured under this Equation Generation IV policy.
<b>Indebtedness:</b>	refers to outstanding Policy Loans and includes any unpaid interest owing for those loans.
<b>Insurance Coverage:</b>	is the Equation Generation IV Universal Life Death Benefit applicable to the Lives Insured. Any increases applied for and made in the future, by the Owner, will result in an additional Insurance Coverage applicable to the Lives Insured.
<b>Life or Lives Insured:</b>	are the persons for whom the life insurance associated with this policy is applicable. The Lives Insured may or may not be the Owner(s) of this Equation Generation IV policy.
<b>Monthly Anniversary:</b>	The Monthly Anniversary for this policy will occur on the same day of each month as the Effective Date of this policy. Regardless of whether the premiums are being paid annually or monthly, the Monthly Anniversary is the day each month that all of the Monthly Charges applicable to the policy are deducted.

**DEFINITIONS - continued**

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<b>Monthly Charges:</b>	All charges associated with this Equation Generation IV policy are referred to as Monthly Charges and include Cost of Insurance Charges, Administration Charges, Linked Interest Option Administration Fees and any charges applicable to additional benefits or Riders as specified on the Coverage Specifications page(s).
<b>Net Premium(s):</b>	<p>is equal to the Premium(s) paid less any applicable government premium taxes required to be deducted now or in the future.</p> <p>Equitable Life reserves the right to increase or decrease the current deduction for government premium taxes should the government premium taxes be increased or decreased.</p>
<b>Owner:</b>	The Owner of this policy refers to the applicant(s) and Owner(s) as indicated on the Policy Specifications page of this policy. The terms "you", "your", and "Owner" refer to the applicant(s) and Owner(s) of this policy. The Owner(s) may or may not be the Lives Insured under this policy.
<b>Policy Anniversary:</b>	The Policy Anniversary will occur on the same day and month each year as the Effective Date of this policy, as shown on the Policy Specifications page. Policy Years and Policy Months are also measured from the Effective Date of this policy.
<b>Premium:</b>	Premium refers to the amounts paid to Equitable Life and applied to this Equation Generation IV Universal Life policy.
<b>Rider:</b>	A Rider is an additional benefit applied for and issued by us as shown on the Coverage Specifications page(s) of this policy. The provisions, terms and conditions of any Riders applicable to this policy are stated in the Rider pages attached to this Equation Generation IV policy.
<b>Shuttle Account:</b>	The Shuttle Account is a separate Premiums-on-Deposit Account set up at issue of your Equation Generation IV policy. This account is held outside of your Equation Generation IV policy and is used to hold funds that must be transferred out of your policy in order to maintain its tax exempt status. Interest and income earned on the Shuttle Account is taxed annually.

## GENERAL PROVISIONS

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*The following are General Provisions applicable to your Equation Generation IV policy.*

**Assignment:** This policy may be assigned by the Owner as permitted by law. The assignment will not be binding on Equitable Life unless the Assignment is made in writing and filed with our Head Office in Waterloo, Ontario. Equitable Life is not responsible for the validity of any Assignment.

**Death of a Beneficiary:** In the event of the death of a Beneficiary, the deceased Beneficiary's share of the proceeds from this policy (payable on the last death of the Lives Insured) will be payable to the surviving Beneficiary(ies). If no Beneficiary survives, the proceeds will be payable to the Owner or to the executors, administrators, or assignees of the Owner, subject to the right of the Owner to appoint a new Beneficiary or contingent Beneficiary.

**Contract:** The Equation Generation IV Joint Last to Die Universal Life Contract consists of the following documents:

- this policy
- the application
- any amendments or endorsements to the policy agreed upon in writing by the Company
- any Riders attached to this policy providing additional benefits.

This policy takes effect as of the Date Policy Takes Effect.

Only the President or an Officer of The Equitable Life Insurance Company of Canada has the authority to bind the Company or to make any change in the Contract, and then only in writing. Equitable Life will not be bound by any promises or representations made by any other persons including your financial advisor, broker or agent. Without limiting the generality of the above statement, no financial advisor, broker or agent is authorized to waive, amend or modify any of the terms, conditions or provisions of this Contract.

Should any legislative or regulatory authority having jurisdiction, impose requirements that would impact this Contract, Equitable Life may unilaterally make the required changes to this Contract.

**Incontestability:** Failure to disclose a fact or the misrepresentation of a fact in the application for life insurance, medical examination, or any statement or answers provided as evidence of insurability will cause this policy including any Riders to be voidable by Equitable Life.

Where this policy has been in effect for two (2) years from the later of:

- (a) the Date Policy Takes Effect; and
- (b) the last Reinstatement date of this policy,

with the exception of Misstatement of Age or Sex which is described below, the failure to disclose or the misrepresentation, except in the case of fraud, will not cause this policy including any Riders to become voidable.

Any additional or amended Insurance Coverages effective after the Date Policy Takes Effect will be considered to be incontestable (with the exception of fraud) only after the additional or amended Insurance Coverage has been in effect for two (2) years from the later of:

- (1) the date the additional or amended Insurance Coverage took effect; and
- (2) the last Reinstatement date of this policy.

**Misstatement of Age or Sex:**

If the date of birth and/or sex of one or more of the Lives Insured has been misstated, the amount payable under this policy on the last death of the Lives Insured, will be adjusted to be the amount of Insurance Coverage the Cost of Insurance Charges (deducted at the beginning of the Policy Month in which the death has occurred) would have purchased had the Cost of Insurance Charges for the Lives Insured been calculated using the correct Equivalent Single Age.

If the date of birth and/or sex of one or more of the Lives Insured covered by a Rider has been misstated, then the amount payable for the Rider will be the amount that the Monthly Charge for that Rider would have purchased based on the correct age and/or sex.

**GENERAL PROVISIONS - continued**

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**Notice/****Correspondence:**

Any Notice or Correspondence that is required to be provided to you by the Company will be sent by regular mail, facsimile or electronic mail. We will consider the notices and/or correspondence to be received by you on the 7<sup>th</sup> Business Day following the mailing or transmission.

Any notice or correspondence from you may be sent by regular mail, facsimile or electronic mail (provided a signature is not required) and will be considered received by us on the date we receive it at our Head Office in Waterloo, Ontario.

**Proof of Age:**

Equitable Life requires satisfactory proof of the date of birth of a Life Insured before making any payment under this policy or Rider.

**Participating:**

This policy, excluding any Riders that may be attached to it, is participating and therefore may be eligible for dividends, or to participate in any divisible surplus of the Company.

**Right of Rescission:**

You will have 10 calendar days from the date you receive this policy to cancel it provided you have given us written notice of your request to cancel it within the 10 days. If for any reason during that time you want to cancel the Contract, the market value of any Premium received will be refunded as of the date Equitable Life receives your notice requesting cancellation. This policy will then be considered void from inception.

**Settlement on Death:**

At the last death of the Lives Insured under this policy, before making any payment under this policy, Equitable Life will require the policy and satisfactory proof of:

- (a) the death of the Life Insured;
- (b) the date of birth of the deceased Life Insured
- (c) the sex of the deceased Life Insured; and
- (d) the claimant's right to receive payment.

**Simultaneous Deaths:**

Where both of the Lives Insured die at the same time or in circumstances where it is uncertain which of the lives insured died first, the Death Benefit payable shall be paid as though the oldest of the Lives Insured died first.

**Smoking Classification:**

At any time you, subject to our administrative rules and guidelines, may request that the Smoker Classification of a Life Insured be changed to a Non-Smoker classification by providing a written declaration to Equitable Life that provides satisfactory evidence to qualify that Life Insured as a Non-Smoker. Equitable Life reserves the right to require evidence of good health before approving a change in Smoking Classification.

**Suicide:**

Equitable Life will not pay any Death Benefit if the Life Insured dies by suicide, regardless of the mental state of the Life Insured, within two (2) years from the later of:

- (i) the Date Policy Takes Effect; and
- (ii) the last Reinstatement date of this policy.

**Limitation Period:**

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the Insurance Act or other applicable legislation.

## **Death Benefit**

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***An important part of your Joint Last to Die Equation Generation IV Universal Life Insurance policy is the Death Benefit provided to the Beneficiary(ies). The Death Benefit Option you have selected is shown on the Coverage Specifications page(s) of this policy.***

**Death Benefit:** The Death Benefit will be payable to the Beneficiary(ies) provided this policy is in effect as of the date of the last death of the Lives Insured. The proceeds payable at death are calculated as of the date Equitable Life receives notice of the last death of the Lives Insured under this policy. Immediately following the calculation of the proceeds payable at death, the Account Value attributable to the policy becomes zero. Any Indebtedness under the policy will be deducted from the proceeds payable.

On the Effective Date of this policy, the initial Death Benefit will be the Sum Insured as shown on the Coverage Specifications page(s) of this policy. Thereafter, the Death Benefit will be determined in accordance with one of the following Death Benefit Options as shown on the Coverage Specification page(s).

### **Death Benefit Options**

**Level Protector:** Under this Death Benefit Option the Sum Insured will remain level for the duration of the policy unless you take a Cash Withdrawal or unless it is increased as required to assist in maintaining the tax exempt status of your policy. Upon the last death of the Lives Insured, the Company will pay the Beneficiary(ies) the Death Benefit which is equal to the greater of the Sum Insured or the Account Value attributable to this Equation Generation IV policy.

This Death Benefit Option is available with either Yearly Renewable Term (YRT) or Level Cost of Insurance Charges.

**Account Value Protector:** Under this Death Benefit Option the Sum Insured will remain level for the duration of the policy unless it is increased as required to assist in maintaining the tax exempt status of your policy. Upon the last death of the Lives Insured, the Company will pay the Beneficiary(ies) the Death Benefit which is equal to the Sum Insured plus the Account Value attributable to this Equation Generation IV policy.

This Death Benefit Option is available with either Yearly Renewable Term (YRT) or Level Cost of Insurance Charges.

## **Changes to Insurance Coverage**

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***With Joint Last to Die Equation Generation IV Universal Life Insurance you can choose to make changes to the Insurance Coverage provided by your policy.***

At any time while this policy is in effect you may request any of the following changes, subject to the following requirements, and our current administrative rules and guidelines in effect at the time:

- (a) additional Insurance Coverage, subject to evidence of insurability as determined by the Company for both Lives Insured;
- (b) a decrease in Insurance Coverage; a pro-rata Surrender Charge will be applied. The Surrender Charges under this policy are shown in the Table of Charges;
- (c) cancellation of a Rider attached to this policy;
- (d) a change in Death Benefit Option, subject to evidence of insurability as determined by the Company for both Lives Insured;
- (e) a change in the Cost of Insurance Charges Type, subject to evidence of insurability as determined by the Company for both Lives Insured.

No other changes may be made.

All changes are subject to receipt of a written request from you at the Head Office of the Company.

SAMPLE



## Premiums

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***Premium is the term used to define the money that you pay to Equitable Life for your Joint Last to Die Equation Generation IV Universal Life policy.***

**Premiums:**

All Premiums are payable to Equitable Life and must be received in our Head Office, in Waterloo, Ontario. You may choose to submit your Premium by mail or deliver it in person or by courier. You may also choose to have your Premiums automatically withdrawn from your chequing account with our pre-authorized debit plan (P.A.D.).

At any time while this policy is in effect you may make additional Premium payments. Your Premium payments may be increased or decreased at any time or you may change the frequency of the Premium payment, subject to limits and restrictions as determined by Equitable Life at that time.

Monies received during a Policy Year in excess of the Maximum Exempt Premium for that Policy Year will be deposited into the Shuttle Account and will not be considered a Premium paid under your Equation Generation IV policy. If at any time in the future, Equitable Life determines that monies can be transferred from the Shuttle Account to your Equation Generation IV policy, these monies will be considered to be Premiums paid to the policy.

**Net Premiums:**

Government Premium tax is deducted from each Premium paid to your Equation Generation IV policy. The percentage of the deduction required varies by province. Therefore, the premium tax deducted from your policy will be based on your province of residence. Equitable Life reserves the right to change the current deduction for the Government premium taxes should the premium taxes applicable to this policy be changed. Your Premium less the applicable premium tax is the Net Premium.

**Minimum Annual Premiums:**

The Minimum Annual Premium shown on the Policy Specifications page, is the Minimum Annual Premium applicable for the first Policy Year, including the charges for any Riders. **Payment of the Minimum Annual Premium does not guarantee that your policy will remain in effect.** Depending on the Cost of Insurance Charges, Death Benefit Option, Riders and performance of the Investment Interest Account(s) you have selected, the Minimum Annual Premium may not be sufficient to maintain your Equation Generation IV policy.

**Maximum Exempt Premium:**

The Maximum Exempt Premium is the maximum Premium that you can deposit into your Equation Generation IV policy during a Policy Year. At issue and at each Policy Anniversary thereafter we will calculate this amount for the upcoming Policy Year. The Maximum Exempt Premium is the estimated maximum amount that can be deposited to your policy while maintaining your policy exempt from accrual taxation under the provisions of the Income Tax Act (Canada) and Regulations.

## Investment Interest Accounts

*The Investment Interest Accounts make up the savings portion of your Joint Last to Die Equation Generation IV Universal Life policy.*

**Interest Accounts:** Each Net Premium may be invested in any combination of the following Interest Accounts:

- (a) the Daily Interest Account;
- (b) the Guaranteed Deposit Accounts;
- (c) the Linked Interest Options
  - the Index Interest Options
  - the Performance Fund Interest Options
  - the Portfolio Interest Options

The portion of each Net Premium to be allocated to the various Interest Accounts is shown on your application for life insurance for this Equation Generation IV policy, unless subsequently changed by the Owner as described below.

All Net Premiums will be invested within five (5) Business Days of receipt of the Premiums at Equitable Life's Head Office in Waterloo, Ontario, or the date of transfer from the Shuttle Account.

You may request in writing to change the portion of the Net Premiums allocated to the various Investment Interest Accounts. The first change in any Policy Year is free of charge. Any additional changes in that Policy Year will be subject to a fee of \$25.00 per change.

**The following is a description of the Interest Accounts available with Equation Generation IV:**

**Daily Interest Account:** The interest rate credited on Net Premiums allocated to this account will be determined by Equitable Life from time to time, but is guaranteed not to be less than 90% of the yield on 91-Day Government of Canada Treasury Bills less 2% to a minimum credited interest rate of 0%.

The effective annual interest rate is compounded daily and credited to the Daily Interest Account at least once per month.

Should 91-Day Government of Canada Treasury Bills become unavailable, Equitable Life reserves the right to use another yield in determining the above guarantee.

**Account Value:** The Account Value of the Daily Interest Account at any time is equal to the following:

- (a) Net Premiums and net transfers credited to the Daily Interest Account; plus
- (b) Interest and any Investment Bonus and/or Incentive Bonus credited to the Daily Interest Account; less
- (c) Amounts withdrawn or transferred out of the Daily Interest Account; less
- (d) Any administration fees or charges deemed to have come from this account.

### **Guaranteed Deposit Accounts:**

You can select one or more Guaranteed Deposit Accounts for your Equation Generation IV policy. The terms available for each Guaranteed Deposit Account may be 1, 5, or 10 years. We reserve the right to change or discontinue Guaranteed Deposit Account terms available to you at any time.

The minimum amount that may be allocated to a Guaranteed Deposit Account at any time is \$500.00. If you have selected a Guaranteed Deposit Account as one of your Investment Interest Accounts, Premiums will be held in the Daily Interest Account until the \$500.00 minimum is accumulated. Each allocation to a Guaranteed Deposit Account is considered separate with its own interest rate and investment term.

Equitable Life will declare the interest rate for each new Guaranteed Deposit Account as of the date of the investment.

The interest rate for a Guaranteed Deposit Account with a term of 1 year is guaranteed not to be less than (90% of X\*), less 2% to a minimum credited interest rate of 0%.

## Investment Interest Accounts – continued

### Guaranteed Deposit Accounts: - continued

The interest rate for a Guaranteed Deposit Account with a term of 5 years is guaranteed not to be less than the greater of:

- (a) 0.50%; and
- (b) (90% of X\*) less 2.00%.

The interest rate for a Guaranteed Deposit Account with a term of 10 years is guaranteed not to be less than the greater of:

- (a) 1.50%; and
- (b) (90% of X\*) less 2.00%

\* "X" in the above formulas represents the yield on Government of Canada bonds with the same term and date of investment as the Guaranteed Deposit Account. If at any time there is not a regularly published Government of Canada Bond of the same term as the Guaranteed Deposit Account Equitable Life reserves the right to substitute the bond with the closest published term.

In determining the above guarantee, Equitable Life reserves the right to use a measurement other than the yield on Government of Canada Bonds should they become unavailable or unsuitable as determined by Equitable Life.

The effective date of each Guaranteed Deposit Account will be the same day of the month as the Effective Date of this policy that is coincident with or immediately following the date of investment. The term period for your Guaranteed Deposit Account is measured from this date.

At the end of the term of each Guaranteed Deposit Account, the Account Value of that Guaranteed Deposit Account will automatically be reinvested as another Guaranteed Deposit Account with the same term as the original Guaranteed Deposit Account unless you have elected otherwise in writing.

#### Account Value:

The Account Value of the Guaranteed Deposit Account(s) at any time is equal to the following:

- (a) Net Premium and net transfers credited to the Guaranteed Deposit Account(s); plus
- (b) interest and any Investment Bonus and Incentive Bonus credited to the Guaranteed Deposit Account(s); less
- (c) amounts withdrawn or transferred out of the Guaranteed Deposit Account(s) including any Market Value Adjustments that apply to these withdrawals or transfers; less
- (d) any administration fees or charges deemed to have come from this account.

#### Maturity Value:

The Maturity Value of a Guaranteed Deposit Account is the net amount originally invested in the Guaranteed Deposit Account plus the interest compounded annually at the guaranteed rate for the term you selected. Any amounts withdrawn, transferred out or deducted for monthly charges from the Guaranteed Deposit Account, including any Market Value Adjustment that may apply, are taken into account when the Maturity Value of a Guaranteed Deposit Account is determined.

#### Market Value Adjustment:

At any time prior to the end of the term of each Guaranteed Deposit Account, the Market Value Adjustment of a Guaranteed Deposit Account is the discounted value of the Maturity Value with the interest rate used for discounting being 1% plus the higher of:

- (a) the actual interest rate for each applicable Guaranteed Deposit Account, or
- (b) the then current interest rate based on the original term and band (as determined by us) of the Guaranteed Deposit Account being valued.

If a partial withdrawal or transfer to another Interest Account is being made a pro-rata Market Value Adjustment will apply.

## Investment Interest Accounts – continued

**Linked Interest Options:** You can select one or more of the Linked Interest Options for your Equation Generation IV policy. The Account Value of each Linked Interest Option must be at least \$150.00. If the minimum Account Value is not met we reserve the right to transfer the full value of that Linked Interest Option to the Daily Interest Account.

A Linked Interest Option Administration Fee applies. (Refer to the Monthly Charges provision of this policy for details.)

### 1) Index Interest Options:

Net Premiums allocated to one or more of these Interest Accounts are credited or debited interest from the date each Net Premium is invested. The interest debited or credited is guaranteed to be not less than 100% of the comparative increase or decrease of the Total Return (which includes dividends) of the index tracked by the Index Interest Option. The rate of return the interest is based on can be either positive or negative depending on the movement of the applicable index. A negative rate of return will result in a debit to the Account Value (a negative interest rate). A positive rate of return will result in a credit to the Account Value (a positive interest rate).

Currently, interest rates are calculated on a daily basis (Business Day) at a time as determined by Equitable Life, based on the movement of the applicable index. We reserve the right to change the timing and frequency of the calculation at our discretion.

The applicable Index for each Index Interest Option is selected by Equitable Life and may change at any time. We reserve the right to discontinue the use of any Index Interest Option(s) at our discretion, without prior notification, and transfer the Account Value to a similar Index Interest Option as determined by us, or if a similar Index Interest Option is not available at that time, we will transfer the Account Value to the Daily Interest Account.

For information on the index tracked by each Index Interest Option and its past performance please ask your financial advisor or visit our website as shown on your most recent policy statement.

The following are the current Index Interest Options available with Equation Generation IV:

#### (a) Canadian Equity Index Interest Option:

The index tracked will consist primarily of Canadian equity stocks and Equitable Life guarantees to provide interest not less than 100% of the comparative increase or decrease of the total return of the applicable index;

#### (b) American Equity Index Interest Option:

The index tracked will consist primarily of U.S. equity stocks and Equitable Life guarantees to provide interest not less than 100% of the comparative increase or decrease of the total return of the applicable index, after converting to Canadian dollars. The conversion to Canadian dollars will be based on a rate obtained from a recognized quotation service as selected by Equitable Life;

#### (c) U.S. Technologies Index Interest Option:

The index tracked will consist primarily of U.S. technology stocks and Equitable Life guarantees to provide interest not less than 100% of the comparative increase or decrease of the total return of the applicable index, after converting to Canadian dollars. The conversion to Canadian dollars will be based on a rate obtained from a recognized quotation service as selected by Equitable Life;

#### (d) European Index Interest Option:

The index tracked will consist primarily of large, well-known European stocks and Equitable Life guarantees to provide interest not less than 100% of the comparative increase or decrease of the total return of the applicable index, after converting to Canadian dollars. The conversion to Canadian dollars will be based on a rate obtained from a recognized quotation service as selected by Equitable Life;

#### (e) U.S. Blue Chip Index Interest Option:

The index tracked will consist primarily of stocks of large, well-known U.S. companies and Equitable Life guarantees to provide interest not less than 100% of the comparative increase or decrease of the total return of the applicable index, after converting to Canadian dollars. The conversion to Canadian dollars will be based on a rate obtained from a recognized quotation service as selected by Equitable Life.

## Investment Interest Accounts – continued

### 2) Performance Fund Interest Options:

Net Premiums allocated to one or more of these accounts are credited or debited interest from the date each Net Premium is invested. The interest credited or debited is guaranteed to be not less than 100% of the net rate of return (i.e. less management fees and assuming the reinvestment of dividends) of the applicable mutual fund for each Performance Fund Interest Option. The rate of return the interest is based on can be either positive or negative depending on the movement of the applicable mutual fund. A negative rate of return will result in a debit to the Account Value (a negative interest rate). A positive rate of return will result in a credit to the Account Value (a positive interest rate).

Currently, interest rates are calculated on a daily basis (Business Day) at a time determined by Equitable Life, based on the movement of the applicable mutual fund. We reserve the right to change the timing and frequency of the calculation at our discretion.

For each Performance Fund Interest Option the applicable mutual fund and series are selected by Equitable Life and may change at any time. We reserve the right to discontinue the use of any Performance Fund Interest Option at our discretion, without prior notification, and transfer the Account Value to a similar Performance Fund Interest Option as determined by us, or if a similar Performance Fund Interest Option is not available at that time, we will transfer the Account Value to the Daily Interest Account.

For information on the mutual fund tracked by each Performance Fund Interest Option and its past performance please ask your financial advisor or visit our website as shown on your most recent policy statement.

The following are the current Performance Fund Interest Options available with Equation Generation IV:

**(a) Performance Fund Interest Option – Global**

The mutual fund tracked will invest mainly in equity securities of companies around the world and fixed income securities issued by governments or companies in any country. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund;

**(b) Performance Fund Interest Option – Canadian**

The mutual fund tracked will invest mainly in a mix of long term capital growth and fixed income securities issued primarily by Canadian issuers. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund;

**(c) Performance Fund Interest Option – Canadian Bond**

The mutual fund tracked will invest mainly in fixed income Canadian securities. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund;

**(d) Performance Fund Interest Option – Global Fixed Income**

The mutual fund tracked will invest mainly in bonds issued by foreign companies and governments. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund;

**(e) Performance Fund Interest Option – Canadian Value Stock**

The mutual fund tracked will invest mainly in Canadian equities and Canadian companies. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund;

**(f) Performance Fund Interest Option – Large Cap Canadian Equity**

The mutual fund tracked will invest mainly in a select group of high-quality, large-cap Canadian businesses. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund;

**(g) Performance Fund Interest Option – Global Balanced**

The mutual fund tracked will invest mainly in debt and equity securities issued around the world. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable mutual fund.

## Investment Interest Accounts – continued

### 3) Portfolio Interest

#### Options:

Net Premiums allocated to one or more of these accounts are credited or debited interest from the date each Net Premium is invested. The interest credited or debited is guaranteed to be not less than 100% of the net rate of return (i.e. less management fees and assuming the reinvestment of dividends) of the applicable portfolio for each Portfolio Interest Option. The rate of return the interest is based on can be either positive or negative depending on the movement of the applicable portfolio. A negative rate of return will result in a debit to the Account Value (a negative interest rate). A positive rate of return will result in a credit to the Account Value (a positive interest rate).

Currently, interest rates are calculated on a daily basis (Business Day) at a time determined by Equitable Life, based on the movement of the applicable portfolio. We reserve the right to change the timing and frequency of the calculation at our discretion.

For each Portfolio Interest Option the applicable portfolio and series are selected by Equitable Life and may change at any time. We reserve the right to discontinue the use of any Portfolio Interest Option at our discretion, without prior notification, and transfer the Account Value to a similar Portfolio Interest Option as determined by us, or if a similar Portfolio Interest Option is not available at that time, we will transfer the Account Value to the Daily Interest Account.

For information on the portfolio tracked by each Portfolio Interest Option and its past performance please ask your financial advisor or visit our website as shown on your most recent policy statement.

The following are the current Portfolio Interest Options available with Equation Generation IV:

- (a) **Diversified Income Portfolio Interest Option:**  
The portfolio tracked will invest mainly in a diversified mix of income and bond mutual funds. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable portfolio;
- (b) **Balanced Income Portfolio Interest Option:**  
The portfolio tracked will invest mainly in a diversified mix of equity and income mutual funds with a bias towards income. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable portfolio;
- (c) **Balanced Growth Portfolio Interest Option:**  
The portfolio tracked will invest mainly in a diversified mix of equity and income mutual funds, with a bias towards capital appreciation. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable portfolio;
- (d) **Growth Portfolio Interest Option:**  
The portfolio tracked will invest mainly in a diversified mix of equity mutual funds, with some fixed income mutual funds to provide stability. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable portfolio;
- (e) **Diversified Equity Portfolio Interest Option:**  
The portfolio tracked will invest primarily in a diversified mix of global equity mutual funds. Equitable Life guarantees to provide interest that is based on not less than 100% of the net rate of return of the applicable portfolio;

#### Account Value:

At any time the Account Value of a Linked Interest Option is equal to the following:

- (a) Net Premiums and net transfers credited to that Linked Interest Option; plus
- (b) interest and any Investment Bonus and Incentive Bonus credited to that Linked Interest Option; less
- (c) interest debited to that Linked Interest Option; less
- (d) amounts withdrawn or transferred out of that Linked Interest Option; less
- (e) any administration fees or charges deemed to have come from these accounts.

## Investment Interest Accounts – continued

### Changes to Your Investment Interest Accounts:

You may select to change your Investment Interest Accounts or the percentage of your Net Premium allocated to the various Investment Interest Accounts at any time, provided you submit your request in writing to Equitable Life's Head Office.

You may elect to transfer a portion of the Account Value of this policy from one Investment Interest Account to another Investment Interest Account available under this policy at any time, provided you submit your request in writing to Equitable Life's Head Office.

Equitable Life reserves the right to limit the number of requested transfers in any Policy Year.

There will be no additional fees charged for the transfers outlined below:

- (a) **Daily Interest Account:** You may elect to move savings from the Daily Interest Account to a Guaranteed Deposit Account or a Linked Interest Option at any time subject to minimum deposit requirements as determined by us. These transfers are based on the Account Value of the Daily Interest Account being transferred as of the effective date of the transfer.
- (b) **Guaranteed Deposit Account:** You may elect to move savings from one Guaranteed Deposit Account to another Guaranteed Deposit Account, the Daily Interest Account or a Linked Interest Option. These transfers are based on the Market Value Adjustment of the Account as of the effective date of the transfer. The Account Value of the Guaranteed Deposit Account must be at least equal to the \$500.00 minimum after the transfer has been made.
- (c) **Linked Interest Options:** You may request to move savings from a Linked Interest Option to another Linked Interest Option, the Daily Interest Account or a Guaranteed Deposit Account, subject to minimum deposit requirements as determined by us. These transfers are based on the Account Value of the Linked Interest Option being transferred as of the effective date of the transfer.

The effective date of the transfer will be within five (5) business days of receipt of your written request at Equitable Life's Head Office.

### About Your Investment Interest Accounts:

Linked Interest Options are NOT Mutual Funds, Portfolio Funds or Indexes; you are NOT acquiring units in a mutual fund or investment fund or other security. You are placing funds on deposit, earning interest, with the general funds of Equitable Life. Performance is NOT guaranteed. You may be credited positive or negative interest depending on the performance of the Mutual Fund, Portfolio or Index being tracked. The Mutual Fund, Portfolio or Index being tracked may change at any time. Linked Interest Option Administration Fees will apply.

## Policy Values

**Investment Bonus:** Starting in the 2<sup>nd</sup> Policy Year, at each Monthly Anniversary a guaranteed Investment Bonus will be credited to the Account Value of the Equation Generation IV policy. This Investment Bonus will be credited regardless of the Account Value of the policy. Currently the Investment Bonus credited will be allocated in the same manner as the Net Premium allocation. Equitable Life reserves the right to change the manner in which the Investment Bonus is allocated at any time without prior notification.

The Investment Bonus will be equal to 1/12<sup>th</sup> of the annual bonus percent applied to the Account Value of this policy on the applicable Monthly Anniversary.

Policy Year	Annual Bonus Percent
1	0.00%
2+	0.75%

**Incentive Bonus:** An Incentive Bonus will be credited to the Account Value of your Equation Generation IV policy beginning on the 5<sup>th</sup> Policy Anniversary, and on each Policy Anniversary thereafter, provided the Account Value at the applicable Policy Anniversary is not less than two (2) times the accumulated total of the Minimum Annual Premiums since the Effective Date of the policy.

The Incentive Bonus will be credited to the Account Value of this policy on the applicable Policy Anniversary as follows:

Policy Anniversary	Annual Bonus Percent
1 - 4	0.00%
5 - 14	0.25%
15+	0.50%

Currently the Incentive Bonus credited will be allocated to the Investment Interest Accounts in the same manner as Premiums received. Equitable Life reserves the right to change the manner in which the Incentive Bonus is allocated to the Investment Interest Accounts at any time without prior notification.

**Account Value:** The Account Value of this Equation Generation IV policy at any time will be equal to the sum of the following:

- (a) the Account Value of the Daily Interest Account;
- (b) the Account Value of all Guaranteed Deposit Accounts;
- (c) the Account Value of all Linked Interest Options.

**Cash Surrender Value:** The Cash Surrender Value of this Equation Generation IV policy at any time will be equal to the sum of the following:

- (a) the Account Value of the Daily Interest Account;
- (b) the Market Value Adjustment of all Guaranteed Deposit Accounts;
- (c) the Account Value of all Linked Interest Options;

reduced by the total Surrender Charges and any Indebtedness to the policy.

**Policy Surrender Value:** The Policy Surrender Value of this Equation Generation IV policy at any time will be equal to the Cash Surrender Value plus the Shuttle Account Value.

**Non-Guaranteed Values:** The interest rate for the Linked Interest Options is **NOT GUARANTEED** and could be positive or negative depending on the performance of the applicable Linked Interest Options. A negative rate of return will result in a debit to the Account Value (a negative interest rate). A positive rate of return will result in a credit to the Account Value (a positive interest rate).

**Surrender Charges:** The Surrender Charges applicable to this policy are shown in the Table of Charges. If you choose to surrender your Equation Generation IV policy in the first or second Policy Years, the Surrender Charge is shown in the Table of Charges. For subsequent years up to and including year 10, where the charge is zero (0), monthly values will grade linearly to the value at the next Policy Anniversary. At the 10<sup>th</sup> Policy Anniversary and thereafter the Surrender Charge is zero (0).

If you take a withdrawal during the first ten (10) Policy Years, a pro-rata Surrender Charge will be calculated but not applied. Upon full surrender of your Equation Generation IV policy during the first ten (10) Policy Years, any pro-rata Surrender Charges that were calculated but not applied due to withdrawals, will apply upon the full surrender of the policy. Therefore at any time during the first ten (10) Policy Years, the total Surrender Charges are the total of the above, plus any Surrender Charges held in suspense for any previous withdrawals.



## Monthly Charges

***On each Monthly Anniversary a charge will be withdrawn from the Investment Interest Accounts of your Joint Last to Die Equation Generation IV policy. These monthly charges include but are not limited to the costs for the insurance portion of your plan, as well as any additional Riders or benefits.***

The monthly charge for your Equation Generation IV policy will be equal to the sum of the following:

- (a) the total Administration Charges applicable for this policy;
- (b) the total of all Cost of Insurance Charges applicable to this policy;
- (c) the total Monthly Charge(s) for any optional additional benefits and Riders;
- (d) the Linked Interest Option Administration Fees.

Equitable Life will automatically deduct the Monthly Charges from the Accounts and/or Linked Interest Options based on the method you elected on the application for life insurance. You may have elected a percentage (%) of the total monthly charges to be deducted from specific accounts or you may have elected the monthly charges be deducted from all accounts on a pro-rata basis, depending on the Account Value in the Accounts at the Monthly Anniversary. In the event that you did not elect a method for deduction of monthly charges, the default method of pro-rata from all Accounts will be the method used. At any time you may change the method and/or Accounts from which your Monthly Charges are deducted by providing written notice at Equitable Life's Head Office.

If the Monthly Charges listed in items (a), (b), and (c), have not previously ceased, they will cease on the Policy Anniversary after the Equivalent Single Age is 100. (The same period as shown in the Table of Charges). Thereafter, no further deduction for these charges will be made.

Equitable Life reserves the right to deduct from the Investment Interest Accounts an amount equal to any taxes or assessments applicable to the policy, including those that are currently in place or may be subsequently imposed.

**Administration Charges:** The guaranteed Administration Charge for this Joint Last to Die Equation Generation IV policy is \$10.00 per month.

### **Cost of Insurance Charges Type:**

The Cost of Insurance Charge for each Insurance Coverage is determined at the beginning of each Policy Month. The Cost of Insurance Charge is calculated by multiplying the current Amount at Risk by the current Cost of Insurance Rate for the applicable Insurance Coverage as shown in the Table of Charges.

Your Joint Last to Die Equation Generation IV policy has a choice of two (2) Cost of Insurance Types. You may choose from Yearly Renewable Term (YRT) or Level Cost of Insurance (Level for Life). If you have selected YRT Cost of Insurance Charges, the rate per thousand of Amount at Risk will increase yearly until the Policy Anniversary after the Equivalent Single Age is 100. If you have selected Level Cost of Insurance Charges, the rate per thousand of Amount at Risk will remain level until the Policy Anniversary after the Equivalent Single Age is 100.

Subject to any minimum and maximum age restrictions and our administrative rules and guidelines in effect at the time, you may change your Cost of Insurance Charges from one type to another provided they are applicable to your Death Benefit Option. Evidence of insurability, as determined by Equitable Life, may be required when switching from one Cost of Insurance Charges type to another. The Cost of Insurance Charges that will apply will be the rates, if then available, at the Lives Insured attained Equivalent Single Age with the same class of risk and smoking status.

The Amount at Risk for an Insurance Coverage is equal to the Death Benefit less the Account Value attributable to that Insurance Coverage.

The Cost of Insurance rates, as shown in the Table of Charges, are guaranteed not to increase from those shown.

**Monthly Charges – continued****Additional Benefit  
And Rider Charges:**

If you have elected to include any additional Benefit(s) and/or Rider(s) with your Equation Generation IV policy, Monthly Charges applicable to the additional Benefit(s) and/or Rider(s) are specified on the Coverage Specifications page(s) and/or are shown in the Table of Charges.

**Linked Interest Option  
Administration  
Fees:**

The Linked Interest Option Administration Fees apply only to the Account Value of the Index Interest Options, the Performance Fund Interest Options and the Portfolio Interest Options.

The current and maximum Linked Interest Option Administration Fees which apply to the Index Interest Options are as follows:

Canadian Equity Index Interest Option:	3.00% per Policy Year (0.25% per month);
American Equity Index Interest Option:	3.00% per Policy Year (0.25% per month);
U.S. Technologies Index Interest Option:	3.20% per Policy Year (0.2666% per month);
European Index Interest Option:	3.20% per Policy Year (0.2666% per month);
U.S. Blue Chip Index Interest Option:	3.00% per Policy Year (0.25% per month).

The Linked Interest Option Administration Fees applicable to the Index Interest Options may be changed at any time, without prior notification, however, Equitable Life guarantees they will not exceed the current maximums.

The current and maximum Linked Interest Option Administration Fees which apply to the Account Value of the Performance Fund Interest Options (PFIO) are as follows:

PFIO – Global	1.75% per Policy Year (0.1458% per month)
PFIO – Canadian	1.75% per Policy Year (0.1458% per month)
PFIO – Canadian Bond	1.75% per Policy Year (0.1458% per month)
PFIO – Global Fixed Income	1.75% per Policy Year (0.1458% per month)
PFIO – Canadian Value Stock	1.75% per Policy Year (0.1458% per month)
PFIO – Large Cap Canadian Equity	1.75% per Policy Year (0.1458% per month)
PFIO – Global Balanced	1.75% per Policy Year (0.1458% per month)

Linked Interest Option Administration Fees applicable to the Performance Fund Interest Options may be changed at any time, without prior notification, however Equitable Life guarantees the fees will never exceed the current maximums.

The current and maximum Linked Interest Option Administration Fees which apply to the Account Value of Portfolio Interest Options (PIO) are as follows:

Diversified Income PIO	2.20% per Policy Year (0.1833% per month)
Balanced Income PIO	2.20% per Policy Year (0.1833% per month)
Balanced Growth PIO	2.20% per Policy Year (0.1833% per month)
Growth PIO	2.20% per Policy Year (0.1833% per month)
Diversified Equity PIO	2.20% per Policy Year (0.1833% per month)

Linked Interest Option Administration Fees applicable to the Portfolio Interest Options may be changed at any time, without prior notification, however, Equitable Life guarantees the fees will never exceed the current maximums.

## Cash Withdrawals

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***With your Equation Generation IV Universal Life policy you have access to the cash accumulating in your policy if and when you need or want it.***

Cash Withdrawals from this Equation Generation IV policy are permitted at any time provided the Head Office of Equitable Life receives a written request from you.

The amount you can withdraw must be at least \$500.00 and cannot exceed the current Policy Surrender Value, less any Indebtedness, less, \$500.00. A Market Value Adjustment may apply to amounts withdrawn from the Guaranteed Deposit Accounts. For details on how the Policy Surrender Value is determined please see the Policy Values section.

If you choose to withdraw cash from your policy, the Death Benefit will be reduced by the portion of the Account Value withdrawn.

If you have elected Account Value Protector as your Death Benefit Option, the Account Value will reduce by the amount withdrawn, thereby reducing the Death Benefit. If you have elected Level Protector as your Death Benefit Option, the Sum Insured will be reduced by the portion of the Account Value withdrawn, thereby reducing the Death Benefit.

If you choose to withdraw cash from your policy within the first ten (10) Policy Years, a pro-rata Surrender Charge equal to the amount withdrawn multiplied by the appropriate Surrender Charge rate divided by 1000 will be calculated but not deducted at the time of withdrawal. If you surrender your policy prior to completion of the 9<sup>th</sup> Policy Year, the Surrender Charge that would have been applied to the Cash Withdrawal will be deducted at that time along with any other Surrender Charges that may apply at that time.

Cash Withdrawals from your policy may have tax consequences and may be subject to income tax.

Equitable Life will charge a \$25.00 fee for each Cash Withdrawal from your policy.

You may specify the Investment Interest Accounts from which your withdrawals are to be made. However, if there is any value in the Shuttle Account, all Cash Withdrawals will be made from this Account first. In the absence of written instructions Equitable Life will make the withdrawals from the Investment Interest Accounts using the same method as used for Monthly Charges, until Equitable Life receives alternative written instruction from you at our Head Office.

Daily Interest Account, Guaranteed Deposit Account and Linked Interest Option minimum balance requirements must continue to be met.

The effective date of your Cash Withdrawal will be within five (5) Business Days of receipt of your written request at the Head Office of Equitable Life.

## Policy Loans

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***If a Cash Withdrawal does not meet your needs, you can take a Policy Loan with your Equation Generation IV policy.***

At any time while this Equation Generation IV policy is in effect, provided it has accumulated a Cash Surrender Value, you may request a Policy Loan from Equitable Life subject to our administrative rules and guidelines in effect at that time.

A Policy Loan will only be granted after Equitable Life has received a completed loan application. Normally, we will make the loan within thirty (30) days after the completed loan application has been received at our Head Office, in Waterloo, Ontario. However, we reserve the right to defer the loan for up to six (6) months.

You may borrow up to the amount by which the Maximum Loan Value of this policy exceeds any current Indebtedness to your Equation Generation IV policy.

The Maximum Loan Value for this policy is equal to 90% of the Cash Surrender Value excluding the Account Value of all Linked Interest Options reduced by one year's loan interest. Interest will be charged on Policy Loans at a rate as set by us from time to time and will accrue daily from the effective date of the loan.

At each Policy Anniversary, if the interest due on your Policy Loan is not paid, Equitable Life will add the interest due to the balance of your loan and interest will be charged on the entire Indebtedness under your policy. At any time, while this policy is in effect, you may repay all or a part of the amounts owed on the policy subject to a minimum amount as determined by us.

Taking a Policy Loan against the available value in your policy may have tax consequences and may be subject to income tax.

If, at any time while this policy is in effect, the total indebtedness to Equitable Life under this policy exceeds the Maximum Loan Value, Equitable Life reserves the right to transfer sufficient amounts, if available, from the Linked Interest Options to the Daily Interest Account or the Guaranteed Deposit Accounts, without prior notice, to ensure that the Indebtedness of the Policy remains equal to the Maximum Loan Value. The required amounts will be transferred from the Linked Interest Options using the same method as elected by you for deduction of monthly charges and deposited to the Daily Interest Account, provided the Linked Interest Option minimum balance requirements are met. If sufficient amounts are not available in the Linked Interest Options, the policy will lapse, your Insurance Coverage will terminate and Equitable Life will have no further liability under this policy subject to your rights under "Reinstatement".

The value of the Shuttle Account will not be considered in any Policy Loan calculation. You may not take a Policy Loan against the value in the Shuttle Account.

At the last death of the Lives Insured under this policy, the portion of any outstanding Policy Loan balance plus any accrued interest will be deducted from the Death Benefit.

**Policy Surrender**

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At any time while your Equation Generation IV policy is in effect, you may surrender your policy for its current Policy Surrender Value, less any Indebtedness to the policy.

Please refer to the Policy Values Section of this policy for details on Policy Surrender Value determination.

On request to surrender your policy the Policy Surrender Value will be paid to you within thirty (30) days of receipt of your written request to surrender. However, we reserve the right to defer payment for a period up to six (6) months after the date we receive your request to surrender. If we defer payment for thirty (30) days or more, we will add interest, at an interest rate determined by us, calculated from the effective date of surrender of your policy to the date we forward payment of the Policy Surrender Value to you.

The effective date of surrender of your policy will be within five (5) Business Days of receipt of your written request at Equitable Life's Head Office. This policy and all benefits and any Riders associated with this policy will terminate on the effective date of the surrender and Equitable Life will have no further liability under this policy or any Riders.

Surrendering your policy for its Policy Surrender Value may have tax consequences and may be subject to income tax.

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## Policy Lapse

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Your Equation Generation IV policy will lapse and all liability of Equitable Life will cease at the earliest date on which:

- (a) the Account Value of the policy is equal to zero (0);
- (b) the Cash Surrender Value of the policy is equal to zero (0) and the total of all Premiums paid, less all Cash Withdrawals, is less than the sum of the Minimum Annual Premiums, including any Rider or additional benefit Premiums payable since the Effective Date of this policy; or
- (c) the Indebtedness under this policy is equal to the Cash Surrender Value of the policy.

However, the coverage under your policy will continue until the end of the Grace Period.

### Grace Period:

A Grace Period of 31 days measured from the date of policy lapse, as defined above, is permitted for payment in full of all overdue amounts as determined by Equitable Life. Your Equation Generation IV policy will terminate as of the date of lapse, if at the end of the Grace Period all overdue amounts have not yet been paid. Equitable Life will have no further liability under this policy.

In the event the last death of the lives insured occurs during the Grace Period, the portion of any overdue amounts applicable to the policy will be deducted from the Death Benefit payable.

### Lapse Extension:

Your policy may continue for a maximum of 12 months, during which time we will deduct the Monthly Charges from your Account Value provided all of the following conditions are satisfied:

- (a) the policy has been in effect for at least 3 years;
- (b) the Account Value of the policy is greater than zero and sufficient to pay the Monthly Charges for a period of 12 months; and
- (c) the Indebtedness under the policy does not exceed the policy's current Cash Surrender Value.

After the maximum 12 months, unless a full Premium payment is remitted to cover all overdue amounts as determined by Equitable Life, your policy will terminate effective immediately. All benefits and Riders applicable to this policy will cease at that time and the policy will be terminated subject to the Grace Period provision above. Equitable Life will have no further liability under this policy.

### Reinstatement:

- a) If your Equation Generation IV insurance policy lapses at the end of the Grace Period because a premium due at the beginning of the Grace Period was not paid, the policy may be reinstated by payment of the overdue premium within a further period of thirty (30) days after the end of the Grace Period, but only if the Lives Insured are alive at the time payment is made.
- b) If your Equation Generation IV insurance policy lapses and is not reinstated under subsection (a), the policy may be reinstated within two (2) years of its lapse upon written application by you and submission of evidence of insurability (according to the then current underwriting guidelines as determined by Equitable Life) pertaining to all the Lives Insured (based on their attained age) that is satisfactory to Equitable Life.

The Reinstatement of this policy must be accompanied by the payment of an amount equal to the sum of the following:

- (i) the Premiums that would have been required to maintain the policy in effect from the date of lapse to the date of reinstatement; plus
- (ii) interest due on the above amount; plus
- (iii) any Indebtedness under this policy.

These amounts will be determined by Equitable Life at the time of request of Reinstatement.

The rate of interest to be charged above will be determined by Equitable Life, but will not exceed that permitted under current legislation.

Any Account Value remaining in the policy at the time of lapse will be treated as a new investment and deposited as of the date of Reinstatement in the Daily Interest Account.

## **Disability Benefit Disbursement**

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The Disability Benefit Disbursement allows the Owner to apply for a payment from the Account Value of this policy if the Life Insured becomes disabled from a severe mental or physical impairment as described below.

The Disability Benefit Disbursement may be paid out subject to the following conditions and our administrative rules and guidelines in effect at the time of the disbursement:

- (a) one Disability Benefit Disbursement per policy will be permitted in any Policy Year;
- (b) each Disability Benefit Disbursement during the Surrender Charge period will be subject to the applicable Surrender Charge for that year;
- (c) if a Disability Benefit Disbursement is taken from the Guaranteed Deposit Accounts, a Market Value Adjustment will apply. The Market Value Adjustment calculation will be the same as the Market Value Adjustment which applies to a regular cash withdrawal;
- (d) the minimum and maximum Disability Benefit Disbursement in any Policy Year will be subject to our administrative rules and guidelines in effect at the time of the disbursement;
- (e) any fees that may apply for withdrawals made under the Disability Benefit Disbursement will be subject to our administrative rules and guidelines in effect at the time of the disbursement.

You may specify the Interest Accounts from which a Disability Benefit Disbursement is to be made. However, if there is any value in the Shuttle Account, all Disability Benefit Disbursements will be made from the Shuttle Account first, regardless of the order specified by you. In the absence of written instructions for Disability Benefit Disbursements, Equitable Life will make the withdrawals from the Shuttle Account and Interest Accounts using the same method as used for Monthly Charges.

The Account Value applicable to this policy will be reduced by the amount of the Disability Benefit Disbursement. If you have elected Level Protector as the Death Benefit Option for your Equation Generation IV policy, the Sum Insured will be reduced by the amount of the Disability Benefit Disbursement. If you have elected Account Value Protector as the Death Benefit Option for your Equation Generation IV policy, the Death Benefit will be reduced by the amount of the Disability Benefit Disbursement. If a Disability Benefit Disbursement occurs during the Surrender Charge period, a pro-rata Surrender Charge will be calculated but not deducted at the time of payment. If you surrender your policy prior to the completion of the Surrender Charge period, the Surrender Charge that would have applied to the Disability Benefit Disbursement will be deducted at that time along with any other Surrender Charge which may apply at that time.

A Disability Benefit Disbursement may not be available if you assigned this policy or if you have made an irrevocable beneficiary designation for the proceeds of this policy. You may be able to take a Disability Benefit Disbursement upon written authorization to Equitable Life of the assignee or the irrevocable beneficiary, subject to our administrative rules and guidelines in effect at that time and the then current income tax legislation.

Qualifying to receive the Disability Benefit Disbursement does not guarantee that your policy will remain in effect. If you have not elected Waiver of Charges as an additional Rider with this policy on the Life Insured for whom this Disability Benefit Disbursement applies, you must continue to make sufficient Premium payments in order to keep your Equation Generation IV policy in effect. .

**Disability Benefit Disbursement – continued**

In order to receive the Disability Benefit Disbursement, the Owner must provide at their own expense evidence in writing satisfactory to Equitable Life from a medical practitioner, who is qualified and licensed in Canada, of the exhibited severe physical or mental impairment of the Life Insured. The impairment must have existed for a period of at least 90 days and:

- (a) must markedly restrict the ability of the Life Insured to perform any one of the following basic activities of daily living:
    - (i) perceiving, thinking and remembering;
    - (ii) feeding and dressing himself or herself;
    - (iii) speaking so as to be understood, in a quiet setting, by another person familiar with the Life Insured;
    - (iv) hearing so as to understand, in a quiet setting, another person familiar with the Life Insured;
    - (v) eliminating (bowel or bladder functions); or
    - (vi) walking;
  - or (b) (i) must prevent that Life Insured, if normally employed, from performing the essential duties of his or her occupation or employment; or
    - (ii) must prevent that Life Insured, if not normally employed, from performing the essential duties of any occupation or employment for which he or she is qualified or could reasonably become qualified by reason of education; training or experience; or
    - (iii) must prevent that Life Insured, if normally responsible for the maintenance of a home or care of immediate family members, from performing the essential duties of maintaining that home or caring for those individuals;
- and the impairment under sub-paragraph (a) or (b) above must arise from one or more of the following:
- AIDS (Acquired Immune Deficiency Syndrome) or HTLV-III and/or HIV infection,
  - Alzheimer's Disease,
  - Cancer or Tumour,
  - Coronary Artery Disease, Myocardial Infarction, or Congestive Heart Failure
  - Chronic Kidney Failure, or Chronic Liver Disease,
  - Loss of a Limb,
  - Neuromotor disease,
  - Muscular Dystrophy,
  - Paralysis, paraplegia, or quadriplegia,
  - Receipt of a major organ transplant,
  - Third degree burns over more than 50% of the body,
  - Multiple Sclerosis,
  - Hepatitis,
  - Stroke, with or without paralysis,
  - Huntington's Chorea;
- or (c) has resulted in the total and permanent loss of sight in both eyes, or the use of both hands, or the use of both feet, or the use of one hand and one foot;
  - or (d) either the impairment or the illness or injury that caused the impairment is expected by the medical practitioner to result in the death of that Life Insured within 24 months of the date of diagnosis.

**Pre-existing Conditions:** No Disability Benefit Disbursement will be payable if we determine that a Life Insured, who would have otherwise qualified for the Disability Benefit Disbursement, had that Disability at the Effective Date or the Reinstatement Date of this policy. That determination will be based on the conditions specifically identified in, or that can reasonably be inferred to have existed at that time from, the application, a related declaration of health, or other information required by Equitable Life.

**Taxation:** As of the Effective Date of this policy the Income Tax Act (Canada) and Regulations provide that a disability benefit is not considered a disposition of an interest in a life insurance policy. Therefore as of the Effective Date of this policy disability benefits are not subject to income tax. However, Equitable Life offers no guarantee that a Disability Benefit Disbursement will not be subject to income tax at the time it is made. Furthermore, it may not always be in the best interest of the Owner to take a Disability Benefit Disbursement, should the Income Tax Act (Canada) and Regulations change in the future.



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**Bereavement Counselling Benefit**

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On the last death of the Lives Insured under this policy and payment of the Death Benefit, Equitable Life will provide a Bereavement Counselling Benefit to the Beneficiary(ies) of this Equation Generation IV policy. Equitable Life will reimburse the Beneficiary(ies) up to a maximum of \$500.00 toward the cost of counselling expenses, as long as the following rules are adhered to:

- the Beneficiary(ies) will submit receipts within 12 months of the date of the last death of the Lives Insured; and
- the counsellor has professional accreditation or certification as determined appropriate by Equitable Life.

Reimbursement is subject to Equitable Life's then current administrative practices.

Regardless of the number of Beneficiaries under this policy only a sum total of \$500.00 will be reimbursed for counselling for all Beneficiaries. Equitable Life will not proportion the distribution of this benefit as per Beneficiary designation. Payment under this benefit will result upon remittance of receipts only.

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**Dividends**

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While in effect, this Equation Generation IV policy may, at the end of each Policy Year, participate in the distribution of surplus of Equitable Life. If a distribution is declared for this policy, it will be credited as a dividend. The declaration of a dividend and the amount of any dividend payable, if any, will be determined by Equitable Life.

If any policy dividends are declared, they will be credited in a manner determined by Equitable Life at that time.

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**Protection From Creditors**

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Protection from creditors of the Owner may be available with your Equation Generation IV policy, subject to certain conditions.

## **Tax Status**

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This Equation Generation IV policy is issued with the intention that it will be maintained exempt from accrual taxation under the provisions of the Income Tax Act (Canada) and Regulations in effect as of the Effective Date of this policy. Therefore, periodically, but not less than annually, this policy will be monitored to determine its tax status.

If, at any time, this Equation Generation IV policy fails any of the applicable exemption tests and is therefore subject to annual accrual taxation, according to the requirements of the Income Tax Act (Canada) and Regulations, Equitable Life reserves the right to transfer funds from a portion of the Cash Surrender Value attributable to the Daily Interest Account, Guaranteed Deposit Accounts and/or the Linked Interest Options to the Shuttle Account in order to maintain this policy's exempt status provided that it is possible for the Company to do so under the legislation in effect at that time. Funds in the Shuttle Account do not make up any part of this policy and are subject to annual taxation.

If this Equation Generation IV policy fails the exempt test at the time of a Premium payment, Equitable Life will accept as a Premium for this Equation Generation IV policy an amount that will maintain this policy's tax-exempt status. Equitable Life will deposit the balance to the Shuttle Account. The balance will not be considered a Premium payment under this policy.

If on any Policy Anniversary, there is room for additional Premiums in this Equation Generation IV policy and you have funds in the Shuttle Account, Equitable Life will automatically pay a Premium from the Shuttle Account to this Equation Generation IV policy. The Premium paid will be allocated to the Investment Interest Accounts in the same manner as elected by you on the application or subsequently changed. Provincial Government Premium Tax will be applied to each Premium paid to this Equation Generation IV policy from the Shuttle Account. (See Net Premium for details on Premium Tax).

If at any Policy Anniversary this Equation Generation IV policy fails any of the applicable exemption tests, the Sum Insured will be automatically increased by up to 8% of the Sum Insured at that Policy Anniversary. If the increase in the Sum Insured is not sufficient to maintain the exempt status of this policy, a portion of the Cash Surrender Value attributable to the Daily Interest Account, Guaranteed Deposit Accounts and/or the Linked Interest Options will be transferred to the Shuttle Account in order to maintain this policy's exempt status. No evidence of insurability is required for the automatic increase in the Sum Insured.

The above provisions reflect the current provisions of the Income Tax Act (Canada) and Regulations applicable to this policy as at the Effective Date. Equitable Life makes no guarantees that these provisions will not change. Equitable Life reserves the right to modify its practices to reflect any subsequent changes made in the Income Tax Act (Canada) and Regulations affecting this policy. Equitable Life will provide to you any required tax reporting slips.

## Shuttle Account

***The Shuttle Account is a separate premiums-on-deposit account which assists in maintaining your Equation Generation IV policy's tax-exempt status. The Shuttle Account may have a separate Beneficiary(ies) and is paid out on death of the Owner or on termination or surrender of this Equation Generation IV policy.***

In order to maintain your policy's tax-exempt status, a separate Shuttle Account (premiums-on-deposit account) will be set up in conjunction with your Equation Generation IV policy. As stated in the Premiums provision of this policy, any monies received over the Maximum Exempt Premium for any Policy Year will be deposited on your behalf to the Shuttle Account. The Shuttle Account is a premiums-on-deposit account where funds are held until such time as they can be paid as Premiums into your Equation Generation IV policy.

The Shuttle Account receives amounts in excess of the Maximum Exempt Premium. In addition, funds will be transferred to the Shuttle Account as required to maintain your Equation Generation IV policy status as exempt from annual accrual taxation. Funds in the Shuttle Account will automatically be used to pay Premiums to your Equation Generation IV policy on any Policy Anniversary, provided that enough tax-exempt room exists.

### Shuttle Interest

#### Accounts:

The Shuttle Account is set up at issue of your Equation Generation IV policy. Any amounts transferred into the Shuttle Account will be allocated to the Shuttle Interest Accounts and any interest earned will be subject to annual taxation.

The Shuttle Account of your Equation Generation IV policy is credited or debited interest based on the rate of return, less any applicable administration fees, of the Shuttle Interest Accounts available and chosen by you. If you do not choose an allocation for your Shuttle Deposits, any amounts transferred to the Shuttle Account will be allocated to the Daily Interest Account.

You may at any time in the future request in writing to change the allocation of the deposits made to the Shuttle Account, subject to our administrative rules and guidelines in effect at that time. We reserve the right to charge a fee to change the allocation.

The Shuttle Interest Accounts available with your Equation Generation IV policy are selected by Equitable Life. Equitable Life reserves the right to change or discontinue the use of any Shuttle Interest Account at our discretion, without prior notification, and transfer the value to the Daily Interest Account.

#### Shuttle Premiums:

Shuttle Premiums are Premiums paid from the Shuttle Account to your Equation Generation IV policy. At each Policy Anniversary and after exempt testing, Equitable Life will determine the Maximum Exempt Premium for the following year. Upon determination of the Maximum Exempt Premium, Equitable Life will automatically pay a Premium, if possible, from the Shuttle Account to your Equation Generation IV policy. The Premium paid, less any applicable Premium tax, will be allocated to the Investment Interest Accounts within your Equation Generation IV policy, as elected by you on the application for life insurance or subsequently changed in writing by the Owner, or to the Daily Interest Account if no selection is made. The Premium paid from the Shuttle Account will be the lesser of the Maximum Exempt Premium and the Shuttle Account Value.

Premiums paid from the Shuttle Account will be deducted from the Shuttle Interest Accounts according to our administrative practices.

#### Shuttle Deposits:

Shuttle Deposits are funds that are transferred from your Equation Generation IV policy to the Shuttle Account in order to maintain the exempt status of your policy under the provisions of the Income Tax Act (Canada) and Regulations. Shuttle Deposits will also occur at any time a Premium in excess of the Maximum Exempt Premium is paid to your Equation Generation IV policy. The amount of the Shuttle Deposit will be determined to be the amount necessary to maintain your policy's exempt status.

The Shuttle Deposits will be allocated to the Shuttle Account according to the allocation selected on the application for life insurance, or subsequently changed in writing by the Owner. If no selection is made, Shuttle Deposits will automatically be allocated to the Daily Interest Account.

Shuttle Deposits are not subject to Premium Tax.

**Shuttle Account – continued**

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<b>Investment Bonus:</b>	The Investment Bonus does not apply to the Shuttle Account.
<b>Incentive Bonus:</b>	The Incentive Bonus does not apply to the Shuttle Account.
<b>In the Event Of Death:</b>	<p>On the last death of the Lives Insured under this Joint Last to Die Equation Generation IV policy, the Shuttle Account will be paid to the Owner or the Owner's Beneficiary(ies) as stipulated on the Policy Specifications page of this policy.</p> <p>On the death of the Owner, if other than the Lives Insured under this Equation Generation IV policy, the Shuttle Account Value will be paid to those entitled to this account according to the applicable laws.</p>
<b>Policy Surrender:</b>	If your Equation Generation IV policy is surrendered, any Shuttle Account Value will be surrendered and paid out to the Owner, unless prohibited by law. There are no Surrender Charges applicable to the Shuttle Account.
<b>Withdrawal:</b>	If you elect to withdraw cash from your Equation Generation IV policy and there are funds being held in the Shuttle Account, the funds held in the Shuttle Account will be withdrawn first to satisfy the requested withdrawal amount. The withdrawal provisions applicable to the Shuttle Account are the same as specified under the Cash Withdrawals section in your Equation Generation IV policy.
<b>Shuttle Account Value:</b>	At any time the Shuttle Account Value will be equal to the sum of all Shuttle Deposits plus any interest credited to the Shuttle Interest Accounts; less any interest debited to the Shuttle Interest Accounts; less any administration fees applicable to the Shuttle Interest Accounts; less any Shuttle Premiums paid to the Equation Generation IV policy; less any Cash Withdrawals.
<b>Policy Loans:</b>	You may not take a Policy Loan against the Shuttle Account Value, nor will the value of your Shuttle Account be used when determining the Maximum Loan Value for an Equation Generation IV Policy Loan.
<b>Policy Lapse:</b>	The value of your Shuttle Account will not be used in determining whether or not your Equation Generation IV policy will lapse. However, if there are funds in the Shuttle Account, room available in your Equation Generation IV policy and failure of the lapse test is imminent, Equitable Life will automatically pay a Premium from the Shuttle Account to your Equation Generation IV policy.
<b>Taxation:</b>	Any interest earned in the Shuttle Account is subject to annual taxation. Each year, the amount of interest income will be reported on a tax information slip as Canadian source interest income, under current legislation.
<b>Protection from Creditors:</b>	Protection from creditors, which may be available to you with your Equation Generation IV Universal Life policy, does NOT apply to the Shuttle Account. The Shuttle Account is not part of the Equation Generation IV policy. It is a separate Premiums-on-Deposit Account.

**SETTLEMENT OPTIONS**

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Provided this policy has not been assigned, you may elect, in writing and received at our Head Office in Waterloo, Ontario, that a specified amount of the proceeds payable in one lump sum upon the last death of the Lives Insured under this policy be applied under one of the following Payment Options, if available and subject to our administrative rules and guidelines in effect at the time the claim becomes payable:

- a) Limited Payments – the specified amount would be paid as monthly income for a limited period of time in the form of an annuity certain, subject to minimum and maximum amounts required by us.
- b) Continuous Payments – the specified amount would be paid as monthly income for the lifetime of the payee in the form of a life annuity or other type of annuity offered by us at the time, subject to minimum and maximum amounts required by us.
- c) Proceeds on Deposit – the specified amount would be left with us for a period as agreed to by us. Interest will accrue on the proceeds at a rate as determined by us from time to time, but is guaranteed never to be negative.
- d) Other Payment – the specified amount would be applied to any other payment option then made available by us.

You may revoke or change your election at any time in writing and received at our Head Office in Waterloo, Ontario.

The beneficiary(ies) entitled to the claims proceeds on the last death of the Lives Insured may also elect one of the above options with respect to the applicable claims proceeds, unless you have elected otherwise.

The amount of monthly income payable under Options a) or b) shall be an amount calculated by applying the Company's immediate annuity rates in effect on the date the monthly payments begin. The beneficiary(ies) will need to provide us with required personal information to put the annuity into effect.

## ADDITIONAL ACCIDENTAL DEATH BENEFIT

Optional riders

SAMPLE

## **Additional Accidental Death Benefit Rider**

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**Benefit:** This rider provides benefits only on the Life Insured shown under this rider on the Coverage Specifications page.

If the Company receives satisfactory proof that the death of the Life Insured covered under this rider:

- a) resulted from bodily injury caused solely by external, violent and accidental means received while this policy and rider were in force; and
- b) occurred within 90 days of the date of sustaining such injury;

the Company will pay to the Beneficiary, in addition to the Death Benefit, the amount of the Additional Accidental Death Benefit for that Life Insured shown on the Coverage Specifications page.

**Benefit Charge:** The Monthly Charge for this benefit is specified and is payable for the period shown on the Coverage Specifications page.

**Risks Not Assumed:** The amount specified above will not be payable if the death of the Life Insured covered under this rider resulted either directly or indirectly from:

- a) suicide, while sane or insane;
- b) war, or any act incident to war, whether declared or not, or any conflict between the armed services of countries or international organizations;
- c) making or attempting to make or descending from an aerial flight:
  - i) as a member of the aircraft crew or as one having any duties in connection with such flight;
  - ii) as a participant in the training or maneuvers of the armed forces of any country; or
  - iii) for instructional or training purposes;
- d) service in the armed forces of any country which is in a state of war, whether war be declared or not;
- e) the taking of drugs or poison in any form or the inhalation of gas or fumes, whether voluntary or otherwise.

The Company reserves the right and opportunity to examine the body and make an autopsy.

**Termination:** This rider will terminate on the earliest of the following dates:

- a) the Expiry Date of this rider;
- b) the date this policy lapses or otherwise terminates; and
- c) the date on which all Insurance Coverages, applicable to the Life Insured covered under this rider, are terminated.

SAMPLE



## Children's Protection Rider

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**Benefit:** This rider provides benefits only on the Life Insured shown under this rider on the Coverage Specifications page.

This rider provides benefits only on a person who is defined as an Insured Child under this rider.

An Insured Child is defined as any child, step-child or legally adopted child of the Life Insured under this rider, who is:

- a) named in the application for this rider and not excluded by endorsement; and
- b) on the effective date of this rider, at least 15 days of age and age under 18, nearest birthday.

Each child born of the marriage of, or legally adopted by, the Life Insured under this rider will automatically become an Insured Child upon the attainment of age 15 days or upon the date of adoption, whichever is later, provided the child is legally adopted before such child's 18th birthday.

On the death of an Insured Child, the Insurance Amount of this rider as shown on the Coverage Specifications page will be paid to the Beneficiary, provided death occurs:

- a) after that Child is 15 days of age and before that Child's 25th birthday; and
- b) before the Insurance Amount on that Child was converted; and
- c) while this policy and rider are in force.

**Beneficiary:** The Beneficiary under this rider will be the Life Insured under this rider, if living, otherwise the legal representative of the estate of the Life Insured.

**Benefit Charge:** The Monthly Charge for this benefit is specified and is payable for the period shown on the Coverage Specifications page.

**Conversion Option:** The Insurance Amount on an Insured Child may be converted on or after that Child's 21st birthday and prior to such Insured Child's 25th birthday, without evidence of insurability, for any Whole Life or Term Insurance policy then issued by the Company for an amount of insurance not exceeding five times the Insurance Amount of this rider, provided:

- a) written request satisfactory to the Company has been received by the Company on or after that Insured Child's 21st birthday and at least 30 days prior to such Insured Child's 25th birthday; and
- b) the amount of insurance under the plan selected is not less than the minimum then required by the Company as at the date of conversion; and
- c) this policy and rider are in force as at the date of conversion.

Conversion to a policy with non-smoker premiums will be subject to provision to the Company of satisfactory evidence of qualification at the date of conversion.

Premiums for the new policy will be based on the then published rates at the attained age of that Insured Child for a policy in the class of risk applicable to that Insured Child under this rider at the time of conversion.

If a disability waiver benefit rider is to be included in the new policy, evidence of insurability satisfactory to the Company must be submitted at the time of conversion.

**Termination:** This rider will terminate on the earliest of the following dates:

- a) the Expiry Date of this rider;
- b) the date this policy lapses or otherwise terminates except by the death of the Life Insured under this rider where death occurs after the 20th anniversary of the effective date of this rider and all charges for this rider have been paid as at the date of death;
- c) the date on which all Insurance Coverages, applicable to the Life Insured under this rider, are terminated; and
- d) the date on which this policy is changed to another plan of insurance under which premiums are payable for a shorter period than the period specified for the rate charged for this rider.

**General Provisions:** The General Provisions of this policy apply also to this rider as though the words Insured Child appeared in place of the words Life Insured in the said General Provisions.

## EQUILIVING® CRITICAL ILLNESS INSURANCE RIDER (adults)

### 10 Year Renewable to Age 75

(Level to age 75, Level to age 100 (coverage for life), 20 Pay coverage to age 75 and 20 Pay coverage for life plans are also available)

SAMPLE

***The Policy terms, conditions and provisions solely related to the life insurance coverage shall not apply to this EquiLiving Critical Illness Insurance Rider. All other terms, conditions and provisions of the Policy shall apply, unless specifically amended in these Rider pages.***

***This Rider provides Covered Condition Benefits only on the person who is shown as the Life Insured for this Rider coverage on the Coverage Specification/Description of Benefits page(s) of the Policy. For the purposes of this Rider the Life Insured shall be called the Person Insured. In situations where the base life insurance Policy is a joint or multi-life coverage, the provisions in this Rider apply only to a Person Insured under this Rider.***

***The following are definitions of some of the terms used in your EquiLiving Critical Illness Insurance Rider. Capitalized terms that are used but not defined in this Rider have the meanings defined in the Policy. If you need additional information or clarification, please call the Equitable Life of Canada Customer Service Line at 1-800-668-4095.***

<b>Beneficiary:</b>	The Beneficiary of the Covered Condition Benefit(s) is the Person Insured, unless otherwise specified by the Policy Owner.
<b>Birthday:</b>	The anniversary of the day on which a person was born, which does not include the day the person was born.
<b>Covered Condition:</b>	A Covered Condition is an illness, condition, disorder or Surgery as defined under, and that meets all requirements of the Definitions of Covered Critical Conditions or Definitions of Early Detection Benefit Covered Conditions in this Rider. Any condition, illness, disorder, or Surgery not specifically defined under the Definitions of Covered Critical Conditions or Definitions of Early Detection Benefit Covered Conditions is not insured under this Rider and no Covered Condition Benefit shall be payable for such conditions, illnesses, disorders, or Surgeries.
<b>Covered Condition Benefit:</b>	A Covered Condition Benefit means an EquiLiving Benefit or an Early Detection Benefit.
<b>Currency:</b>	All amounts payable to or by the Company under the terms of this Rider are payable in the lawful currency of Canada.
<b>Diagnosis (Diagnosed):</b>	The Diagnosis of any Covered Condition or the advice to undergo Surgery for any Covered Condition requiring Surgery must be made by a Specialist. In the absence of a Specialist, a condition may be diagnosed by another qualified medical practitioner as approved by us. The date of Diagnosis shall be the date the Specialist makes the Diagnosis of the Covered Condition. The Diagnosis must be supported by objective medical evidence and the date of Diagnosis must occur while this Rider is in effect.
<b>Effective Date:</b>	This Rider takes effect on the Effective Date as shown on the Coverage Specification/Description of Benefits page(s) of this Rider, provided that: <ul style="list-style-type: none"> <li>a) the full amount of the first premium has been paid to the Company, and</li> <li>b) no change has taken place in the insurability of any of the Lives Insured under this Rider between the date the application was completed, and the date specified in the insurance legislation that applies.</li> </ul>
<b>Expiry Date (Expiry):</b>	If the Sum Insured has not been paid, and this Rider has not otherwise terminated, this Rider expires on the date as shown on the Coverage Specification/Description of Benefits page(s) of this Rider, which is the Policy Anniversary nearest the Person Insured's 75 <sup>th</sup> Birthday (see also Termination of this Rider).
<b>Extension of Expiry:</b>	If Expiry of this Rider occurs during the Person Insured's Survival Period following Diagnosis of, or Surgery for, a Covered Condition, this Rider will remain in effect until the earlier of: <ul style="list-style-type: none"> <li>a) the date of the Person Insured's death, or</li> <li>b) the date the Person Insured's Covered Condition Benefit becomes payable,</li> </ul> provided this Rider has not terminated under any other Rider provisions. <p>The Extension of Expiry will provide coverage only for the Covered Condition that initiated the Extension of Expiry. The Extension of Expiry does not apply to any other Covered Condition that may be Diagnosed, or for which Equitable Life may be notified, during the Extension of Expiry.</p>
<b>Neurological Deficit:</b>	Neurological Deficits must be detectable by a Specialist and may include, but are not limited to, measurable loss of hearing, measurable loss of vision, measurable changes in neuro-cognitive function, objective loss of sensation, paralysis, localized weakness, dysarthria (difficulty with pronunciation), dysphasia (difficulty with speech), dysphagia (difficulty swallowing), impaired gait (difficulty walking), difficulty with balance, lack of coordination, or new-onset seizures undergoing treatment. Headache or fatigue will not be considered a Neurological Deficit.

- Person Insured:** The Person Insured is the person we have agreed to insure under this Rider and who is named as a Life Insured for this Rider on the Coverage Specification/Description of Benefits page(s) of this Policy. The Person Insured may or may not be the Owner of this Policy.
- Policy:** Policy means the insurance policy to which this Rider is attached and of which this Rider forms a part.
- Specialist:** A licensed medical practitioner practicing medicine in Canada or the United States or any other region as approved by Equitable Life who has been trained in the specific area of medicine relevant to the Covered Condition for which benefit is being claimed and who has been certified by a specialty examining board. The Specialist may not be the Owner, the Person Insured, or a relative by blood or marriage or a business associate of the Owner or of the Person Insured.
- Specialist includes but is not limited to, cardiologist, neurologist, nephrologist, oncologist, ophthalmologist, burn specialist and internist.
- Any tests or examinations that must be performed in order to satisfy the requirements of the Covered Condition must be conducted by a medical professional who is not the Owner, the Person Insured, or a relative by blood or marriage or business associate of the Owner or of the Person Insured.
- Sum Insured:** The Sum Insured is the critical illness insurance Benefit Amount shown on the Coverage Specification/Description of Benefits page(s) of the Policy.
- Surgery:** Surgery refers to the undergoing of surgery, on the written advice of a Specialist practicing medicine in Canada or the United States or any other region approved by Equitable Life, whose practice is restricted to the particular branch of medicine relating to the applicable surgery. Surgery must be performed by a Specialist.
- Survival Period:** Some Covered Conditions require a 30-day Survival Period as specified within their definitions. The Survival Period begins on the date of Diagnosis of, or Surgery for, a Covered Condition and ends 30 days following the date of Diagnosis of, or Surgery for, a Covered Condition, unless otherwise specified in the definition of the Covered Condition. The Person Insured must be alive at the end of the Survival Period and must not have experienced irreversible cessation of all brain functions during the Survival Period. If such irreversible cessation occurs, no Covered Condition Benefit is payable. If artificial life support is used to sustain the Person Insured during the Survival Period, the date the Person Insured experiences irreversible cessation of all brain functions shall be deemed to be the date of death of the Person Insured. Determination of irreversible cessation of all brain function shall be by generally accepted medical criteria.
- During the Survival Period, no premium payment is required. If a Covered Condition Benefit becomes payable, the amount of any premiums paid during the Survival Period will be added to any Covered Condition Benefit amount due.
- For Covered Conditions that do not have a Survival Period, the Person Insured must be alive at the time the Diagnosis is made.

## **RIDER EXCHANGE PROVISION**

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If this Rider is in effect at the time the Death Benefit under the Policy becomes payable causing the Policy to terminate, the Owner of this Policy or if applicable, the Contingent Owner, may request in writing, within 60 days of the death of the Insured Person, to exchange this Rider, with respect to any surviving Person Insured under this Rider, for a separate EquiLiving Critical Illness Insurance policy, without evidence of insurability.

The separate EquiLiving Critical Illness Insurance policy will be issued with:

- an effective date the same as this Rider,
- the same benefits, class of risk and smoking status as this Rider;
- the same premium rates in effect on the date of the exchange;
- the Person Insured's Age when this Rider was issued;
- an additional policy fee charged by Equitable Life (the applicable policy fee will be determined according to our administrative rules and guidelines at the time of exchange); and premium adjustments that may be required pursuant to our administrative rules if there is a difference between the modal factor for this Rider and the modal factor applicable to the new policy.

This Rider Exchange Provision only applies to this Rider. .

**EquiLiving Benefit**

The EquiLiving Benefit is the Sum Insured as shown on the Coverage Specification/Description of Benefits page(s) of the Policy.

If, while this Rider is in effect, the Person Insured is alive when Diagnosed with one of the Covered Critical Conditions as defined in the Definitions of Covered Critical Conditions and survives any applicable Survival Period following the date of Diagnosis of, or Surgery for, the Covered Critical Condition, the EquiLiving Benefit will, subject to applicable limitations and exclusions set out in this Rider, become payable.

The EquiLiving Benefit shall be payable to the Person Insured (or other Beneficiary as designated) provided this Rider is in effect on the first day following the satisfaction of all requirements of the Covered Critical Condition as defined in the Definitions of Covered Critical Conditions of this Rider. Any condition, illness, disorder, or Surgery not specifically defined as a Covered Critical Condition in the Definitions of Covered Critical Conditions in this Rider is not an insured condition and no EquiLiving Benefit will be payable for such condition, illness, disorder or Surgery.

The EquiLiving Benefit is payable only once per Person Insured and only for one Covered Critical Condition. Once the EquiLiving Benefit is paid, this Rider terminates for that Person Insured, regardless of how many additional Covered Critical Conditions the Person Insured may be diagnosed with. Payment of the EquiLiving Benefit represents the total fulfillment of all claims and benefits under this Rider for that Person Insured. Payment of the EquiLiving Benefit is subject to the exclusions set out in the definitions of Covered Critical Conditions, the exclusions and limitations in the section entitled "Exclusions and Limitations", as well as other limitations, conditions, and exclusions in this Rider or in the Policy.

**Early Detection Benefit**

If, while this Rider is in effect, the Person Insured is alive when Diagnosed with one of the Early Detection Benefit Covered Conditions as defined in the Definitions of Early Detection Benefit Covered Conditions and survives any applicable Survival Period following the date of Diagnosis of, or Surgery for, the Early Detection Benefit Covered Condition, the Early Detection Benefit will, subject to applicable limitations and exclusions set out in this Rider, become payable.

The Early Detection Benefit shall be payable to the Person Insured (or other Beneficiary as designated) provided this Rider is in effect on the first day following the satisfaction of all requirements of the Early Detection Benefit Covered Condition as defined in the Definitions of Early Detection Benefit Covered Conditions of this Rider. Any condition, illness, disorder, or Surgery not specifically defined as an Early Detection Benefit Covered Condition in the Definitions of Early Detection Benefit Covered Conditions in this Rider is not an insured condition and no Early Detection Benefit will be payable for such condition, illness, disorder or Surgery.

The Early Detection Benefit is equal to the lesser of:

- a) 15% of the then current Sum Insured; or
- b) \$ 50,000.

The Early Detection Benefit can be paid multiple times to each Person Insured during the lifetime of this Rider, but only once for each of the Early Detection Benefit Covered Conditions.

Any payment of the Early Detection Benefit will not reduce the Rider premium or the Sum Insured.

**DEFINITIONS OF EARLY DETECTION BENEFIT COVERED CONDITIONS**

The following are the definitions of the Early Detection Benefit Covered Conditions that are applicable to this this Rider.

In the following definitions: (i) the terms Tis, Ta, T1a, T1b, T1, and AJCC Stage 1 are as defined in the American Joint Committee on Cancer (AJCC) cancer staging manual, 8th Edition, 2018; and (ii) the term Rai stage 0 is as defined in KR Rai, A Sawitsky, EP Cronkite, AD Chanana, RN Levy and BS Pasternack: Clinical staging of chronic lymphocytic leukemia, Blood 46:219, 1975.

**Coronary Angioplasty:**

The undergoing of an interventional procedure to unblock or widen a coronary artery that supplies blood to the heart to allow an uninterrupted flow of blood.

A 30-day Survival Period following the date of the procedure applies. The procedure must be determined to be medically necessary by a Specialist.

**Ductal Breast Cancer:**

A definite Diagnosis of the presence of ductal carcinoma in-situ of the breast.

The Diagnosis of Ductal Breast Cancer must be made by a Specialist and confirmed by pathological examination of the tissue.

**Cancer Exclusion and Requirement to Report:** A 90-day exclusion period and a requirement to report applies to this Covered Condition. Please refer to the "Exclusions and Limitations" section of this Rider.

**Early Prostate Cancer:**

A definite Diagnosis of either stage T1a or T1b prostate cancer, confirmed without lymph node or distant metastasis.

The Diagnosis of Early Prostate Cancer must be made by a Specialist and must be confirmed by pathological examination of the tissue.

For purposes of this Rider, Stage T1a or T1b prostate cancer means a clinically inapparent tumour that was not palpable on digital rectal examination and was incidentally found in resected prostatic tissue.

**Cancer Exclusion and Requirement to Report:** A 90-day exclusion period and a requirement to report applies to this Covered Condition. Please refer to the "Exclusions and Limitations" section of this Rider.

**Gastrointestinal Stromal Tumours (AJCC Stage 1) :**

A definite Diagnosis of malignant gastrointestinal stromal tumours (GIST) classified as AJCC Stage 1.

The Diagnosis of Gastrointestinal Stromal Tumours (AJCC Stage 1) must be made by a Specialist and confirmed by pathological examination of the tissue.

For purposes of this Rider, gastrointestinal stromal tumours (GIST) classified as AJCC Stage 1 means:

- Gastric and omental GISTs that are less than or equal to 10.0 cm in greatest dimension with five or fewer mitoses per 5.0 mm<sup>2</sup>, or 50 per HPF; or
- Small intestinal, esophageal, colorectal, mesenteric and peritoneal GIST that are less than or equal to 5.0 cm in greatest dimension with five or fewer mitoses per 5.0 mm<sup>2</sup>, or 50 per HPF.

**Cancer Exclusion and Requirement to Report:** A 90-day exclusion period and a requirement to report applies to this Covered Condition. Please refer to the "Exclusions and Limitations" section of this Rider.

**Grade 1 Neuroendocrine Tumours (Carcinoid):**

A definite Diagnosis of Grade 1 neuroendocrine tumours (carcinoid) confined to the affected organ, treated with Surgery alone and requiring no additional treatment other than medication to counteract the effects from hormonal oversecretion by the tumour.

The Diagnosis of Grade 1 Neuroendocrine Tumours (Carcinoid) must be made by a Specialist and confirmed by biopsy.

**Cancer Exclusion and Requirement to Report:** A 90-day exclusion period and a requirement to report applies to this Covered Condition. Please refer to the "Exclusions and Limitations" section of this Rider.

**Papillary or Follicular Thyroid Cancer Stage T1:**

A definite Diagnosis of papillary thyroid cancer or follicular thyroid cancer, or both, that is less than or equal to 2.0 centimetres in greatest diameter and classified as T1, without lymph node or distant metastasis.

The Diagnosis of Papillary or Follicular Thyroid Cancer Stage T1 must be made by a Specialist and confirmed by pathological examination of the tissue.

**Cancer Exclusion and Requirement to Report:** A 90-day exclusion period and a requirement to report applies to this Covered Condition. Please refer to the "Exclusions and Limitations" section of this Rider.

**Rai Stage 0 Chronic Lymphocytic Leukemia (CLL):**

A definite Diagnosis of chronic lymphocytic leukemia (CLL) classified as Rai Stage 0 without enlargement of lymph nodes, spleen or liver and with normal red blood cell and platelet counts.

The Diagnosis of Rai Stage 0 Chronic Lymphocytic Leukemia (CLL) must be made by a Specialist and confirmed by appropriate blood tests.

**Exclusions:** No benefit will be payable under Rai Stage 0 Chronic Lymphocytic Leukemia (CLL) for Monoclonal Lymphocytosis of Undetermined Significance (MLUS)

**Cancer Exclusion and Requirement to Report:** A 90-day exclusion period and a requirement to report applies to this Covered Condition. Please refer to the "Exclusions and Limitations" section of this Rider.

**Superficial Malignant Melanoma:**

A definite Diagnosis of stage 1A or 1B malignant melanoma of the skin that has not ulcerated into the dermis and is less than or equal to 1.0 mm in thickness.

The Diagnosis of Superficial Malignant Melanoma must be made by a Specialist and confirmed by pathological examination of the tissue.

**Exclusions:** No benefit will be payable under Superficial Malignant Melanoma for any malignant melanoma in situ.

**Cancer Exclusion and Requirement to Report:** A 90-day exclusion period and a requirement to report applies to this Covered Condition. Please refer to the "Exclusions and Limitations" section of this Rider.

**DEFINITIONS OF COVERED CRITICAL CONDITIONS**

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The following are the definitions of the Covered Critical Conditions that are applicable to this Rider.

In the following definitions: (i) the terms Tis, Ta, T1a, T1b, T1, and AJCC Stage 1 are as defined in the American Joint Committee on Cancer (AJCC) cancer staging manual, 8<sup>th</sup> Edition, 2018; (ii) the term Rai stage 0 is as defined in KR Rai, A Sawitsky, EP Cronkite, AD Chanana, RN Levy and BS Pasternack: Clinical staging of chronic lymphocytic leukemia, Blood 46:219, 1975; and (iii) the term Mini Mental State Exam refers to MF Folstein, SE Forstein, PR McHugh, J Psychiatry Res. 1975; 12(3): 189.

**Acquired Brain Injury:**

A definite Diagnosis of new damage to brain tissue as result of traumatic injury, anoxia (an absence of oxygen) or encephalitis, resulting in one or more signs and symptoms of Neurological Deficits that:

- are present and verifiable on clinical examination or neuro-psychological testing;
- are corroborated by imaging studies of the brain such as Magnetic Resonance Imaging (MRI) or Computerized Tomography (CT) showing changes that are consistent in character, location and timing with the new damage, and
- persist for more than 180 days following the date of Diagnosis.

The Diagnosis of Acquired Brain Injury must be made by a Specialist.

**Exclusions:** No benefit will be payable under Acquired Brain Injury for:

- an abnormality seen on brain scans without definite related clinical impairment;
- neurological signs occurring without symptoms of abnormality.

**Aortic Surgery:**

The undergoing of Surgery for disease of the aorta requiring excision and surgical replacement of any part of the diseased aorta with a graft. Aorta refers to the thoracic and abdominal aorta but not its branches.

A 30-day Survival Period following the date of Surgery applies. The Surgery must be determined to be medically necessary by a Specialist.

**Exclusions:** No benefit will be payable under Aortic Surgery for:

- angioplasty,
- intra-arterial procedures,
- percutaneous trans-catheter procedures, or
- non-surgical procedures.

**Aplastic Anemia:**

A definite Diagnosis of a chronic persistent bone marrow failure, confirmed by biopsy, which results in anemia neutropenia and thrombocytopenia requiring blood product transfusion, and treatment with at least one of the following:

- marrow stimulating agents;
- immunosuppressive agents; or
- bone marrow transplantation.

The Diagnosis of Aplastic Anemia must be made by a Specialist.

**Bacterial Meningitis:**

A definite Diagnosis of meningitis confirmed by cerebrospinal fluid showing the presence of pathogenic bacteria. The presence of pathogenic bacteria must be confirmed by culture or other generally medically accepted microbiological testing. The Bacterial Meningitis must result in objective Neurological Deficit persisting for at least 90 days from date of Diagnosis.

The Diagnosis of Bacterial Meningitis must be made by a Specialist.

**Exclusion:** No benefit will be payable under Bacterial Meningitis for viral meningitis.

**Benign Brain Tumour:**

A definite Diagnosis of a non-malignant tumour located in the cranial vault and limited to the brain, meninges, cranial nerves or pituitary gland. The Person Insured must have undergone Surgery or radiation treatment or the tumour must have caused irreversible objective Neurological Deficits. These Neurological Deficits must be corroborated by diagnostic imaging showing changes that are consistent in character, location and timing with the Neurological Deficits.

The Diagnosis of Benign Brain Tumour must be made by a Specialist.

**Exclusions:** No benefit will be payable under Benign Brain Tumour for pituitary adenomas less than 10.0 mm, vascular malformations, Cholesteatomas, or infectious or inflammatory tumours.

**90-day exclusion period:** No Covered Condition Benefit will be provided for any benign brain tumour or any Covered Condition defined under this Rider contributed to or caused by any type of benign brain tumour (covered or not covered under this Rider) if within the first 90 days following the Effective Date of this Rider, or 90 days from the date of last Reinstatement of this Rider, the Person Insured has any of the following:

- a Diagnosis of benign brain tumour (covered or not covered under this Rider); or
- one or more signs, symptoms, tests, investigations and/or medical consultations that lead directly or indirectly to a Diagnosis of benign brain tumour (covered or not covered under this Rider), regardless of the date of Diagnosis.

**Requirement to report:** The Owner or Person Insured must give written notification to Equitable Life's Head Office in Waterloo, Ontario, within 180 days if, following the later of 90 days from the Effective Date of this Rider or 90 days from the date of last Reinstatement of this Rider, the Person Insured has any Diagnosis or one or more signs, symptoms, tests, investigations and/or medical consultations for benign brain tumour (covered or not covered under this Rider). If the Owner or Person Insured under this Rider fails to disclose this information, Equitable Life reserves the right to deny a claim for Benign Brain Tumour, or any Covered Condition caused by any benign brain tumour or treatment of any benign brain tumour.

The Owner may, by writing request to maintain this Rider in effect, provided the written request is received in Equitable Life's Head Office in Waterloo, Ontario, within 30 days of the date Equitable Life confirms that the 90-Day Benign Brain Tumour Exclusion and Requirement to Report applies. Upon receipt of the written request, Equitable Life may in the absence of fraud or misrepresentation, maintain this Rider in effect, with the condition that no Covered Condition Benefit will be payable for any:

- subsequent Diagnosis of any form of benign brain tumour (covered or not covered under this Rider);
- Covered Condition directly resulting from any benign brain tumour (covered or not covered under this Rider); and
- Covered Condition directly resulting from the treatment of any benign brain tumour (covered or not covered under this Rider).

If no written request is received as described above, this Rider will terminate, and Equitable Life will return all premiums paid for this Rider and no Covered Condition Benefit will be payable.



**Blindness:**

A definite Diagnosis of the total and irreversible loss of vision in both eyes, evidenced by:

- the corrected visual acuity being 20/200 or less in both eyes; or
- the field of vision being less than 20 degrees in both eyes.

The Diagnosis of Blindness must be made by a Specialist.

**Cancer:**

A definite Diagnosis of a malignant tumour characterized by the uncontrolled growth and spread of malignant cells and the invasion of tissue. Types of cancer include carcinoma, melanoma, leukemia, lymphoma, and sarcoma.

The Diagnosis of Cancer must be made by a Specialist and must be confirmed by a pathology report.

**Exclusions:** No benefit will be payable under Cancer for the following:

- Lesions described as benign, non-invasive, pre-malignant, of low and/or uncertain malignant potential, borderline, carcinoma in situ, or tumours classified as Tis or Ta;
- Malignant melanoma of skin that is less than or equal to 1.0 mm in thickness, unless it is ulcerated or accompanied by lymph node or distant metastasis;
- Any non-melanoma skin cancer, without lymph node or distant metastasis. This includes but is not limited to, cutaneous T cell lymphoma, basal cell carcinoma, squamous cell carcinoma or Merkel cell carcinoma;
- Prostate cancer classified as T1a or T1b, without lymph node or distant metastasis;
- Papillary thyroid cancer or follicular thyroid cancer, or both, that is less than or equal to 2.0 cm in greatest dimension and classified as T1, without lymph node or distant metastasis;
- Chronic lymphocytic leukemia classified as Rai stage 0 without enlargement of lymph nodes, spleen or liver and with normal red blood cell and platelet counts;
- Gastro-intestinal stromal tumours classified as AJCC Stage 1;
- Grade 1 neuroendocrine tumours (carcinoid) confined to the affected organ, treated with Surgery alone and requiring no additional treatment, other than medication to counteract the effects from hormonal oversecretion by the tumour; and
- Thymomas (stage 1) confined to the thymus, without evidence of invasion into the capsule or spread beyond the thymus.

**Cancer Exclusion and Requirement to Report:** A 90-day exclusion period and a requirement to report applies to this Covered Condition. Please refer to the "Exclusions and Limitations" section of this Rider.

**Coma:**

A definite Diagnosis of a state of unconsciousness with no reaction to external stimuli or response to internal needs for a continuous period of at least 96 hours, and for which period the Glasgow coma score must be 4 or less.

The Diagnosis of Coma must be made by a Specialist.

**Exclusions:** No benefit will be payable under Coma for:

- medically induced coma;
- a coma which results directly from alcohol or drug use; or
- a Diagnosis of brain death.

**Coronary Artery Bypass Surgery:**

The undergoing of heart Surgery to correct narrowing or blockage of one or more coronary arteries with bypass grafts.

A 30-day Survival Period following the Surgery applies. The Surgery must be determined to be medically necessary by a Specialist.

**Exclusions:** No benefit will be payable under Coronary Artery Bypass Surgery for:

- angioplasty;
- intra-arterial procedures;
- percutaneous trans-catheter procedures; or
- non-surgical procedures.

**Deafness:**

A definite Diagnosis of the total and irreversible loss of hearing in both ears, with an auditory threshold of 90 decibels or greater within the speech threshold of 500 to 3,000 hertz.

The Diagnosis of Deafness must be made by a Specialist.

**Dementia, including Alzheimer's Disease:**

A definite Diagnosis of dementia, which must be characterized by a progressive deterioration of memory and at least one of the following areas of cognitive function:

- Aphasia (a disorder of speech);
- Apraxia (difficulty performing familiar tasks);
- Agnosia (difficulty recognizing objects); or
- Disturbance in executive functioning (e.g. inability to think abstractly and to plan, initiate, sequence, monitor, and stop complex behavior), which is affecting daily life.

The Person Insured must exhibit:

- Dementia of at least moderate severity, which must be evidenced by a Mini Mental State Exam of 20/30 or less, or equivalent score on another generally medically accepted test or tests of cognitive function; and
- Evidence of progressive worsening in cognitive and daily functioning either by serial cognitive tests or by history over at least a 6-month period.

The Diagnosis of Dementia must be made by a Specialist.

**Exclusions:** No benefit will be payable under Dementia, including Alzheimer's Disease for affective or schizophrenic disorders, or delirium.

**Heart Attack (Acute Myocardial Infarction):**

A definite Diagnosis of death of heart muscle due to obstruction of blood flow, that results in a rise and fall of cardiac biomarkers to levels considered diagnostic of acute myocardial infarction, with at least one of the following:

- Heart attack symptoms;
- New electrocardiographic (ECG) changes consistent with a heart attack; or
- Development of new pathological Q waves on ECG following an intra-arterial cardiac procedure including, but not limited to, coronary angiography and/or angioplasty.

A 30-day Survival Period following the date of Diagnosis applies. The Diagnosis of Heart Attack (Acute Myocardial Infarction) must be made by a Specialist.

**Exclusions:** No benefit will be payable under Heart Attack (Acute Myocardial Infarction) for:

- ECG changes suggestive of a prior myocardial infarction;
- Other acute coronary syndromes, including angina pectoris and unstable angina; or
- Elevated cardiac biomarkers and/or symptoms that are due to medical procedures or diagnoses other than heart attack.

**Heart Valve Replacement or Repair:**

The undergoing of surgery to replace any heart valve with either a natural or mechanical valve or to repair heart valve defects or abnormalities.

A 30-day Survival Period following the date of the procedure applies. The procedure must be determined to be medically necessary by a Specialist.

**Exclusions:** No benefit will be payable under Heart Valve Replacement or Repair for:

- Angioplasty;
- Intra-arterial procedures;
- Percutaneous trans-catheter procedures; or
- Non-surgical procedures.

**Kidney Failure:**

A definite diagnosis of chronic irreversible failure of both kidneys to function, as a result of which regular hemodialysis, peritoneal dialysis or renal transplantation is initiated.

The Diagnosis of Kidney Failure must be made by a Specialist.

**Loss of Independent Existence:**

A definite Diagnosis of the total inability, due to disease or injury, to perform independently:

- with or without the aid of assistive devices;
- at least 3 of 6 Activities of Daily Living listed below;
- for a continuous period of at least 90 days; and
- with no reasonable chance of recovery.

The Diagnosis of Loss of Independent Existence must be made by a Specialist or other person as approved by Equitable Life and supported by an independent home care assessment made by an occupational therapist or equivalent.

Activities of Daily Living are as follows:

- Bathing–washing oneself in a bathtub, shower, or by sponge bath;
- Dressing–putting on and removing necessary clothing including braces, artificial limbs or other surgical appliances;
- Toileting–getting on and off the toilet and maintaining personal hygiene;
- Bladder and bowel Continence–managing your bowel and bladder function with or without protective undergarments or surgical appliances so that hygiene is maintained;
- Transferring–moving in and out of a bed, chair or wheelchair; and
- Feeding–consuming food or drink that has already been prepared and made available.

**Loss of Limbs:**

A definite Diagnosis of the complete severance of two or more limbs at or above the wrist or ankle joint as the result of an accident or medically required amputation.

The Diagnosis of Loss of Limbs must be made by a Specialist.

**Loss of Speech:**

A definite Diagnosis of the total and irreversible loss of the ability to speak as the result of physical injury or disease, for at least 180 days.

The Diagnosis of Loss of Speech must be made by a Specialist.

**Exclusion:** No benefit will be payable under Loss of Speech for all psychiatric related causes.

**Major Organ Failure on Waiting List:**

A definite Diagnosis of the irreversible failure of the heart, both lungs, liver, both kidneys, or bone marrow, and transplantation must be medically necessary.

To qualify under Major Organ Failure on Waiting List, the Person Insured must become enrolled as the recipient in a recognized transplant centre in Canada or the United States of America that performs the required form of transplant Surgery. The date of Diagnosis is the date of the Person Insured's enrollment in the transplant centre.

The Diagnosis of the major organ failure must be made by a Specialist.

**Major Organ Transplant:**

A definite Diagnosis of the irreversible failure of the heart, both lungs, liver, both kidneys, or bone marrow and transplantation must be medically necessary. To qualify under Major Organ Transplant, the Person Insured must undergo a transplantation procedure as the recipient of a heart, lung, liver, kidney or bone marrow, and limited to these entities.

The Diagnosis of the major organ failure must be made by a Specialist.

**Motor Neuron Disease:**

A definite Diagnosis of one of the following: amyotrophic lateral sclerosis (ALS or Lou Gehrig's disease), primary lateral sclerosis, progressive spinal muscular atrophy, progressive bulbar palsy, or pseudo bulbar palsy.

The Diagnosis of Motor Neuron Disease must be made by a Specialist.

**Multiple Sclerosis:**

A definite Diagnosis of at least one of the following occurring after the later of the Effective Date, or the date of last Reinstatement of this Rider:

- Two or more separate clinical attacks, confirmed by at least one magnetic resonance imaging (MRI) of the nervous system, showing multiple lesions of demyelination;
- A single attack, with objective Neurological Deficits lasting more than 180 days, confirmed by MRI of the nervous system, showing multiple lesions of demyelination; or
- A single attack, confirmed by repeated MRI of the nervous system, which shows multiple new lesions of demyelination which have developed at intervals at least one month apart.

The Diagnosis of Multiple Sclerosis must be made by a Specialist.

**Exclusions:** No benefit will be payable under Multiple Sclerosis for the following:

- Solitary sclerosis;
- Clinically isolated syndrome;
- Radiologically isolated syndrome;
- Neuromyelitis optica spectrum disorders; or
- Suspected multiple sclerosis or probable multiple sclerosis.

**One-Year exclusion period:** No benefit will be payable for Multiple Sclerosis if, within the first year following the later of the Effective Date of this Rider or the date of the last Reinstatement of this Rider, the Person Insured has any of the following:

- One or more signs, symptoms or investigations that lead directly or indirectly to a Diagnosis of multiple sclerosis (covered or not covered under this Rider) regardless of when the Diagnosis is made; or
- A Diagnosis of multiple sclerosis (covered or not covered under this Rider).

**Requirement to report:** Medical information about the Diagnosis of Multiple Sclerosis and one or more signs, symptoms or investigations leading to the Diagnosis of Multiple Sclerosis must be reported to Equitable Life's Head Office in Waterloo, Ontario, within 180 days of the date of Diagnosis. If this information is not provided within this period, Equitable Life has the right to deny any claim for Multiple Sclerosis or any Covered Condition caused by Multiple Sclerosis or its treatment.

**Occupational HIV Infection:**

A definite Diagnosis of infection with the Human Immunodeficiency Virus (HIV) resulting from accidental injury during the course of the Person Insured's normal occupation, which exposed the person to HIV contaminated body fluids.

The accidental injury leading to the infection must have occurred after the later of the Effective Date of this Rider, or the date of the last Reinstatement of this Rider.

Payment under this condition requires satisfaction of all of the following:

- the accidental injury must be reported to Equitable Life's Head Office in Waterloo, Ontario, within 14 days of the accidental injury;
- a serum HIV test must be taken within 14 days of the accidental injury and the test result must be negative;
- a serum HIV test must be taken between 90 days and 180 days after the accidental injury and the result must be positive;
- all HIV tests must be performed by a duly licensed laboratory in Canada or the United States of America; and
- the accidental injury must have been reported, investigated and documented in accordance with current Canadian or United States of America workplace guidelines.

The Diagnosis of Occupational HIV Infection must be made by a Specialist.

**Exclusions:** No benefit will be payable under Occupational HIV Infection if:

- the Person Insured has elected not to take any available licensed vaccine offering protection against HIV;
- a licensed cure for HIV infection has become available prior to the accidental injury; or
- HIV infection has occurred as a result of non-accidental injury including, but not limited to, sexual transmission and intravenous (IV) drug use

**Paralysis:**

A definite Diagnosis of the total loss of muscle function of two or more limbs as a result of injury or disease to the nerve supply of those limbs, for a period of at least 90 days following the precipitating event.

The Diagnosis of Paralysis must be made by a Specialist.

**Parkinson's Disease and Specified Atypical Parkinsonian Disorders:**

Parkinson's Disease is defined as a definite Diagnosis of primary Parkinson's Disease, a permanent neurologic condition which must be characterized by bradykinesia (slowness of movement) and at least one of muscular rigidity, or rest tremor. The Person Insured must exhibit objective signs of progressive deterioration in function for at least one year, for which the treating neurologist has recommended dopaminergic medication or other generally medically accepted equivalent treatment for Parkinson's Disease.

Specified Atypical Parkinsonian Disorders are defined as a definite Diagnosis of progressive supranuclear palsy, corticobasal degeneration, or multiple system atrophy.

The Diagnosis of Parkinson's Disease or a Specified Atypical Parkinsonian Disorder must be made by a neurologist.

**Exclusion:** No benefit will be payable under Parkinson's Disease and Specified Atypical Parkinsonian Disorders for all other types of Parkinsonism.

**One-Year exclusion period:** No benefit will be payable for Parkinson's Disease or Specified Atypical Parkinsonian Disorders if, within the first year following the later of, the Effective Date of this Rider, or the date of last Reinstatement of this Rider, the Person Insured has any of the following:

- one or more signs, symptoms or investigations that lead directly or indirectly to a Diagnosis of Parkinson's Disease, a Specified Atypical Parkinsonian Disorder or any other type of parkinsonism, regardless of when the Diagnosis is made; or
- a Diagnosis of Parkinson's Disease, a Specified Atypical Parkinsonian Disorder or any other type of parkinsonism.

**Requirement to report:** Medical information about the Diagnosis of Parkinson's Disease or Specified Atypical Parkinsonian Disorders and one or more signs, symptoms or investigations leading to the Diagnosis of Parkinson's Disease or Specified Atypical Parkinsonian Disorder must be reported to Equitable Life's Head Office in Waterloo, Ontario, within 180 days of the date of the Diagnosis. If this information is not provided within this period, Equitable Life has the right to deny any claim for Parkinson's Disease or Specified Atypical Parkinsonian Disorders or, any Covered Condition caused by Parkinson's Disease or Specified Atypical Parkinsonian Disorders or their treatment.

**Severe Burns:**

A definite Diagnosis of third degree burns over at least 20% of the body surface.

The Diagnosis of Severe Burns must be made by a Specialist.

**Stroke (Cerebrovascular Accident):**

A definite Diagnosis of an acute cerebrovascular event caused by intra-cranial thrombosis, hemorrhage, or embolism with:

- acute onset of new neurological symptoms; and
- new objective Neurological Deficits on clinical examination persisting for more than 30 days following the date of Diagnosis.

These new symptoms and deficits must be corroborated by diagnostic imaging testing showing changes that are consistent in character, location and timing with the new Neurological Deficits.

A 30-day Survival Period following the date of Diagnosis applies. The Diagnosis of Stroke (Cerebrovascular Accident) must be made by a Specialist.

**Exclusions:** No benefit will be payable under Stroke (Cerebrovascular Accident) for:

- Transient Ischaemic Attacks;
- Intracerebral vascular events due to trauma;
- Ischaemic disorders of the vestibular system;
- Death of tissue of the optic nerve or retina without total loss of vision of that eye; or
- Lacunar infarcts which do not meet the definition of stroke as described above.

**90-Day  
Cancer  
Exclusion  
and  
Requirement  
to Report:**

No Covered Condition Benefit will be provided for any cancer or any Covered Condition defined under this Rider contributed to or caused by any type of cancer (covered or not covered under this Rider) if within the first 90 days following the Effective Date of this Rider, or 90 days from the date of last Reinstatement of this Rider, the Person Insured has any of the following:

- a) a Diagnosis of any form of cancer (covered or not covered under this Rider); or
- b) one or more signs, symptoms, tests, investigations and/or medical consultations that lead directly or indirectly to a Diagnosis of cancer (covered or not covered in this Rider), regardless of the date of Diagnosis.

The Owner or Person Insured must give written notification to Equitable Life's Head Office in Waterloo, Ontario, within 180 days, if, following the later of 90 days from the Effective Date of this Rider or 90 days from the date of last Reinstatement of this Rider, the Person Insured has any Diagnosis or one or more signs, symptoms, tests, investigations and/or medical consultations for any form of cancer (covered or not covered under this Rider). If the Owner or Person Insured under this Rider fails to disclose this information, Equitable Life reserves the right to deny a claim for any cancer, or any Covered Condition caused by any cancer or treatment of cancer.

The Owner may, by writing, request to maintain this Rider in effect, provided the written request is received in Equitable Life's Head Office in Waterloo, Ontario, within 30 days of the date Equitable Life confirms that the 90-Day Cancer Exclusion and Requirement to Report applies. Upon receipt of the written request, Equitable Life may in the absence of fraud or misrepresentation, maintain the Rider in effect, with the condition that no Covered Condition Benefit will be payable for any:

- subsequent Diagnosis of any form of cancer (covered or not covered under this Rider);
- Covered Condition directly resulting from any cancer (covered or not covered under this Rider); and
- Covered Condition directly resulting from the treatment of any cancer (covered or not covered under this Rider).

If no written request is received as described above, this Rider will terminate, and Equitable Life will return all premiums paid for this Rider and no Covered Condition Benefit will be payable.

**Exclusions:**

In addition to any exclusions noted in this Rider, no Covered Condition Benefit will be paid if the Person Insured is diagnosed with a Covered Condition which arises directly or indirectly from:

- intentionally self-inflicted injuries, regardless of the state of mind of the Person Insured;
- war, or any act or incident of war, whether declared or not, or any conflict between the armed services of countries or international organizations;
- the Person Insured's intentional use or intake of any:
  - prescribed drug or narcotic other than as instructed by a physician;
  - legally available drug or narcotic for sale in Canada or the United States without a prescription, in a manner other than as recommended by the manufacturer;
  - drug or narcotic not legally available in Canada or the United States; or
  - any poisonous substance or intoxicant, including inhalation of toxic gases or fumes;
- committing or attempting to commit a criminal offence; or
- operating a motor vehicle while the concentration of alcohol in 100 milliliters of blood exceeds 80 milligrams.

**Covered  
Condition  
Outside of  
Canada:**

If the occurrence or Diagnosis of one of the Covered Conditions occurs outside of Canada, the Covered Condition Benefit will be payable only if all the following conditions are satisfied:

- a) The complete medical records are made available and provided to Equitable Life's Head Office in Waterloo, Ontario; and
- b) The medical records provide evidence, satisfactory to Equitable Life that:
  1. the same Diagnosis would have been made if the illness or accident had occurred in Canada; and
  2. immediate treatment would have been indicated under Canadian standards; and
  3. the same treatment, involving the particular surgical procedure, would have been advised if treatment had taken place in Canada; and
- c) The Person Insured must undergo an independent medical examination by a Specialist appointed by Equitable Life if we make such request. In the case of elective Surgery, such an examination must be undergone before Surgery takes place.

**PREMIUMS****Premiums:**

Premiums are payable for this Rider, for the period specified in the Premium Schedule/Table of Charges for this Rider. With 10 Year Renewable as your premium type, your guaranteed premiums will automatically renew and increase every 10 Policy years. At the Policy Anniversary nearest the Person Insured's 75<sup>th</sup> Birthday, premiums will cease, and this Rider and all its benefits will terminate for that Person Insured.

**Reinstatement:** You may apply to have this Rider and the Policy reinstated within two years following the lapse of the Policy. The requirements for Reinstatement of this Rider are:

- a) evidence of ongoing good health and insurability of the Person Insured satisfactory to the Company; and
- b) payment of all premiums, with interest (at a rate determined by the Company) from the date of lapse of the policy and/or this Rider.

The effective date of the Reinstatement will be the date all of the above requirements for Reinstatement are met. This Rider cannot be reinstated unless the Policy is reinstated.

## **CHANGE PRIVILEGE**

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You may change your EquiLiving 10 Year Renewable to Age 75 Critical Illness Insurance Rider, without evidence of insurability to a:

- Level to Age 75, Level to Age 100 or 20 Pay coverage for Life critical illness plan, provided such plan is available pursuant to the Company's then current administrative rules, at any time up to and including the Policy Anniversary nearest the Person Insured's 60<sup>th</sup> Birthday, or
- 20 Pay coverage to Age 75 critical illness plan provided such plan is available pursuant to the Company's then current administrative rules, at any time up to and including the Policy Anniversary nearest the Person Insured's 54<sup>th</sup> Birthday.

To make a change:

- a) your notice to the Company must be received by the Company prior to the Policy Anniversary nearest the Person Insured's Birthday indicated above; and
- b) no increase in Sum Insured is requested; and
- c) this Critical Illness Insurance Rider is in effect at the time the change is requested and at the effective date that the change takes place.

The changed critical illness plan will be the applicable critical illness plan that was available when this Critical Illness Insurance Rider was put into effect. The premium rates for the changed critical illness plan will be the rates in effect for that plan on the date of the change and will be based on the Person Insured's age on their Birthday nearest to the effective date of the changed critical illness plan and for the same class of risk and smoking status as this Critical Illness Insurance Rider. If the change is to a 20-Pay plan, the 20-year payment period will start at the date of the change.

## **TERMINATION**

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In addition to any other termination or expiry provisions contained within the Policy, this Rider and all benefits associated with it for the Person Insured, will terminate on the earliest of:

- a) the lapse of the Policy;
- b) the termination of the Policy;
- c) the date of death of the Person Insured;
- d) the effective date of the Rider Exchange Provision;
- e) the date the EquiLiving Benefit under this Rider becomes payable;
- f) the written Cancellation request by the Owner to cancel this Rider, effective on the date the notice is received by Equitable Life at its Head Office in Waterloo, Ontario; or
- g) the Expiry Date of this Rider as shown on the Coverage Specification/Description of Benefits page(s) for this Rider.

**Cancellation:** You may cancel this Rider at any time by providing notice to the Company. Upon the date of receipt of your notice, the premiums applicable to this Rider shall cease; and this Rider and all other benefits provided by it shall terminate.

## **GENERAL PROVISIONS**

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*The following are General Provisions that apply to this EquiLiving Critical Illness Insurance Rider.*

**Assignment:** This Rider may be assigned by the Owner as permitted by law. The Assignment will not be binding on Equitable Life unless the Assignment is made in writing and filed with our Head Office in Waterloo, Ontario. Equitable Life is not responsible for the validity of any Assignment.

**Smoker Classification:** For this Rider, if a Person Insured has been classified as a smoker, at any time, subject to our administrative rules and guidelines, you may request that the Smoker Classification be changed to a non-smoker classification by providing a written declaration to Equitable Life's Head Office in Waterloo, Ontario, that provides satisfactory evidence to qualify the Person

## GENERAL PROVISIONS-continued

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Insured as a non-smoker. Equitable Life reserves the right to require evidence of good health before approving a change in Smoker Classification.

**Compliance with Provincial Legislation:** If any terms, conditions or provisions of this Rider conflict with the legislation of the province where the Person Insured resided on the date of application, the term, condition or provision shall be amended to meet the minimum requirement of such legislation.

**Limitation Period:** Every action or proceeding against an insurer for the recovery of insurance money payable under this Rider is absolutely barred unless commenced within the time set out in the Insurance Act or other applicable legislation.

## STATUTORY CONDITIONS

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**Waiver:** Equitable Life will be deemed not to have waived any condition of this Rider, either in whole or in part, unless the waiver is clearly expressed in writing signed by us. (If the insurance legislation that governs this Rider does not include this condition, this condition does not apply).

**Material Facts:** No statement, made by the Owner or the Person Insured at the time of application for this Rider, shall be used in defense of a claim under or to avoid this Rider unless it is contained in the application or any other written statements or answers furnished as evidence of insurability.

**Notice and Proof of Claim:** The Owner or the Person Insured, or a Beneficiary entitled to make a claim, or the agent of any of them, shall;

- a) give written notice of claim to Equitable Life:
  - i. by delivery of the notice of claim, or by sending it by registered mail to our Head Office in Waterloo, Ontario, or chief agency of Equitable Life in the Province; or
  - ii. by delivery of the notice of claim to an authorized agent of Equitable Life in the Province;
 not later than 30 days from the date a claim arises under this Rider for a Covered Condition;
- b) within 90 days from the date a claim arises under this Rider for a Covered Condition, furnish to Equitable Life's Head Office in Waterloo, Ontario, such proof as is reasonably possible in the circumstances of the happening of the Covered Condition, the right of the claimant to receive payment, the claimant's age, and the age of the Beneficiary if relevant; and
- c) if required by Equitable Life, furnish us with a satisfactory certificate as to the cause or the nature of the Covered Condition for which claim may be made under this Rider.

**Failure to Give Notice or Proof:** Failure to give notice of claim or furnish proof of claim within the time prescribed/required by this statutory condition does not invalidate the claim if the notice or proof is given or furnished as soon as reasonably possible, and in no event later than one (1) year from the date the claim arises under this Rider if it is shown that it was not reasonably possible to give notice or furnish proof within the time prescribed/required by this condition.

**Insurer to Furnish Forms for Proof of Claim:** Equitable Life will furnish forms for proof of claim within 15 days after receiving notice of claim, but where the claimant has not received the forms within that time, the claimant may submit his or her proof of claim in the form of a written statement of the cause or nature of the Covered Condition giving rise to the claim.

**Rights of Examination:** As a condition precedent to recovery of insurance money under this Rider, the claimant will furnish Equitable Life with an opportunity to examine the person of the Person Insured when and so often as we reasonably require while the claim under this Rider is pending.

**When Money is Payable:** All money payable under this Rider will be paid by us within 60 days after we have received proof of claim.



## EQUILIVING® CRITICAL ILLNESS INSURANCE RIDER (children)

### 10 Year Renewable to Age 75

(Level to age 75, Level to age 100 (coverage for life), 20 Pay coverage to age 75 and 20 Pay coverage for life plans are also available)

SAMPLE

***The Policy terms, conditions and provisions solely related to the life insurance coverage shall not apply to this EquiLiving Critical Illness Insurance Rider. All other terms, conditions and provisions of the Policy shall apply, unless specifically amended in these Rider pages.***

***This Rider provides Covered Condition Benefits only on the person who is shown as the Life Insured for this Rider coverage on the Coverage Specification/Description of Benefits page(s) of the Policy. For the purposes of this Rider the Life Insured shall be called the Person Insured. In situations where the base life insurance Policy is a joint or multi-life coverage, the provisions in this Rider apply only to a Person Insured under this Rider.***

***The following are definitions of some of the terms used in your EquiLiving Critical Illness Insurance Rider. Capitalized terms that are used but not defined in this Rider have the meanings defined in the Policy. If you need additional information or clarification, please call the Equitable Life of Canada Customer Service Line at 1-800-668-4095.***

<b>Beneficiary:</b>	The Beneficiary of the Covered Condition Benefit(s) is the Person Insured, unless otherwise specified by the Policy Owner.
<b>Birthday:</b>	The anniversary of the day on which a person was born, which does not include the day the person was born.
<b>Covered Condition:</b>	A Covered Condition is an illness, condition, disorder or Surgery as defined under, and that meets all requirements of the Definitions of Childhood Covered Critical Conditions, the Definitions of Covered Critical Conditions or the Definitions of Early Detection Benefit Covered Conditions in this Rider. Any condition, illness, disorder, or Surgery not specifically defined under the Definitions of Childhood Covered Critical Conditions, the Definitions of Covered Critical Conditions or the Definitions of Early Detection Benefit Covered Conditions is not insured under this Rider and no Covered Condition Benefit shall be payable for such conditions, illnesses, disorders, or Surgeries.
<b>Covered Condition Benefit:</b>	A Covered Condition Benefit means an EquiLiving Benefit or an Early Detection Benefit.
<b>Currency:</b>	All amounts payable to or by the Company under the terms of this Rider are payable in the lawful currency of Canada.
<b>Diagnosis (Diagnosed):</b>	The Diagnosis of any Covered Condition or the advice to undergo Surgery for any Covered Condition requiring Surgery must be made by a Specialist. In the absence of a Specialist, a condition may be diagnosed by another qualified medical practitioner as approved by us. The date of Diagnosis shall be the date the Specialist makes the Diagnosis of the Covered Condition. The Diagnosis must be supported by objective medical evidence and the date of Diagnosis must occur while this Rider is in effect.
<b>Effective Date:</b>	This Rider takes effect on the Effective Date as shown on the Coverage Specification/Description of Benefits page(s) of this Rider, provided that: <ul style="list-style-type: none"> <li>a) the full amount of the first premium has been paid to the Company, and</li> <li>b) no change has taken place in the insurability of any of the Lives insured under this Rider between the date the application was completed, and the date specified in the insurance legislation that applies.</li> </ul>
<b>Expiry Date (Expiry):</b>	If the Sum Insured has not been paid, and this Rider has not otherwise terminated, this Rider expires on the date as shown on the Coverage Specification/Description of Benefits page(s) of this Rider, which is the Policy Anniversary nearest the Person Insured's 75 <sup>th</sup> Birthday (see also Termination of this Rider).
<b>Extension of Expiry:</b>	If Expiry of this Rider occurs during the Person Insured's Survival Period following Diagnosis of, or Surgery for, a Covered Condition, this Rider will remain in effect until the earlier of: <ul style="list-style-type: none"> <li>a) the date of the Person Insured's death, or</li> <li>b) the date the Person Insured's Covered Condition Benefit becomes payable,</li> </ul> provided this Rider has not terminated under any other Rider provisions. <p>The Extension of Expiry will provide coverage only for the Covered Condition that initiated the Extension of Expiry. The Extension of Expiry does not apply to any other Covered Condition that may be Diagnosed, or for which Equitable Life may be notified, during the Extension of Expiry.</p>
<b>Neurological Deficit:</b>	Neurological Deficits must be detectable by a Specialist and may include, but are not limited to, measurable loss of hearing, measurable loss of vision, measurable changes in neuro-cognitive function, objective loss of sensation, paralysis, localized weakness, dysarthria (difficulty with pronunciation), dysphasia (difficulty with speech), dysphagia (difficulty swallowing), impaired gait (difficulty walking), difficulty with balance, lack of coordination, or new-onset seizures undergoing treatment. Headache or fatigue will not be considered a Neurological Deficit.

- Person Insured:** The Person Insured is the person we have agreed to insure under this Rider and who is named as a Life Insured for this Rider on the Coverage Specification/Description of Benefits page(s) of this Policy. The Person Insured may or may not be the Owner of this Policy.
- Policy:** Policy means the insurance policy to which this Rider is attached and of which this Rider forms a part.
- Specialist:** A licensed medical practitioner practicing medicine in Canada or the United States or any other region as approved by Equitable Life who has been trained in the specific area of medicine relevant to the Covered Condition for which benefit is being claimed and who has been certified by a specialty examining board. The Specialist may not be the Owner, the Person Insured, or a relative by blood or marriage or a business associate of the Owner or of the Person Insured.
- Specialist includes but is not limited to, cardiologist, neurologist, nephrologist, oncologist, ophthalmologist, burn specialist and internist.
- Any tests or examinations that must be performed in order to satisfy the requirements of the Covered Condition must be conducted by a medical professional who is not the Owner, the Person Insured, or a relative by blood or marriage or business associate of the Owner or of the Person Insured.
- Sum Insured:** The Sum Insured is the critical illness insurance Benefit Amount shown on the Coverage Specification/Description of Benefits page(s) of the Policy.
- Surgery:** Surgery refers to the undergoing of surgery, on the written advice of a Specialist practicing medicine in Canada or the United States or any other region approved by Equitable Life, whose practice is restricted to the particular branch of medicine relating to the applicable surgery. Surgery must be performed by a Specialist.
- Survival Period:** Some Covered Conditions require a 30-day Survival Period as specified within their definitions. The Survival Period begins on the date of Diagnosis of, or Surgery for, a Covered Condition and ends 30 days following the date of Diagnosis of, or Surgery for, a Covered Condition, unless otherwise specified in the definition of the Covered Condition. The Person Insured must be alive at the end of the Survival Period and must not have experienced irreversible cessation of all brain functions during the Survival Period. If such irreversible cessation occurs, no Covered Condition Benefit is payable. If artificial life support is used to sustain the Person Insured during the Survival Period, the date the Person Insured experiences irreversible cessation of all brain functions shall be deemed to be the date of death of the Person Insured. Determination of irreversible cessation of all brain function shall be by generally accepted medical criteria.
- During the Survival Period, no premium payment is required. If a Covered Condition Benefit becomes payable, the amount of any premiums paid during the Survival Period will be added to any Covered Condition Benefit amount due.
- For Covered Conditions that do not have a Survival Period, the Person Insured must be alive at the time the Diagnosis is made.

## **RIDER EXCHANGE PROVISION**

If this Rider is in effect at the time the Death Benefit under the Policy becomes payable causing the Policy to terminate, the Owner of this Policy or if applicable, the Contingent Owner, may request in writing, within 60 days of the death of the Insured Person, to exchange this Rider, with respect to any surviving Person Insured under this Rider, for a separate EquiLiving Critical Illness Insurance policy, without evidence of insurability.

The separate EquiLiving Critical Illness Insurance policy will be issued with:

- an effective date the same as this Rider,
- the same benefits, class of risk and smoking status as this Rider;
- the same premium rates in effect on the date of the exchange;
- the Person Insured's Age when this Rider was issued;
- an additional policy fee charged by Equitable Life (the applicable policy fee will be determined according to our administrative rules and guidelines at the time of exchange); and premium adjustments that may be required pursuant to our administrative rules if there is a difference between the modal factor for this Rider and the modal factor applicable to the new policy.

This Rider Exchange Provision only applies to this Rider.

**EquiLiving Benefit**

The EquiLiving Benefit is the Sum Insured as shown on the Coverage Specification/Description of Benefits page(s) of the Policy.

If, while this Rider is in effect, the Person Insured is alive when Diagnosed with one of the Covered Critical Conditions as defined in the Definitions of Covered Critical Conditions or when Diagnosed with one of the Childhood Covered Critical Conditions as defined in the Definitions of Childhood Covered Critical Conditions and survives any applicable Survival Period following the date of Diagnosis of, or Surgery for, the Covered Critical Condition or Childhood Covered Critical Condition, the EquiLiving Benefit will, subject to applicable limitations and exclusions set out in this Rider, become payable.

The EquiLiving Benefit shall be payable to the Person Insured (or other Beneficiary as designated) provided this Rider is in effect on the first day following the satisfaction of all requirements of the Covered Critical Condition as defined in the Covered Critical Conditions or the satisfaction of all requirements of the Childhood Covered Critical Conditions as defined in the Definitions of Childhood Covered Critical Conditions of this Rider. Any condition, illness, disorder, or Surgery not specifically defined as a Covered Critical Condition in the Definitions of Covered Critical Conditions and not specifically defined as a Childhood Covered Critical Conditions in the Definitions of Childhood Covered Critical Conditions in this Rider, is not an insured condition and no EquiLiving Benefit will be payable for such condition, illness, disorder or Surgery.

The EquiLiving Benefit is payable only once per Person Insured, and only for one Covered Critical Condition or Childhood Covered Critical Condition. Once the EquiLiving Benefit is paid, this Rider terminates for that Person Insured, regardless of how many additional Covered Critical Conditions or Childhood Covered Critical Conditions the Person Insured may be diagnosed with. Payment of the EquiLiving Benefit represents the total fulfillment of all claims, insurance coverages, riders, and benefits under this Rider for that Person Insured. Payment of the EquiLiving Benefit is subject to the exclusions set out in the definitions of the Covered Critical Conditions or Childhood Covered Critical Conditions, the exclusions and limitations in the section entitled "Exclusions and Limitations", as well as other limitations, conditions, and exclusions in this Rider or in the Policy.

**Early Detection Benefit**

If, while this Rider is in effect, the Person Insured is alive when Diagnosed with one of the Early Detection Benefit Covered Conditions as defined in the Definitions of Early Detection Benefit Covered Conditions and survives any applicable Survival Period following the date of Diagnosis of, or Surgery for, the Early Detection Benefit Covered Condition, the Early Detection Benefit will, subject to applicable limitations and exclusions set out in this Rider, become payable.

The Early Detection Benefit shall be payable to the Person Insured (or other Beneficiary as designated) provided this Rider is in effect on the first day following the satisfaction of all requirements of the Early Detection Benefit Covered Condition as defined in the Definitions of Early Detection Benefit Covered Conditions of this Rider. Any condition, illness, disorder, or Surgery not specifically defined as an Early Detection Benefit Covered Condition in the Definitions of Early Detection Benefit Covered Conditions in this Rider is not an insured condition and no Early Detection Benefit will be payable for such condition, illness, disorder or Surgery.

The Early Detection Benefit is equal to the lesser of:

- a) 15% of the then current Sum Insured; or
- b) \$ 50,000.

The Early Detection Benefit can be paid multiple times to each Person Insured during the lifetime of this Rider, but only once for each of the Early Detection Benefit Covered Conditions.

Any payment of the Early Detection Benefit will not reduce the Rider premium or the Sum Insured.

**DEFINITIONS OF EARLY DETECTION BENEFIT COVERED CONDITIONS**

The following are the definitions of the Early Detection Benefit Covered Conditions that are applicable to this this Rider.

In the following definitions: (i) the terms Tis, Ta, T1a, T1b, T1, and AJCC Stage 1 are as defined in the American Joint Committee on Cancer (AJCC) cancer staging manual, 8th Edition, 2018; and (ii) the term Rai stage 0 is as defined in KR Rai, A Sawitsky, EP Cronkite, AD Chanana, RN Levy and BS Pasternack: Clinical staging of chronic lymphocytic leukemia, Blood 46:219, 1975.

**Coronary Angioplasty:**

The undergoing of an interventional procedure to unblock or widen a coronary artery that supplies blood to the heart to allow an uninterrupted flow of blood.

A 30-day Survival Period following the date of the procedure applies. The procedure must be determined to be medically necessary by a Specialist.

**Ductal Breast Cancer:**

A definite Diagnosis of the presence of ductal carcinoma in-situ of the breast.

The Diagnosis of Ductal Breast Cancer must be made by a Specialist and confirmed by pathological examination of the tissue.

**Cancer Exclusion and Requirement to Report:** A 90-day exclusion period and a requirement to report applies to this Covered Condition. Please refer to the "Exclusions and Limitations" section of this Rider.

**Early Prostate Cancer:**

A definite Diagnosis of either stage T1a or T1b prostate cancer, confirmed without lymph node or distant metastasis.

The Diagnosis of Early Prostate Cancer must be made by a Specialist and must be confirmed by pathological examination of the tissue.

For purposes of this Rider, Stage T1a or T1b prostate cancer means a clinically inapparent tumour that was not palpable on digital rectal examination and was incidentally found in resected prostatic tissue.

**Cancer Exclusion and Requirement to Report:** A 90-day exclusion period and a requirement to report applies to this Covered Condition. Please refer to the "Exclusions and Limitations" section of this Rider.

**Gastrointestinal Stromal Tumours (AJCC Stage 1) :**

A definite Diagnosis of malignant gastrointestinal stromal tumours (GIST) classified as AJCC Stage 1.

The Diagnosis of Gastrointestinal Stromal Tumours (AJCC Stage 1) must be made by a Specialist and confirmed by pathological examination of the tissue.

For purposes of this Rider, gastrointestinal stromal tumours (GIST) classified as AJCC Stage 1 means:

- Gastric and omental GISTs that are less than or equal to 10.0 cm in greatest dimension with five or fewer mitoses per 5.0 mm<sup>2</sup>, or 50 per HPF; or
- Small intestinal, esophageal, colorectal, mesenteric and peritoneal GIST that are less than or equal to 5.0 cm in greatest dimension with five or fewer mitoses per 5.0 mm<sup>2</sup>, or 50 per HPF.

**Cancer Exclusion and Requirement to Report:** A 90-day exclusion period and a requirement to report applies to this Covered Condition. Please refer to the "Exclusions and Limitations" section of this Rider.

**Grade 1 Neuroendocrine Tumours (Carcinoid):**

A definite Diagnosis of Grade 1 neuroendocrine tumours (carcinoid) confined to the affected organ, treated with Surgery alone and requiring no additional treatment other than medication to counteract the effects from hormonal oversecretion by the tumour.

The Diagnosis of Grade 1 Neuroendocrine Tumours (Carcinoid) must be made by a Specialist and confirmed by biopsy.

**Cancer Exclusion and Requirement to Report:** A 90-day exclusion period and a requirement to report applies to this Covered Condition. Please refer to the "Exclusions and Limitations" section of this Rider.

**Papillary or Follicular Thyroid Cancer Stage T1:**

A definite Diagnosis of papillary thyroid cancer or follicular thyroid cancer, or both, that is less than or equal to 2.0 centimetres in greatest diameter and classified as T1, without lymph node or distant metastasis.

The Diagnosis of Papillary or Follicular Thyroid Cancer Stage T1 must be made by a Specialist and confirmed by pathological examination of the tissue.

**Cancer Exclusion and Requirement to Report:** A 90-day exclusion period and a requirement to report applies to this Covered Condition. Please refer to the "Exclusions and Limitations" section of this Rider.

**Rai Stage 0 Chronic Lymphocytic Leukemia (CLL):**

A definite Diagnosis of chronic lymphocytic leukemia (CLL) classified as Rai Stage 0 without enlargement of lymph nodes, spleen or liver and with normal red blood cell and platelet counts.

The Diagnosis of Rai Stage 0 Chronic Lymphocytic Leukemia (CLL) must be made by a Specialist and confirmed by appropriate blood tests.

**Exclusions:** No benefit will be payable under Rai Stage 0 Chronic Lymphocytic Leukemia (CLL) for Monoclonal Lymphocytosis of Undetermined Significance (MLUS)

**Cancer Exclusion and Requirement to Report:** A 90-day exclusion period and a requirement to report applies to this Covered Condition. Please refer to the "Exclusions and Limitations" section of this Rider.

**Superficial Malignant Melanoma:**

A definite Diagnosis of stage 1A or 1B malignant melanoma of the skin that has not ulcerated into the dermis and is less than or equal to 1.0 mm in thickness.

The Diagnosis of Superficial Malignant Melanoma must be made by a Specialist and confirmed by pathological examination of the tissue.

**Exclusions:** No benefit will be payable under Superficial Malignant Melanoma for any malignant melanoma in situ.

**Cancer Exclusion and Requirement to Report:** A 90-day exclusion period and a requirement to report applies to this Covered Condition. Please refer to the "Exclusions and Limitations" section of this Rider.

## **DEFINITIONS OF CHILDHOOD COVERED CONDITIONS**

The following are the definitions of the Childhood Covered Critical Conditions that are applicable to this Rider.

Coverage for the Childhood Covered Critical Conditions automatically ends on the earliest of:

- a) The date of the Person Insured's 25<sup>th</sup> Birthday,
- b) The date the Person Insured dies, or
- c) The date this Rider ends.

**Cerebral Palsy:**

A definite Diagnosis of Cerebral Palsy, a non-progressive neurological defect characterized by spasticity and incoordination of movements.

The Diagnosis of Cerebral Palsy must be made by a Specialist.

**Congenital Heart Disease:**

- a) A definite Diagnosis of one of the following heart conditions:
  - Total Anomalous Pulmonary Venous Connection
  - Truncus Arteriosus
  - Transposition of The Great Vessels
  - Tetralogy of Fallot
  - Atresia of any heart valve
  - Eisenmenger Syndrome
  - Coarctation of the Aorta
  - Double Inlet Ventricle
  - Single Ventricle
  - Hypoplastic Right Ventricle
  - Hypoplastic Left Heart Syndrome
  - Ebstein's Anomaly
  - Double Outlet Left Ventricle

A 30-Day Survival Period following the date of Diagnosis applies. The Diagnosis of the heart condition must be made by a qualified pediatric cardiologist and supported by appropriate cardiac imaging.

OR

- b) The undergoing of open-heart Surgery for correction of one of the following conditions:
  - Pulmonary Stenosis.

## **DEFINITIONS OF CHILDHOOD COVERED CONDITIONS-continued**

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- Aortic Stenosis
- Discrete Subvalvular Aortic Stenosis
- Ventricular Septal Defect
- Atrial Septal Defects

A 30-day Survival Period following the Surgery applies. The Diagnosis must be made by a qualified pediatric cardiologist and supported by appropriate cardiac imaging and the Surgery must be determined to be medically necessary and performed by a Specialist.

**Exclusions:** No benefit will be payable under Congenital Heart Disease for trans-catheter procedures such as balloon valvuloplasty or percutaneous Atrial Septal Defect closure. All other congenital conditions are excluded

### **Cystic Fibrosis:**

A definite Diagnosis of Cystic Fibrosis with evidence of chronic lung disease and pancreatic insufficiency.

The Diagnosis of Cystic Fibrosis must be made by a Specialist.

### **Muscular Dystrophy:**

A definite Diagnosis of Muscular Dystrophy, characterized by well-defined neurological abnormalities, confirmed by electromyography and muscle biopsy.

The Diagnosis of Muscular Dystrophy must be made by a Specialist.

### **Type 1 Diabetes Mellitus:**

A definite Diagnosis of Type 1 Diabetes Mellitus characterized by absolute insulin deficiency and continuous dependence on exogenous insulin for survival. There must be evidence of the Person Insured's dependence on insulin for a minimum of 3 months.

The Diagnosis of Type 1 Diabetes Mellitus must be made by a qualified pediatrician or endocrinologist.

## **DEFINITIONS OF COVERED CRITICAL CONDITIONS**

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The following are the definitions of the Covered Critical Conditions that are applicable to this Rider.

In the following definitions: (i) the terms Tis, Ta, T1a, T1b, T1, and AJCC Stage 1 are as defined in the American Joint Committee on Cancer (AJCC) cancer staging manual, 8<sup>th</sup> Edition, 2018; (ii) the term Rai stage 0 is as defined in KR Rai, A Sawitsky, EP Cronkite, AD Chanana, RN Levy and BS Pasternack: Clinical staging of chronic lymphocytic leukemia, Blood 46:219, 1975; and (iii) the term Mini Mental State Exam refers to MF Folstein, SE Forstein, PR McHugh, J Psychiatry Res. 1975; 12(3): 189.

### **Acquired Brain Injury:**

A definite Diagnosis of new damage to brain tissue as result of traumatic injury, anoxia (an absence of oxygen) or encephalitis, resulting in one or more signs and symptoms of Neurological Deficits that:

- are present and verifiable on clinical examination or neuro-psychological testing;
- are corroborated by imaging studies of the brain such as Magnetic Resonance Imaging (MRI) or Computerized Tomography (CT) showing changes that are consistent in character, location and timing with the new damage, and
- persist for more than 180 days following the date of Diagnosis.

The Diagnosis of Acquired Brain Injury must be made by a Specialist.

**Exclusions:** No benefit will be payable under Acquired Brain Injury for:

- an abnormality seen on brain scans without definite related clinical impairment;
- neurological signs occurring without symptoms of abnormality.

### **Aortic Surgery:**

The undergoing of Surgery for disease of the aorta requiring excision and surgical replacement of any part of the diseased aorta with a graft. Aorta refers to the thoracic and abdominal aorta but not its branches.

A 30-day Survival Period following the date of Surgery applies. The Surgery must be determined to be medically necessary by a Specialist.

**Exclusions:** No benefit will be payable under Aortic Surgery for:

- angioplasty,
- intra-arterial procedures,
- percutaneous trans-catheter procedures, or
- non-surgical procedures.

#### **Aplastic Anemia:**

A definite Diagnosis of a chronic persistent bone marrow failure, confirmed by biopsy, which results in anemia neutropenia and thrombocytopenia requiring blood product transfusion, and treatment with at least one of the following:

- marrow stimulating agents;
- immunosuppressive agents; or
- bone marrow transplantation.

The Diagnosis of Aplastic Anemia must be made by a Specialist.

#### **Bacterial Meningitis:**

A definite Diagnosis of meningitis confirmed by cerebrospinal fluid showing the presence of pathogenic bacteria. The presence of pathogenic bacteria must be confirmed by culture or other generally medically accepted microbiological testing. The Bacterial Meningitis must result in objective Neurological Deficit persisting for at least 90 days from date of Diagnosis.

The Diagnosis of Bacterial Meningitis must be made by a Specialist.

**Exclusion:** No benefit will be payable under Bacterial Meningitis for viral meningitis.

#### **Benign Brain Tumour:**

A definite Diagnosis of a non-malignant tumour located in the cranial vault and limited to the brain, meninges, cranial nerves or pituitary gland. The Person Insured must have undergone Surgery or radiation treatment or the tumour must have caused irreversible objective Neurological Deficits. These Neurological Deficits must be corroborated by diagnostic imaging showing changes that are consistent in character, location and timing with the Neurological Deficits.

The Diagnosis of Benign Brain Tumour must be made by a Specialist.

**Exclusions:** No benefit will be payable under Benign Brain Tumour for pituitary adenomas less than 10.0 mm, vascular malformations, Cholesteatomas, or infectious or inflammatory tumours.

**90-day exclusion period:** No Covered Condition Benefit will be provided for any benign brain tumour or any Covered Condition defined under this Rider contributed to or caused by any type of benign brain tumour (covered or not covered under this Rider) if within the first 90 days following the Effective Date of this Rider, or 90 days from the date of last Reinstatement of this Rider, the Person Insured has any of the following:

- a Diagnosis of benign brain tumour (covered or not covered under this Rider); or
- one or more signs, symptoms, tests, investigations and/or medical consultations that lead directly or indirectly to a Diagnosis of benign brain tumour (covered or not covered under this Rider), regardless of the date of Diagnosis.

**Requirement to report:** The Owner or Person Insured must give written notification to Equitable Life's Head Office in Waterloo, Ontario, within 180 days if, following the later of 90 days from the Effective Date of this Rider or 90 days from the date of last Reinstatement of this Rider, the Person Insured has any Diagnosis or one or more signs, symptoms, tests, investigations and/or medical consultations for benign brain tumour (covered or not covered under this Rider). If the Owner or Person Insured under this Rider fails to disclose this information, Equitable Life reserves the right to deny a claim for Benign Brain Tumour, or any Covered Condition caused by any benign brain tumour or treatment of any benign brain tumour.

The Owner may, by writing request to maintain this Rider in effect, provided the written request is received in Equitable Life's Head Office in Waterloo, Ontario, within 30 days of the date Equitable Life confirms that the 90-Day Benign Brain Tumour Exclusion and Requirement to Report applies. Upon receipt of the written request, Equitable Life may in the absence of fraud or misrepresentation, maintain this Rider in effect, with the condition that no Covered Condition Benefit will be payable for any:

- subsequent Diagnosis of any form of benign brain tumour (covered or not covered under this Rider);
- Covered Condition directly resulting from any benign brain tumour (covered or not covered under this Rider); and
- Covered Condition directly resulting from the treatment of any benign brain tumour (covered or not covered under this Rider).

If no written request is received as described above, this Rider will terminate, and Equitable Life will return all premiums paid for this Rider and no Covered Condition Benefit will be payable.



**Blindness:**

A definite Diagnosis of the total and irreversible loss of vision in both eyes, evidenced by:

- the corrected visual acuity being 20/200 or less in both eyes; or
- the field of vision being less than 20 degrees in both eyes.

The Diagnosis of Blindness must be made by a Specialist.

**Cancer:**

A definite Diagnosis of a malignant tumour characterized by the uncontrolled growth and spread of malignant cells and the invasion of tissue. Types of cancer include carcinoma, melanoma, leukemia, lymphoma, and sarcoma.

The Diagnosis of Cancer must be made by a Specialist and must be confirmed by a pathology report.

**Exclusions:** No benefit will be payable under Cancer for the following:

- Lesions described as benign, non-invasive, pre-malignant, of low and/or uncertain malignant potential, borderline, carcinoma in situ, or tumours classified as Tis or Ta;
- Malignant melanoma of skin that is less than or equal to 1.0 mm in thickness, unless it is ulcerated or accompanied by lymph node or distant metastasis;
- Any non-melanoma skin cancer, without lymph node or distant metastasis. This includes but is not limited to, cutaneous T cell lymphoma, basal cell carcinoma, squamous cell carcinoma or Merkel cell carcinoma;
- Prostate cancer classified as T1a or T1b, without lymph node or distant metastasis;
- Papillary thyroid cancer or follicular thyroid cancer, or both, that is less than or equal to 2.0 cm in greatest dimension and classified as T1, without lymph node or distant metastasis;
- Chronic lymphocytic leukemia classified as Rai stage 0 without enlargement of lymph nodes, spleen or liver and with normal red blood cell and platelet counts;
- Gastro-intestinal stromal tumours classified as AJCC Stage 1;
- Grade 1 neuroendocrine tumours (carcinoid) confined to the affected organ, treated with Surgery alone and requiring no additional treatment, other than medication to counteract the effects from hormonal oversecretion by the tumour; and
- Thymomas (stage 1) confined to the thymus, without evidence of invasion into the capsule or spread beyond the thymus.

**Cancer Exclusion and Requirement to Report:** A 90-day exclusion period and a requirement to report applies to this Covered Condition. Please refer to the "Exclusions and Limitations" section of this Rider.

**Coma:**

A definite Diagnosis of a state of unconsciousness with no reaction to external stimuli or response to internal needs for a continuous period of at least 96 hours, and for which period the Glasgow coma score must be 4 or less.

The Diagnosis of Coma must be made by a Specialist.

**Exclusions:** No benefit will be payable under Coma for:

- medically induced coma;
- a coma which results directly from alcohol or drug use; or
- a Diagnosis of brain death.

**Coronary Artery Bypass Surgery:**

The undergoing of heart Surgery to correct narrowing or blockage of one or more coronary arteries with bypass grafts.

A 30-day Survival Period following the Surgery applies. The Surgery must be determined to be medically necessary by a Specialist.

**Exclusions:** No benefit will be payable under Coronary Artery Bypass Surgery for:

- angioplasty;
- intra-arterial procedures;
- percutaneous trans-catheter procedures; or
- non-surgical procedures.

**Deafness:**

A definite Diagnosis of the total and irreversible loss of hearing in both ears, with an auditory threshold of 90 decibels or greater within the speech threshold of 500 to 3,000 hertz.

The Diagnosis of Deafness must be made by a Specialist.

**Dementia, including Alzheimer's Disease:**

A definite Diagnosis of dementia, which must be characterized by a progressive deterioration of memory and at least one of the following areas of cognitive function:

- Aphasia (a disorder of speech);
- Apraxia (difficulty performing familiar tasks);
- Agnosia (difficulty recognizing objects); or
- Disturbance in executive functioning (e.g. inability to think abstractly and to plan, initiate, sequence, monitor, and stop complex behavior), which is affecting daily life.

The Person Insured must exhibit:

- Dementia of at least moderate severity, which must be evidenced by a Mini Mental State Exam of 20/30 or less, or equivalent score on another generally medically accepted test or tests of cognitive function; and
- Evidence of progressive worsening in cognitive and daily functioning either by serial cognitive tests or by history over at least a 6-month period.

The Diagnosis of Dementia must be made by a Specialist.

**Exclusions:** No benefit will be payable under Dementia, including Alzheimer's Disease for affective or schizophrenic disorders, or delirium.

**Heart Attack (Acute Myocardial Infarction):**

A definite Diagnosis of death of heart muscle due to obstruction of blood flow, that results in a rise and fall of cardiac biomarkers to levels considered diagnostic of acute myocardial infarction, with at least one of the following:

- Heart attack symptoms;
- New electrocardiographic (ECG) changes consistent with a heart attack; or
- Development of new pathological Q waves on ECG following an intra-arterial cardiac procedure including, but not limited to, coronary angiography and/or angioplasty.

A 30-day Survival Period following the date of Diagnosis applies. The Diagnosis of Heart Attack (Acute Myocardial Infarction) must be made by a Specialist.

**Exclusions:** No benefit will be payable under Heart Attack (Acute Myocardial Infarction) for:

- ECG changes suggestive of a prior myocardial infarction;
- Other acute coronary syndromes, including angina pectoris and unstable angina; or
- Elevated cardiac biomarkers and/or symptoms that are due to medical procedures or diagnoses other than heart attack.

**Heart Valve Replacement or Repair:**

The undergoing of surgery to replace any heart valve with either a natural or mechanical valve or to repair heart valve defects or abnormalities.

A 30-day Survival Period following the date of the procedure applies. The procedure must be determined to be medically necessary by a Specialist.

**Exclusions:** No benefit will be payable under Heart Valve Replacement or Repair for:

- Angioplasty;
- Intra-arterial procedures;
- Percutaneous trans-catheter procedures; or
- Non-surgical procedures.

**Kidney Failure:**

A definite diagnosis of chronic irreversible failure of both kidneys to function, as a result of which regular hemodialysis, peritoneal dialysis or renal transplantation is initiated.

The Diagnosis of Kidney Failure must be made by a Specialist.

**Loss of Independent Existence:**

A definite Diagnosis of the total inability, due to disease or injury, to perform independently:

- with or without the aid of assistive devices;
- at least 3 of 6 Activities of Daily Living listed below;
- for a continuous period of at least 90 days; and
- with no reasonable chance of recovery.

The Diagnosis of Loss of Independent Existence must be made by a Specialist or other person as approved by Equitable Life and supported by an independent home care assessment made by an occupational therapist or equivalent.

Activities of Daily Living are as follows:

- Bathing—washing oneself in a bathtub, shower, or by sponge bath;
- Dressing—putting on and removing necessary clothing including braces, artificial limbs or other surgical appliances;
- Toileting—getting on and off the toilet and maintaining personal hygiene;
- Bladder and bowel Continence—managing your bowel and bladder function with or without protective undergarments or surgical appliances so that hygiene is maintained;
- Transferring—moving in and out of a bed, chair or wheelchair; and
- Feeding—consuming food or drink that has already been prepared and made available.

**Exclusions:** No benefit will be payable under Loss of Independent Existence for a Person Insured's inability to perform independently 3 Activities of Daily Living that are due to delayed achievement of developmental milestones. To qualify under Loss of Independent Existence, Activities of Daily Living must have been achieved and maintained and then subsequently lost due to disease or injury.

**Loss of Limbs:**

A definite Diagnosis of the complete severance of two or more limbs at or above the wrist or ankle joint as the result of an accident or medically required amputation.

The Diagnosis of Loss of Limbs must be made by a Specialist.

**Loss of Speech:**

A definite Diagnosis of the total and irreversible loss of the ability to speak as the result of physical injury or disease, for at least 180 days.

The Diagnosis of Loss of Speech must be made by a Specialist.

**Exclusion:** No benefit will be payable under Loss of Speech for all psychiatric related causes.

**Major Organ Failure on Waiting List:**

A definite Diagnosis of the irreversible failure of the heart, both lungs, liver, both kidneys, or bone marrow, and transplantation must be medically necessary.

To qualify under Major Organ Failure on Waiting List, the Person Insured must become enrolled as the recipient in a recognized transplant centre in Canada or the United States of America that performs the required form of transplant Surgery. The date of Diagnosis is the date of the Person Insured's enrollment in the transplant centre.

The Diagnosis of the major organ failure must be made by a Specialist.

**Major Organ Transplant:**

A definite Diagnosis of the irreversible failure of the heart, both lungs, liver, both kidneys, or bone marrow and transplantation must be medically necessary. To qualify under Major Organ Transplant, the Person Insured must undergo a transplantation procedure as the recipient of a heart, lung, liver, kidney or bone marrow, and limited to these entities.

The Diagnosis of the major organ failure must be made by a Specialist.

**Motor Neuron Disease:**

A definite Diagnosis of one of the following: amyotrophic lateral sclerosis (ALS or Lou Gehrig's disease), primary lateral sclerosis, progressive spinal muscular atrophy, progressive bulbar palsy, or pseudo bulbar palsy.

The Diagnosis of Motor Neuron Disease must be made by a Specialist.

**Multiple Sclerosis:**

A definite Diagnosis of at least one of the following occurring after the later of the Effective Date, or the date of last Reinstatement of this Rider:

- Two or more separate clinical attacks, confirmed by at least one magnetic resonance imaging (MRI) of the nervous system, showing multiple lesions of demyelination;
- A single attack, with objective Neurological Deficits lasting more than 180 days, confirmed by MRI of the nervous system, showing multiple lesions of demyelination; or
- A single attack, confirmed by repeated MRI of the nervous system, which shows multiple new lesions of demyelination which have developed at intervals at least one month apart.

The Diagnosis of Multiple Sclerosis must be made by a Specialist.

**Exclusions:** No benefit will be payable under Multiple Sclerosis for the following:

- Solitary sclerosis;
- Clinically isolated syndrome;
- Radiologically isolated syndrome;
- Neuromyelitis optica spectrum disorders; or
- Suspected multiple sclerosis or probable multiple sclerosis.

**One-Year exclusion period:** No benefit will be payable for Multiple Sclerosis if, within the first year following the later of the Effective Date of this Rider or the date of the last Reinstatement of this Rider, the Person Insured has any of the following:

- One or more signs, symptoms or investigations that lead directly or indirectly to a Diagnosis of multiple sclerosis (covered or not covered under this Rider) regardless of when the Diagnosis is made; or
- A Diagnosis of multiple sclerosis (covered or not covered under this Rider).

**Requirement to report:** Medical information about the Diagnosis of Multiple Sclerosis and one or more signs, symptoms or investigations leading to the Diagnosis of Multiple Sclerosis must be reported to Equitable Life's Head Office in Waterloo, Ontario, within 180 days of the date of Diagnosis. If this information is not provided within this period, Equitable Life has the right to deny any claim for Multiple Sclerosis or any Covered Condition caused by Multiple Sclerosis or its treatment.

**Occupational HIV Infection:**

A definite Diagnosis of infection with the Human Immunodeficiency Virus (HIV) resulting from accidental injury during the course of the Person Insured's normal occupation, which exposed the person to HIV contaminated body fluids.

The accidental injury leading to the infection must have occurred after the later of the Effective Date of this Rider, or the date of the last Reinstatement of this Rider.

Payment under this condition requires satisfaction of all of the following:

- the accidental injury must be reported to Equitable Life's Head Office in Waterloo, Ontario, within 14 days of the accidental injury;
- a serum HIV test must be taken within 14 days of the accidental injury and the test result must be negative;
- a serum HIV test must be taken between 90 days and 180 days after the accidental injury and the result must be positive;
- all HIV tests must be performed by a duly licensed laboratory in Canada or the United States of America; and
- the accidental injury must have been reported, investigated and documented in accordance with current Canadian or United States of America workplace guidelines.

The Diagnosis of Occupational HIV Infection must be made by a Specialist.

**Exclusions:** No benefit will be payable under Occupational HIV Infection if:

- the Person Insured has elected not to take any available licensed vaccine offering protection against HIV;
- a licensed cure for HIV infection has become available prior to the accidental injury; or
- HIV infection has occurred as a result of non-accidental injury including, but not limited to, sexual transmission and intravenous (IV) drug use

**Paralysis:**

A definite Diagnosis of the total loss of muscle function of two or more limbs as a result of injury or disease to the nerve supply of those limbs, for a period of at least 90 days following the precipitating event.

The Diagnosis of Paralysis must be made by a Specialist.

**Parkinson's Disease and Specified Atypical Parkinsonian Disorders:**

Parkinson's Disease is defined as a definite Diagnosis of primary Parkinson's Disease, a permanent neurologic condition which must be characterized by bradykinesia (slowness of movement) and at least one of muscular rigidity, or rest tremor. The Person Insured must exhibit objective signs of progressive deterioration in function for at least one year, for which the treating neurologist has recommended dopaminergic medication or other generally medically accepted equivalent treatment for Parkinson's Disease.

Specified Atypical Parkinsonian Disorders are defined as a definite Diagnosis of progressive supranuclear palsy, corticobasal degeneration, or multiple system atrophy.

The Diagnosis of Parkinson's Disease or a Specified Atypical Parkinsonian Disorder must be made by a neurologist.

**Exclusion:** No benefit will be payable under Parkinson's Disease and Specified Atypical Parkinsonian Disorders for all other types of Parkinsonism.

**One-Year exclusion period:** No benefit will be payable for Parkinson's Disease or Specified Atypical Parkinsonian Disorders if, within the first year following the later of, the Effective Date of this Rider, or the date of last Reinstatement of this Rider, the Person Insured has any of the following:

- one or more signs, symptoms or investigations that lead directly or indirectly to a Diagnosis of Parkinson's Disease, a Specified Atypical Parkinsonian Disorder or any other type of parkinsonism, regardless of when the Diagnosis is made; or
- a Diagnosis of Parkinson's Disease, a Specified Atypical Parkinsonian Disorder or any other type of parkinsonism.

**Requirement to report:** Medical information about the Diagnosis of Parkinson's Disease or Specified Atypical Parkinsonian Disorders and one or more signs, symptoms or investigations leading to the Diagnosis of Parkinson's Disease or Specified Atypical Parkinsonian Disorder must be reported to Equitable Life's Head Office in Waterloo, Ontario, within 180 days of the date of the Diagnosis. If this information is not provided within this period, Equitable Life has the right to deny any claim for Parkinson's Disease or Specified Atypical Parkinsonian Disorders or, any Covered Condition caused by Parkinson's Disease or Specified Atypical Parkinsonian Disorders or their treatment.

**Severe Burns:**

A definite Diagnosis of third degree burns over at least 20% of the body surface.

The Diagnosis of Severe Burns must be made by a Specialist.

**Stroke (Cerebrovascular Accident):**

A definite Diagnosis of an acute cerebrovascular event caused by intra-cranial thrombosis, hemorrhage, or embolism with:

- acute onset of new neurological symptoms; and
- new objective Neurological Deficits on clinical examination persisting for more than 30 days following the date of Diagnosis.

These new symptoms and deficits must be corroborated by diagnostic imaging testing showing changes that are consistent in character, location and timing with the new Neurological Deficits.

A 30-day Survival Period following the date of Diagnosis applies. The Diagnosis of Stroke (Cerebrovascular Accident) must be made by a Specialist.

**Exclusions:** No benefit will be payable under Stroke (Cerebrovascular Accident) for:

- Transient Ischaemic Attacks;
- Intracerebral vascular events due to trauma;
- Ischaemic disorders of the vestibular system;
- Death of tissue of the optic nerve or retina without total loss of vision of that eye; or
- Lacunar infarcts which do not meet the definition of stroke as described above.

**90-Day  
Cancer  
Exclusion  
and  
Requirement  
to Report:**

No Covered Condition Benefit will be provided for any cancer or any Covered Condition defined under this Rider contributed to or caused by any type of cancer (covered or not covered under this Rider) if within the first 90 days following the Effective Date of this Rider, or 90 days from the date of last Reinstatement of this Rider, the Person Insured has any of the following:

- a) a Diagnosis of any form of cancer (covered or not covered under this Rider); or
- b) one or more signs, symptoms, tests, investigations and/or medical consultations that lead directly or indirectly to a Diagnosis of cancer (covered or not covered in this Rider), regardless of the date of Diagnosis.

The Owner or Person Insured must give written notification to Equitable Life's Head Office in Waterloo, Ontario, within 180 days, if, following the later of 90 days from the Effective Date of this Rider or 90 days from the date of last Reinstatement of this Rider, the Person Insured has any Diagnosis or one or more signs, symptoms, tests, investigations and/or medical consultations for any form of cancer (covered or not covered under this Rider). If the Owner or Person Insured under this Rider fails to disclose this information, Equitable Life reserves the right to deny a claim for any cancer, or any Covered Condition caused by any cancer or treatment of cancer.

The Owner may, by writing, request to maintain this Rider in effect, provided the written request is received in Equitable Life's Head Office in Waterloo, Ontario, within 30 days of the date Equitable Life confirms that the 90-Day Cancer Exclusion and Requirement to Report applies. Upon receipt of the written request, Equitable Life may in the absence of fraud or misrepresentation, maintain the Rider in effect, with the condition that no Covered Condition Benefit will be payable for any:

- subsequent Diagnosis of any form of cancer (covered or not covered under this Rider);
- Covered Condition directly resulting from any cancer (covered or not covered under this Rider); and
- Covered Condition directly resulting from the treatment of any cancer (covered or not covered under this Rider).

If no written request is received as described above, this Rider will terminate, and Equitable Life will return all premiums paid for this Rider and no Covered Condition Benefit will be payable.

**Exclusions:**

In addition to any exclusions noted in this Rider, no Covered Condition Benefit will be paid if the Person Insured is diagnosed with a Covered Condition which arises directly or indirectly from:

- intentionally self-inflicted injuries, regardless of the state of mind of the Person Insured;
- war, or any act or incident of war, whether declared or not, or any conflict between the armed services of countries or international organizations;
- the Person Insured's intentional use or intake of any:
  - prescribed drug or narcotic other than as instructed by a physician;
  - legally available drug or narcotic for sale in Canada or the United States without a prescription, in a manner other than as recommended by the manufacturer;
  - drug or narcotic not legally available in Canada or the United States; or
  - any poisonous substance or intoxicant, including inhalation of toxic gases or fumes;
- committing or attempting to commit a criminal offence; or
- operating a motor vehicle while the concentration of alcohol in 100 milliliters of blood exceeds 80 milligrams.

**Covered  
Condition  
Outside of  
Canada:**

If the occurrence or Diagnosis of one of the Covered Conditions occurs outside of Canada, the Covered Condition Benefit will be payable only if all the following conditions are satisfied:

- a) The complete medical records are made available and provided to Equitable Life's Head Office in Waterloo, Ontario; and
- b) The medical records provide evidence, satisfactory to Equitable Life that:
  1. the same Diagnosis would have been made if the illness or accident had occurred in Canada; and
  2. immediate treatment would have been indicated under Canadian standards; and
  3. the same treatment, involving the particular surgical procedure, would have been advised if treatment had taken place in Canada; and
- c) The Person Insured must undergo an independent medical examination by a Specialist appointed by Equitable Life if we make such request. In the case of elective Surgery, such an examination must be undergone before Surgery takes place.

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**PREMIUMS****Premiums:**

Premiums are payable for this Rider, for the period specified in the Premium Schedule/Table of Charges for this Rider. With 10 Year Renewable as your premium type, your guaranteed premiums will automatically renew and increase every 10 Policy years. At the Policy Anniversary nearest the Person Insured's 75th Birthday, premiums will cease, and this Rider and all its benefits will terminate for that Person Insured.

- Reinstatement:** You may apply to have this Rider and the Policy reinstated within two years following the lapse of the Policy. The requirements for Reinstatement of this Rider are:
- a) evidence of ongoing good health and insurability of the Person Insured satisfactory to the Company; and
  - b) payment of all premiums, with interest (at a rate determined by the Company) from the date of lapse of the policy and/or this Rider.

The effective date of the Reinstatement will be the date all of the above requirements for Reinstatement are met. This Rider cannot be reinstated unless the Policy is reinstated.

## **CHANGE PRIVILEGE**

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You may change your EquiLiving 10 Year Renewable to Age 75 Critical Illness Insurance Rider, without evidence of insurability to a:

- Level to Age 75, Level to Age 100 or 20 Pay coverage for Life critical illness plan, provided such plan is available pursuant to the Company's then current administrative rules, at any time up to and including the Policy Anniversary nearest the Person Insured's 60<sup>th</sup> Birthday, or
- 20 Pay coverage to Age 75 critical illness plan provided such plan is available pursuant to the Company's then current administrative rules, at any time up to and including the Policy Anniversary nearest the Person Insured's 54<sup>th</sup> Birthday.

To make a change:

- a) your notice to the Company must be received by the Company prior to the Policy Anniversary nearest the Person Insured's Birthday indicated above; and
- b) no increase in Sum Insured is requested; and
- c) this Critical Illness Insurance Rider is in effect at the time the change is requested and at the effective date that the change takes place.

The changed critical illness plan will be the applicable critical illness plan that was available when this Critical Illness Insurance Rider was put into effect. The premium rates for the changed critical illness plan will be the rates in effect for that plan on the date of the change and will be based on the Person Insured's age on their Birthday nearest to the effective date of the changed critical illness plan and for the same class of risk and smoking status as this Critical Illness Insurance Rider. If the change is to a 20-Pay plan, the 20-year payment period will start at the date of the change

## **TERMINATION**

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In addition to any other termination or expiry provisions contained within the Policy, this Rider and all benefits associated with it for the Person Insured, will terminate on the earliest of:

- a) the lapse of the Policy;
- b) the termination of the Policy;
- c) the date of death of the Person Insured;
- d) the effective date of the Rider Exchange Provision;
- e) the date the EquiLiving Benefit under this Rider becomes payable;
- f) the written Cancellation request by the Owner to cancel this Rider, effective on the date the notice is received by Equitable Life at its Head Office in Waterloo, Ontario; or
- g) the Expiry Date of this Rider as shown on the Coverage Specification/Description of Benefits page(s) for this Rider

**Cancellation:** You may cancel this Rider at any time by providing notice to the Company. Upon the date of receipt of your notice, the premiums applicable to this Rider shall cease; and this Rider and all other benefits provided by it shall terminate.

## **GENERAL PROVISIONS**

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*The following are General Provisions that apply to this EquiLiving Critical Illness Insurance Rider.*

**Assignment:** This Rider may be assigned by the Owner as permitted by law. The Assignment will not be binding on Equitable Life unless the Assignment is made in writing and filed with our Head Office in Waterloo, Ontario. Equitable Life is not responsible for the validity of any Assignment.

**Smoker Classification:** On the Policy Anniversary nearest the Person Insured's 18th Birthday, we will classify them as a smoker and premiums will increase. The Person Insured may apply to have the classification changed to that of a non-smoker. If we approve the application, the premiums will remain at the same rate that was charged from the policy date.

<b>Compliance with Provincial Legislation:</b>	If any terms, conditions or provisions of this Rider conflict with the legislation of the province where the Person Insured resided on the date of application, the term, condition or provision shall be amended to meet the minimum requirement of such legislation.
<b>Limitation Period:</b>	Every action or proceeding against an insurer for the recovery of insurance money payable under this Rider is absolutely barred unless commenced within the time set out in the Insurance Act or other applicable legislation.

## STATUTORY CONDITIONS

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<b>Waiver:</b>	Equitable Life will be deemed not to have waived any condition of this Rider, either in whole or in part, unless the waiver is clearly expressed in writing signed by us. (If the insurance legislation that governs this Rider does not include this condition, this condition does not apply).
<b>Material Facts:</b>	No statement, made by the Owner or the Person Insured at the time of application for this Rider, shall be used in defense of a claim under or to avoid this Rider unless it is contained in the application or any other written statements or answers furnished as evidence of insurability.
<b>Notice and Proof of Claim:</b>	<p>The Owner or the Person Insured, or a Beneficiary entitled to make a claim, or the agent of any of them, shall;</p> <ul style="list-style-type: none"> <li>a) give written notice of claim to Equitable Life: <ul style="list-style-type: none"> <li>i. by delivery of the notice of claim, or by sending it by registered mail to our Head Office in Waterloo, Ontario, or chief agency of Equitable Life in the Province; or</li> <li>ii. by delivery of the notice of claim to an authorized agent of Equitable Life in the Province; not later than 30 days from the date a claim arises under this Rider for a Covered Condition;</li> </ul> </li> <li>b) within 90 days from the date a claim arises under this Rider for a Covered Condition, furnish to Equitable Life's Head Office in Waterloo, Ontario, such proof as is reasonably possible in the circumstances of the happening of the Covered Condition, the right of the claimant to receive payment, the claimant's age, and the age of the Beneficiary if relevant; and</li> <li>c) if required by Equitable Life, furnish us with a satisfactory certificate as to the cause or the nature of the Covered Condition for which claim may be made under this Rider.</li> </ul>

**Failure to Give Notice or Proof:** Failure to give notice of claim or furnish proof of claim within the time prescribed/required by this statutory condition does not invalidate the claim if the notice or proof is given or furnished as soon as reasonably possible, and in no event later than one (1) year from the date the claim arises under this Rider if it is shown that it was not reasonably possible to give notice or furnish proof within the time prescribed/required by this condition.

<b>Insurer to Furnish Forms for Proof of Claim:</b>	Equitable Life will furnish forms for proof of claim within 15 days after receiving notice of claim, but where the claimant has not received the forms within that time, the claimant may submit his or her proof of claim in the form of a written statement of the cause or nature of the Covered Condition giving rise to the claim.
<b>Rights of Examination:</b>	As a condition precedent to recovery of insurance money under this Rider, the claimant will furnish Equitable Life with an opportunity to examine the person of the Person Insured when and so often as we reasonably require while the claim under this Rider is pending.
<b>When Money is Payable:</b>	All money payable under this Rider will be paid by us within 60 days after we have received proof of claim.



## FLEXIBLE GUARANTEED INSURABILITY OPTION

(available on children's plans only)

SAMPLE

## **Flexible Guaranteed Insurability Option Rider**

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**Benefit:** This rider provides benefits only on the Life Insured shown under this rider on the Coverage Specifications page.

As of each Option Date shown on the Coverage Specifications page on which this policy and rider are in force, the Owner may exercise the option to require the Company to issue, without evidence of insurability, a new policy on the life of the Life Insured covered under this rider for an amount not exceeding the Option Amount corresponding to such Option Date provided that the Company receives at its Head Office on the Option Date or within the 60-day period prior to the Option Date a properly completed application for such a policy and settlement therefor in accordance with the Company's rules.

The new policy may be for any form of Whole Life, Limited Payment Life or Term policy, or a combination of any of these plans with a Term Rider, which would be issued by the Company at that time for a like amount. The premium for the new policy will be based upon the Company's published rates as at the date of issue of the new policy at the attained age of the Life Insured for the class of risk applicable to the Life Insured as determined by the Company on the effective date of this rider.

The effective date of the new policy will correspond with the Option Date provided the Life Insured is then living.

If this policy contains a disability waiver benefit rider on the life of the Life Insured covered under this rider, the new policy may also contain such a rider except that, 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 rider will be subject to receipt of evidence of insurability satisfactory to the Company.

**Special Option:** If the option on the first Option Date is not exercised for the full Option Amount, the Company will, unless directed otherwise in writing by the Owner, automatically continue to charge the proportionate Monthly Charge for that portion of the original Option Amount remaining, and extend the corresponding Option Date for one year. The provisions of this rider will then apply to this new Option Amount and Date. Similarly, should any portion of the new Option Amount be remaining after the new Option Date, the Option Date will be extended on a year-by-year basis as described above for the portions of the Option Amount remaining, but not beyond 5 years from the original Option Date.

This provision will automatically terminate at any time the portion of the original Option Amount remaining becomes less than the minimum policy amount then required by the Company.

**Benefit Charge:** The Monthly Charge for each Option Amount is specified and is payable to the applicable Option Date shown on the Coverage Specifications page.

**Termination:** This rider will terminate on the earliest of the following dates:

- a) the last Option Date under this rider;
- b) the date this policy lapses or otherwise terminates; and
- c) the date on which all Insurance Coverages, applicable to the Life Insured covered under this rider, are terminated.

## 10/20 YEAR TERM

(available on single life plans only)

SAMPLE

## Term Life Insurance Rider

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*The Policy terms, conditions and provisions apply to this Term Life Insurance Rider, unless amended by the provisions in these Rider pages.*

<b>Life Insured:</b>	is the person whose life is insured under the provisions of this Term Life Insurance Rider and is named on the Coverage Specifications page(s).
<b>Benefit Provision:</b>	Provided that this Term Life Insurance Rider ("Rider") and the Policy to which this Rider is attached are in force on the Death of the Life Insured, Equitable Life will pay to the Beneficiary the amount of Term Life Insurance Rider Death Benefit (the "Death Benefit") applicable to the Life Insured as shown on the Coverage Specifications page(s).
<b>Beneficiary (ies):</b>	Equitable Life will pay the Death Benefit to the Beneficiary (ies) under the Beneficiary designation in effect at the date of the Life Insured's death. While this Rider is in force the Owner may choose to designate in writing to us a change in Beneficiary (ies) to receive the Death Benefit if that change is allowed under laws that apply. If no Beneficiary is designated or surviving at the time of the Life Insured's death, any amount payable as a result of the Life Insured's death will be payable to the Owner, if living, or otherwise to the Owner's estate.
<b>Death Claim:</b>	<p>In the event of a claim due to the Life Insured's Death, Equitable Life will require the following before paying the Death Benefit:</p> <ul style="list-style-type: none"> <li>(a) the Policy;</li> <li>(b) satisfactory proof of death;</li> <li>(c) date of birth of the Life Insured; and</li> <li>(d) name and age of the Beneficiary.</li> </ul>
<b>Effective Date:</b>	<p>This Rider takes effect on the Effective Date shown on the Coverage Specifications page(s) of the Policy to which this Rider is attached, provided that:</p> <ul style="list-style-type: none"> <li>a) the full amount of the first Premium has been paid to the Company, and</li> <li>b) no change has taken place in the insurability of any of the Lives Insured under this policy between the date the application was completed and the date specified in the insurance legislation that applies.</li> </ul>
<b>Expiry Date:</b>	The Expiry Date of this Rider is shown on the Coverage Specifications page(s) of the Policy, which is the policy anniversary nearest the Life Insured's attained age 85 at which time this Rider, the Death Benefit and all other benefits provided by the Rider shall terminate.
<b>Premium:</b>	The Monthly Charges for this Rider are specified in the Table of Charges of the Policy to which this Rider is attached.
<b>Premium Tax:</b>	The premiums shown in the Premium Schedule include a provision for premium tax.
<b>Suicide:</b>	If the Life Insured dies by suicide while sane or insane, within two years after the effective date or reinstatement date of this rider, the liability of Equitable Life shall be limited to any amounts paid to Equitable Life for this rider.
<b>Misstatement of Age:</b>	If the date of birth of the Life Insured has been misstated, the amount payable under this rider due to death of the Life Insured will be the amount that the premiums would have purchased had the premiums been calculated based on the correct age.
<b>Limitation Period:</b>	Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the Insurance Act or other applicable legislation.

**Term Life Insurance Rider – continued**

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**CLASS OF RISK**

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**Classification of Risk:** Equitable Life evaluates insured persons into different “Classes of Risk” based on insurance risk. These Classes of Risk are used to determine the Premium rates applicable to each Life Insured based on the amount of insurance coverage.

Each Class of Risk currently available for this Rider takes into consideration anticipated health and insurability of the proposed Life Insured(s) based on mortality risk (refers to the incidence of death) and Lifestyle. Lifestyle Classification risk factors include more specific aspects of your family’s health history, tobacco usage, health, lifestyle, and other information as deemed pertinent by the Company, in conjunction with the type and amount of insurance coverage being applied for.

The applicable Class of Risk is determined at the Effective Date of this policy and is shown on the Description of Benefits page(s) of this policy.

These classes indicate the Premium rates set by Equitable Life for a Standard Classification for the type and amount of insurance coverage provided. A standard or normal mortality risk assessment is 100%. A Class of Risk greater than 100% indicates a higher mortality risk. The Class of Risk will affect the Premium rates.

The Class of Risk and Lifestyle classification of this rider may be different than the classes for the Base policy or for any other rider or benefit.

**Premium and**

**Changes to Classification:** In addition to the Classifications of risk, Equitable Life uses sex, age and the type and amount of insurance coverage applied for in determining the Premium rates. The Death Benefit amount and the Class of Risk are shown on the Description of Benefits page(s) of your policy. The Premium is shown on the Premium Schedule page(s) of your policy.

If you request any amendment to your policy, including an improvement of the risk classification of any coverage, such request is subject to our consent and will be based on the administrative rules in effect at that time.

**Automatic Coverage****Continuation Provision:**

If the base policy to which this Rider is attached ends, and this Rider is in force at that time, we will continue the coverage provided under this Rider until the earlier of the expiry date for this coverage, or until you ask us to terminate the coverage. The premiums for the continuation of coverage may increase and you may be able to request additional riders to be added, based on the administrative rules in effect at that time.

**Separate Term Life**

**Insurance Policy Option:** At any time, you may request that the Insurance Coverage applicable to a Life Insured under this Rider be cancelled and a separate policy be issued on that Life Insured. This option will be based on the administrative rules in effect at that time.

**Conversion Option:**

At any time prior to the Policy Anniversary nearest the Life Insured's 71<sup>st</sup> birthday and while this Rider and the Policy to which it is attached are in force, the Rider may be converted without evidence of insurability, to any permanent life insurance product issued by Equitable Life at that time, based on the administrative rules in effect at that time. The converted policy will be at the then published rates at the attained age of the Life Insured applicable to the converted policy, at the same class of risk and status as shown in the Coverage Specifications page(s) of the Policy. Upon conversion this Rider will terminate.

The completed application for conversion must satisfy any other requirements we may deem necessary for compliance with the provisions of the policy and any applicable laws.

You may convert the Insurance Coverage of the Term Insurance rider, provided that the election of a dividend option or death benefit option on the new policy does not increase the Insurance Coverage amount. If such dividend option or death benefit option is elected, the coverage amount will be subject to the consent of the Company and may be subject to evidence of insurability. The amount of insurance coverage on the permanent product must not exceed the original amount of insurance being converted and must meet the minimum and maximums then required for the amount of insurance coverage, premiums and age by the Company for the product selected. The Life Insured's Class of Risk and Premium rates applicable to any portion of this policy that is not converted may change due to the minimum amount of insurance coverage required to be eligible for certain risk classification and Death Benefits.

**Risk Classification****Conversion prior to 10<sup>th</sup> coverage anniversary****Conversions after 10<sup>th</sup> coverage anniversary or to products without preferred risk classifications**

Preferred

Similar preferred risk classification, as determined by us

Non-preferred risk classification, as determined by us

Non-preferred

Non-preferred risk classification, as determined by us

Non-preferred risk classification, as determined by us

The premium required for the converted insurance coverage will be based on our then current premium or cost of insurance rates for the product and insurance amount requested using the Life Insured's sex and attained Age at the date of conversion, with the appropriate Class of Risk established under this Term Conversion option.

Any change to class of risk or status requested by the Owner on conversion will be subject to providing satisfactory evidence of qualification for the requested change to Equitable Life.

If the Policy has Disability Waiver of Premium Rider attached to it, the converted policy may contain a Disability Waiver of Premium provision, without evidence of insurability, provided

- the Life Insured is not currently disabled, and
- the Life Insured has not had premiums waived under the Policy during the twelve (12) months prior to conversion.

If the Policy did not have a Disability Waiver of Premium Rider, then evidence of insurability satisfactory to Equitable Life will be required to include a Disability Waiver of Premium Rider on the converted policy.

If an Insurance Coverage(s) contains any total disability provision and the Life Insured is disabled prior to the Policy Anniversary nearest the Life Insured's 60<sup>th</sup> birthday and the disability continues to the Policy Anniversary nearest the Life Insured's 65<sup>th</sup> birthday, conversion not previously having been requested, the Insurance Coverage(s) will be automatically converted to a permanent life insurance product as determined by us and subject to our then current administrative rules and practices and the premiums for the new policy will be waived while the disability continues.

If the Conversion Option is elected while premiums are being waived under the Waiver of Premium Rider, premiums will become payable under the converted policy.

**Partial Conversion Option:**

You may elect to partially exercise the Conversion Option with conversion to a new policy with an amount of insurance less than the maximum permitted by the Conversion Option. At that time, the Owner may elect to continue this Rider, for the reduced amount, subject to that reduced amount not being less than the minimum required for this Rider. This is provided that the death benefit amount payable under this Rider together with the benefit amount payable under the new policy, is not greater on death or disability of the Life Insured than what would have been payable by us had the partial conversion not take place.

The Life Insured's Risk Classification, Lifestyle Classification and Cost of Insurance rates for this rider may also change, as determined by us, depending on our minimum amount rules for the remaining amount of this rider.

Upon partial conversion future premiums and benefits associated with this reduced Rider will be determined based on the reduced amount.

The terms and conditions of the Conversion Option and Partial Conversion Option will continue to apply to this reduced Rider.

**10 Year Renewable and Convertible Term Exchange Option:**

If you have a 10 Year Renewable and Convertible Term rider you have the option, while this rider is in force, to exchange this rider for a 20 Year Renewable and Convertible Term Insurance Rider without evidence of insurability, based on the administrative rules in effect at that time..

This option is available beginning on the first anniversary of the Effective Date of the Insurance Coverage shown in the Description of Benefit(s) pages and ending on the earlier of the 5<sup>th</sup> anniversary and the anniversary nearest the Life Insured's 65<sup>th</sup> birthday, at which time this option expires.

The completed application for exchange must satisfy any other requirements we may deem necessary for compliance with the provisions of the policy and any applicable laws.

You may exchange the full amount of the 10 Year Renewable and Convertible Term Insurance, or a portion of it, subject to our consent and the minimum amount of insurance required at the time. The amount of the 20 Year Renewable and Convertible Term Insurance Rider cannot exceed the Insurance Coverage amount for the 10 Year Renewable and Convertible Term Insurance Rider and must not be less than the minimum required.

Any increases to the amount of Insurance Coverage would be subject to satisfactory evidence of insurability and based on the administrative rules in effect at that time.

The premium required for the exchanged 20 Year Renewable and Convertible Term Insurance Rider will be based on our then current 20 Year Renewable and Convertible Term rates and the Insurance Coverage amount requested using the Life Insured's sex and attained Age at the date of exchange. A similar class of risk will apply, as determined by us, as the original 10 Year Renewable and Convertible Term Insurance Rider being exchanged, subject to our then current administrative rules and practices. The Effective Date of the 20 Year Renewable and Convertible Term Insurance Rider will be the date of exchange.

The 10 Year Renewable and Convertible Term Insurance Rider cannot be exchanged if premiums are being waived under the Disability Waiver of Premium provision and the exchange option cannot be extended if it expires during the period premiums are being waived under the Disability Waiver of Premium Provision.

Any evidence of the Life Insured's health and insurability, which formed part of the Contract on or before the date of exchange, will be deemed to form part of the Contract under which the exchanged 20 year Renewable and Convertible Insurance Coverage is provided.

If there is any exclusion that is applicable to the 10 Year Renewable and Convertible Term Rider, a similar exclusion will apply to the exchanged 20 Year Renewable and Convertible Term Rider, along with any limitations to our liability regularly included for the type, amount, and Risk Classification of the exchanged coverage then issued.

**Reinstatement:**

a) If your Renewable and Convertible Term insurance policy lapses at the end of the Grace Period because a premium due at the beginning of the Grace Period was not paid, the policy may be reinstated by payment of the overdue premium within a further period of thirty (30) days after the end of the Grace Period, but only if the person whose life was insured under the policy is alive at the time payment is made.

b) If your Renewable and Convertible Term insurance policy lapses and it is not reinstated under subsection (a), the policy may be reinstated within two (2) years of its lapse upon written application by you and submission of evidence of insurability (according to the then current underwriting guidelines as determined by Equitable Life) pertaining to the Life Insured(s) (based on attained age) that is satisfactory to Equitable Life.

The reinstatement of this policy must be accompanied by the payment of an amount equal to the sum of the following:

- (i) the Premiums that would have been required to maintain the policy in force from the date of lapse to the date of reinstatement; plus
- (ii) interest due on the above amount.

These amounts will be determined by Equitable Life at the time of request for reinstatement.

The rate of interest to be charged above will be determined by Equitable Life, but will not exceed that permitted under current legislation.

**Termination:**

This Rider and all benefits associated with it terminate on the earliest of:

- (a) the expiry date of this Rider,
- (b) the date the Policy lapses,
- (c) the date of termination of the Policy,
- (d) the date of death of the Life Insured, or
- (e) the effective date of the separate Term Life Insurance policy or converted policy.

**Cancellation:**

You may cancel this Rider at any time, by providing notice to the Company. Upon the date of receipt of your notice, the Premiums applicable to this Rider shall cease, and this Rider, the Death Benefit and all other benefits provided by it shall terminate.



SAMPLE

## **Waiver Of Monthly Charges Rider**

**Benefit:** This rider provides benefits only on the Life Insured shown under this rider on the Coverage Specifications page.

In this rider, "he" and "his" are used to refer to either sex.

If, while this policy and rider are in force, proof is submitted that, before the Expiry Date of this provision, the Life Insured covered under this rider has become totally disabled and has been so disabled continuously for a period of not less than six consecutive months, the Company will waive the payment of each Monthly Charge falling due under this policy after the commencement, and during the continuance, of such total disability; provided, however, that no Monthly Charge which fell due more than twelve months prior to the receipt of written notice of claim at the Head Office of the Company will be waived.

**Benefit Charge:** The Monthly Charge for this benefit is specified and is payable for the period shown on the Coverage Specifications page.

**Total Disability:** Total disability and totally disabled mean a state of incapacity caused by disease or bodily injury, such that the Life Insured covered under this rider is unable to perform each and every duty pertaining to his regular occupation, or if he has no regular occupation, to engage in any gainful occupation for which he is reasonably fitted by education, training or experience.

After 24 months of any one continuous period of such disability, total disability and totally disabled means the complete inability of the Life Insured covered under this rider, due to disease or bodily injury, to engage in any gainful occupation for which he is reasonably fitted by education, training or experience.

Total disability will not exist while the Life Insured is engaged in any gainful occupation.

**Misstatement of Age:** The Company reserves the right to require satisfactory proof of the date of birth of the Life Insured covered under this rider before granting any benefits. If, on the effective date of this rider, the Life Insured was over age 55, nearest birthday, the liability of the Company under this rider will be limited to any charges made for this rider since such date.

**Notice and Proof of Claim:** Written notice of claim must be received at the Head Office of the Company:

- a) during the lifetime of the Life Insured covered under this rider;
  - b) prior to the expiration of twelve months after the Expiry Date of this provision; and
  - c) during the continuance of total disability;
- otherwise the claim will be invalid.

Due proof that the Life Insured has become totally disabled must be received at the Head Office of the Company within 3 months after receipt of written notice of claim hereunder; otherwise written notice of claim will, for the purpose of determining commencement of liability hereunder, be deemed to have been received on the date on which the said due proof of disability was received at the Head Office of the Company.

**Proof of Continuance of Total Disability:** Both before and after approval of any claim hereunder, the Company may from time to time demand proof of the continuance of total disability and, if such proof is not provided, the Life Insured will be conclusively deemed to have ceased to be totally disabled within the meaning hereof prior to the date upon which such demand was made. The Company reserves the right to have the Life Insured examined at any time by a medical examiner appointed by the Company.

**Recurrence of Total Disability:** If, following a period of total disability, the Life Insured no longer qualifies for benefits under this rider, any subsequent disability commencing while this rider is in force resulting from, or contributed to by, the same cause or causes will be considered to be a continuation of the previous disability if the period of non-qualification is less than 6 months and will be considered to be a new period of disability if the period of non-qualification is 6 months or longer.

**Risks Not Assumed:** The benefits under this rider will not be granted if the disability of the Life Insured resulted either directly or indirectly from:

- a) self-inflicted injuries, while sane or insane;
- b) war, or any act incident to war, whether declared or not, or any conflict between the armed services of countries or international organizations; or
- c) service in the armed forces of any country which is in a state of war, whether war be declared or not.

**Termination:** This rider will terminate on the earliest of the following dates:

- a) the Expiry Date of this provision, unless the Life Insured covered under this rider is then totally disabled, in which event notice and proof of claim, if not previously provided, must be received at the Head Office of the Company within twelve months thereafter, otherwise the claim will be invalid;
- b) the date this policy lapses or otherwise terminates; and
- c) the date on which all Insurance Coverages, applicable to the Life Insured covered under this rider, are terminated.