



Insurance | Investments | Group Benefits

A closer look at life insurance

Equitable® offers term life, participating whole life, and universal life insurance coverage.

This chart takes a closer look at our life insurance options and highlights some of the key differences between these solutions.

	Term life	Participating whole life	Universal life
What is it?	<ul style="list-style-type: none"> Insurance protection only without any savings or cash value. Life insurance protection with a pre-set expiry date after which the insurance terminates. No cash values. 	<ul style="list-style-type: none"> Life insurance with a cash value component. Permanent life insurance protection with no expiry date. Offers stable tax-advantaged investment growth to help build cash value. 	<ul style="list-style-type: none"> Insurance protection with the option for savings. Permanent life insurance protection with no expiry date. Opportunity for maximum tax-advantaged growth¹ within the policy and access to available cash value. For details about cash value withdrawals, refer to the Equitable Generations universal life admin guide.

¹ Subject to the Income Tax Act (Canada).

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What does it provide?	<ul style="list-style-type: none"> Affordable insurance for a specified time. 	<ul style="list-style-type: none"> Lifetime protection with guaranteed premiums, death benefit and cash values. Hands-off, stable, tax-advantaged investment growth managed by the Asset Management Division at Equitable. Participating whole life insurance policyholders are eligible to participate in the earnings of the participating account through dividend payments.² 	<ul style="list-style-type: none"> Lifetime protection with flexible premiums and guaranteed cost of insurance rates. Opportunity to maximize the tax-advantaged savings³ within the policy with a hands-on approach for those individuals who prefer to select and manage their own investments.
What are some needs that it can meet for clients?	<ul style="list-style-type: none"> Death benefit or cash value may help clients: <ul style="list-style-type: none"> Pay off mortgage or other debts. Replace income. Fund buy-sell agreements Provide creditor and key person protection for business. Protection for the lowest cost. Protection for a specified time. Conversion options provide flexibility for lifetime protection. 	<ul style="list-style-type: none"> Death benefit or cash value may help clients: <ul style="list-style-type: none"> Pay off mortgage or other debts. Replace income. Fund agreements, creditor, and key person protection for business. An option to accumulate tax-advantaged savings⁴. Create an inheritance for heirs or a favourite charity. Preserve an inheritance by helping to cover any tax burden that occurs at death. 	<ul style="list-style-type: none"> Death benefit or cash value may help clients: <ul style="list-style-type: none"> Pay off mortgage or other debts. Replace income. Fund agreements, creditor, and key person protection for business. An option to accumulate tax-advantaged savings⁵. Create an inheritance for heirs or a favourite charity. Preserve an inheritance by helping to cover any tax burden that occurs at death.

² Dividends are not guaranteed. They could change and be different based on how well the investments do, how many claims are made, and other factors. Dividends are paid at the sole discretion of the Board of Directors. They have the potential to increase the value of your client's policy above the guaranteed amount, depending on the dividend option selected. There are five dividend options to choose from.

³ Subject to the Income Tax Act (Canada).

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What are the plans offered by Equitable?	<ul style="list-style-type: none"> • Three different Equitable Term life options: <ol style="list-style-type: none"> 1. 10 year renewable and convertible term - Lowest initial cost with 10 years of level premium. After the initial term, it renews every year and premiums increase gradually at renewal. Coverage is available until age 85. 2. 20 year renewable and convertible term - Longer initial term with 20 years of level premium. After the initial term, it renews every year and premiums increase gradually at renewal. Coverage is available until age 85. 3. Term 30/65 – Highest initial cost but lowest overall cost because of the longer term of level premium. No renewal. Premiums remain level until coverage expires (the later of 30 years or age 65). • Term 10, Term 20, and Term 30/65 are available as riders on the life insured under a single life participating whole life policy and universal life plan (adult policies only). • Term 10 and Term 20 available as riders on critical illness insurance policies (adult policies only). • Additional riders and benefits are available to customize the plan including critical illness insurance to help cover both life and health needs. 	<ul style="list-style-type: none"> • Equimax® participating whole life – has two plan types to meet clients’ short and long-term goals: <ul style="list-style-type: none"> – Equimax Estate Builder® offers higher long-term value. Ideal for estate planning and offsetting tax burdens that occur at death. Offered with 10 pay, 20 pay and life pay premium options. – Equimax Wealth Accumulator® offers higher early cash values within the first 20 years. Ideal for building wealth that can be accessed for things like business needs or to help supplement retirement income. Offered with 10 pay, 20 pay and life pay premium options. • Additional riders and benefits are available to customize the plan including critical illness insurance to help cover both life and health needs. 	<ul style="list-style-type: none"> • Equitable Generations universal life – permanent life insurance coverage with a choice of death benefit and cost of insurance type. • Clients can choose from a variety of investment options to maximize the tax-advantaged growth⁶ available within the policy. • Additional riders and benefits are available to customize the plan including critical illness insurance to help cover both life and health needs.

⁶ Subject to the Income Tax Act (Canada).

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How do the premiums compare?	<ul style="list-style-type: none"> Usually the lowest initial premium compared to permanent life insurance premiums. Premiums are guaranteed at time of issue for both the initial level period and the yearly renewal premiums thereafter. 	<ul style="list-style-type: none"> Higher premiums than term life insurance, but participating whole life insurance policyholders are eligible to participate in the earnings of the participating account through dividend payments.⁷ Depending on the dividend option selected, dividends can be used to reduce the premium payable.⁸ 	<ul style="list-style-type: none"> The minimum premium (which covers the initial monthly charges and premium tax) is initially higher than term life and less than whole life. Universal life generally offers the most flexibility to make additional deposits⁹ in order to maximize the cash value accumulated within the plan.
Are premiums guaranteed?	<ul style="list-style-type: none"> Yes. 	<ul style="list-style-type: none"> Yes. 	<ul style="list-style-type: none"> While the rates used to calculate the monthly charges are guaranteed, the policy owner can pay any amount they choose. For the policy to remain in effect there must be enough value in the policy to cover the monthly charges that apply.

⁷ Dividends are not guaranteed. They could change and be different based on how well the investments do, how many claims are made, and other factors. Dividends are paid at the sole discretion of the Board of Directors. They have the potential to increase the value of your client's policy above the guaranteed amount, depending on the dividend option selected. There are five dividend options to choose from.

⁸ If premium offset is illustrated, a decrease in the life insurance dividend scale will affect the illustrated values and (a) may delay the premium offset point and require clients to pay premiums for longer than illustrated; or (b) require clients to resume paying premiums for a period of time if their policy has been on premium offset.

⁹ An exempt test is processed annually to determine the maximum premium that you can pay into your policy and maintain its tax exempt status as per the Income Tax Act (Canada). Premium deposits or growth that exceed the annual tax-exempt limit will be moved to the shuttle account. In the shuttle account, any interest earned will be taxable.

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Is the premium amount flexible?	<ul style="list-style-type: none"> No. Required premiums must be paid. 	<ul style="list-style-type: none"> No. Required premiums must be paid. Automatic premium loan is available to cover any missed premium payments. Use of this feature will result in indebtedness under the policy. If clients select on deposit, paid-up additions or enhanced protection as their dividend option, their policy will accumulate cash value from dividends. At some point in the future, they may be able to stop paying premiums for their policy. This is called the premium offset point. This is not automatic and the policy must qualify at the time of request. To qualify, the future dividends plus the cash value from dividends within the policy must be sufficient to pay all future premiums. A decrease in the dividend scale could: <ul style="list-style-type: none"> Delay the premium offset point and require clients to pay premiums for longer than previously illustrated. Require clients to resume paying premiums for a period of time if their policy has been on premium offset. Additional deposits can be made to increase the tax-advantaged growth in the policy. Limits apply to the deposits to ensure the policy remains tax-exempt. 	<ul style="list-style-type: none"> Yes. The policy owner has the flexibility to increase, decrease or stop paying premiums for a period of time. The maximum premium allowed is subject to provisions in the Income Tax Act (Canada). If premium payments are not sufficient to cover the monthly charges for the policy, they will be paid from the policy account value. This will affect the cash value and death benefit and may even cause the policy to lapse.

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Is the cash value guaranteed?	<ul style="list-style-type: none"> There is no cash value. 	<ul style="list-style-type: none"> Yes. A portion of the total cash value is guaranteed. There may also be cash value generated from dividends. This portion of the cash value is dependent on the dividend option selected and the dividend scale.¹⁰ A change in the dividend scale can affect the policy, particularly if a client selects the paid-up additions or enhanced protection dividend options in which they are relying on dividends to increase the cash value or the death benefit of the policy. The guaranteed cash value is not available for cash withdrawals. The cash value of the policy is accessible through a withdrawal, policy loan or policy surrender. Cash withdrawals are not available with paid-in-cash and premium reduction dividend options. Accessing the cash value in the policy may be subject to taxation and a tax reporting slip may be issued. 	<ul style="list-style-type: none"> No. The value of the policy is entirely dependent on the amount the policy owner deposits and the performance of the investment interest accounts selected by the policy owner.

¹⁰ Dividends are not guaranteed. They could change and be different based on how well the investments do, how many claims are made, and other factors. Dividends are paid at the sole discretion of the Board of Directors. They have the potential to increase the value of your client's policy above the guaranteed amount, depending on the dividend option selected. There are five dividend options to choose from.

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How is the savings component affected by market volatility?	<ul style="list-style-type: none"> There is no savings component. 	<ul style="list-style-type: none"> Guaranteed cash value is not affected by market volatility. A change in the dividend scale can affect the policy, particularly if clients selected the paid-up additions or enhanced protection dividend options in which they are relying on dividends to increase the cash value or the death benefit of the policy.¹¹ Premiums above what are required to pay current benefits and expenses are invested in the participating account. Investment assets in the participating account are managed internally by the Asset Management Division within Equitable to meet the product guarantees and provide long-term income and growth to support the dividend scale. The policy owner will never experience a negative dividend and once credited, dividends can never be taken away. 	<ul style="list-style-type: none"> Since the investment options are selected by the policy owner, they assume the risk of market volatility if they select anything other than guaranteed investments. Interest credited on the daily interest account (DIA) and the guaranteed deposit account (GDA)¹² will never be negative. Performance for the linked interest option accounts is not guaranteed. It may be positive or negative depending on the performance of the underlying fund or index being tracked. Poor performance of the investment options selected could result in negative growth in the policy and require additional deposits over and above what was originally projected.

Questions? Contact your Equitable wholesaler for any additional information.

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¹² Equitable reserves the right to change or discontinue guaranteed deposit account terms available at any time.

Notes: For full product details, please refer to the respective product Advisor Guides found on the product pages on EquiNet®. Equitable has made every effort to make sure what is covered in this guide is correct. However, the policy contract governs in all cases. This information does not count as legal, tax, investment or other expert advice. This information is intended for advisor use only.