

What's New

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[version française](#)

Disability Benefit Disbursement

It's back... and it's better! Equitable Life® is reintroducing the Disability Benefit Disbursement on Equation Generation® IV Universal Life.

If the life insured becomes disabled from a mental or physical impairment as defined in the policy contract, the policy owner may be eligible for a lump sum payout for up to 100% of the policy's cash surrender value¹; this includes any amounts in the shuttle account and includes any surrender charges or market value adjustments that may apply. The disability benefit disbursement provides access to, tax free² funds to be used however the policy owner chooses. Any disbursements will reduce the policy account value, and depending on the death benefit option chosen will reduce the sum insured (Level Protector) or the death benefit (Account Value Protector).

The disability benefit disbursement is available with single life, joint first to die and joint last to die coverage.

To qualify, evidence in writing from a qualified Canadian medical practitioner must be provided at the owners' expense. The benefit covers disabilities causing severe physical or mental impairment that have existed for a period of at least 90 days and have arisen from a comprehensive list of critical conditions. The policy must be in effect for the benefit to be paid. Payment of the disability benefit disbursement will be subject to our administrative rules and guidelines in effect at the time the disbursement is made.

It is important that your clients understand that if the life insured qualifies for the disability benefit disbursement and the disability waiver of charges rider was not purchased on the disabled life insured, they may need to continue to make premium payments to keep the policy in effect. In addition, if your client chooses to take the maximum amount of cash surrender value from the policy there is a risk that the policy will lapse and coverage will terminate even if premiums have been paid. Charges for the policy are monthly regardless of the premium payment method selected and if there is not enough value remaining in the policy to cover those charges the policy will lapse and coverage will terminate.

The disability benefit disbursement may not be available if the policy has been assigned or has an irrevocable beneficiary

Please Note: There are no changes to the disability benefit disbursement provisions in policies issued prior to the new 100% cash surrender value and elimination of the 24 month requirement coming into effect. Please contact your Equitable Life Advisor Service team to determine which disability benefit disbursement provision applies to your clients policies.

¹ The maximum payment amount subject to our administrative rules and guidelines in effect at the time of the disbursement.

² Tax laws are subject to change.

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