

# GIVE THE GIFT OF INSURABILITY

## WITH EQUITABLE LIFE'S FLEXIBLE GUARANTEED INSURABILITY OPTION RIDER

We all want the best for our children and grandchildren, today and in the future.  
We do our best to protect them, but life happens.

Illness and lifestyle choices can affect their ability to qualify for life insurance as adults, when they start having children of their own and want to ensure their family's financial security. Protect their future insurability with the flexible guaranteed insurability option.

### GIVE THEM A HEAD START WITH EQUIMAX® PARTICIPATING WHOLE LIFE INSURANCE

Insuring them is easy and affordable when they are young and healthy. With Equimax Estate Builder® and the 20 pay premium option, they will benefit from a paid-up base plan that provides insurance protection at a time when their needs are high, but their discretionary income may not be. Plus, selecting paid-up additions as the dividend option<sup>1</sup>, the plan builds a valuable nest egg that they can access in the future through a cash withdrawal, policy loan or collateral loan.<sup>2</sup>

### PROTECT THEIR FUTURE INSURABILITY WITH FLEXIBLE GUARANTEED INSURABILITY OPTION

This rider can be added to the Equimax base insurance policy. It guarantees their right to purchase, without evidence of insurability, up to \$500,000 of additional insurance at specified dates in the future. Those dates can correspond with major life events that increase their need for insurance protection: getting married...buying a home...starting a family...even opening a business.

### HOW DOES IT WORK?

- Add flexible guaranteed insurability option to an Equimax insurance policy for a child age 0 – 17 inclusive (on standard rating only).
- Select up to 5 option dates and amounts:
  - The first option date must be at age 21, with the remaining option dates taken between age 25 and 45 inclusive and at least 2 years apart.
  - Amounts can differ for each option and must be between \$25,000 and \$250,000. The total of all flexible guaranteed insurability options cannot exceed \$500,000.
  - Each option is treated separately and has its own premium charge. The premium terminates on the option date.

### FOR ADVISOR USE ONLY

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<sup>1</sup>Dividends are not guaranteed and are paid at the sole discretion of the Board of Directors. Dividends may be subject to taxation. Dividends will vary based on the actual investment returns in the Participating account as well as mortality, expenses, lapse, claims experiences, taxes, and other experience of the participating block of policies.

<sup>2</sup>Cash withdrawals and policy loans may be subject to taxation; a tax reporting slip may be issued.



# CASE STUDY

EQUIMAX ESTATE BUILDER® 20 PAY PARTICIPATING WHOLE LIFE WITH FLEXIBLE GUARANTEED INSURABILITY OPTION

THE SITUATION:	THE NEED:
<ul style="list-style-type: none"> <li>• Carol, proud grandmother of Natalie (2) and Jack (1)</li> <li>• \$100 a month to spend on insurance protection for each grandchild</li> </ul>	<ul style="list-style-type: none"> <li>• Providing for her grandchildren's future financial security.</li> <li>• Guaranteeing their right to purchase additional insurance in the future, regardless of health or lifestyle choices that may affect their insurability.</li> </ul>

## THE SOLUTION:

Two Equimax Estate Builder 20 pay whole life insurance plans with paid-up additions as the dividend option<sup>1</sup> and three flexible guaranteed insurability options: \$125,000 at age 21; \$125,000 at age 25 and \$250,000 at age 30.

	Guaranteed cash values		Total cash values		Total death benefit	
	Natalie	Jack	Natalie	Jack	Natalie	Jack
At issue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 80,098 <sup>3</sup>	\$ 75,770 <sup>3</sup>
Age 20	\$ 10,413	\$ 11,441	\$ 18,983	\$ 21,191	\$153,983	\$145,410
Age 30	\$ 14,338	\$ 15,457	\$ 39,390	\$ 42,676	\$232,854	\$216,802
Age 65	\$ 42,452	\$ 43,644	\$325,419	\$ 340,242	\$648,305	\$603,526

<sup>3</sup> The initial face amounts were determined by setting up the illustration with the desired plan and rider information, then determining the Face Amount \$100 per month will purchase. The above values are for illustration purposes only. Life insurance rates illustrated are effective August 12, 2023 and based on the current dividend scale as of the rates effective date remaining unchanged for the life of the policy. Actual values may vary. Two alternate dividend scale assumption reports are available to show clients how a current dividend scale interest rate reduction of 1% or 2% can affect the total cash values and total death benefit values illustrated.

Flexible guaranteed insurability option gives clients the opportunity to purchase additional insurance to protect their family's financial security, replace their income, cover personal or business debts, pay off a mortgage or fund their children's education.

## THE FUTURE:

### At policy year 20:

- Base plans are now paid up. The only premiums owing are for the remaining flexible guaranteed insurability options and any additional insurance policies they purchase.
- Ownership can be transferred to Natalie and Jack, creating a foundation for their financial plans.

### At age 21, 25 and 30:

- Upon reaching these milestones, they can purchase additional insurance without evidence of insurability.

### At age 65:

- If the cash surrender value of their policies are large enough to meet the bank's loan qualification requirements, Natalie and Jack may apply for a bank loan using the policy as collateral. The funds can supplement their retirement income with tax-free dollars.

**Flexible guaranteed insurability option...the gift that keeps on giving!**

Questions? Contact your Equitable Life Regional Sales Manager.