

May 13, 2022

FOR ADVISOR USE ONLY

Dividend Notice

No change to dividend scale for 2022/2023

The Equitable Life Insurance Company of Canada is pleased to announce that its Board of Directors has approved continuing the current dividend scale for the period July 1, 2022 to June 30, 2023.

- The dividend scale interest rate* will remain unchanged at 6.05%.
- Other factors that are used to calculate the dividend scale will also remain unchanged.
- The interest rate for dividends left on deposit will remain unchanged at 2.25% for all participating whole life policies.
- The policy loan rate will remain unchanged at 6.2%. This applies to all new and existing policy loans, including automatic premium loans on Equimax® policies that have a 9-digit policy number beginning with a “3” or an “8”. The policy loan rates on some older blocks of policies may increase or decrease because they are tied to the prime interest rate.

*The dividend scale interest rate is not the same as the participating account rate of return in any given calendar year. The dividend scale interest rate smooths out the ups and downs experienced by the participating account.

Policyholder dividends in the next dividend scale year would be approximately \$102 million, compared to \$85 million in the prior dividend scale year.

The sustained low interest rate environment continues to put downward pressure on the experience in the participating account. If low interest rates continue, investment returns in the participating account will also be lower, and we may need to decrease the dividend scale in the future.

How are dividends calculated?

Premiums paid for participating whole life policies cover benefits and expenses, as well as a contribution to the company's surplus. The remainder flows into the participating account and is invested. The participating account is mainly impacted by returns earned on investments and by death benefits, but also other factors such as policy loans, terminated policies, taxes and expenses. Dividend calculations consider the difference between the assumed and actual experience of the participating account. That difference can have a positive or negative impact on the dividend paid.

It's important to keep in mind that dividends and their future performance are not guaranteed and that dividends are payable at the sole discretion of the Board of Directors.

The illustration your client received when they purchased their participating whole life policy was based on the dividend scale in effect at that time. It was neither a projection nor a prediction of future performance. The purpose of that illustration was to highlight that performance is based on both guaranteed and non-guaranteed values. It shows how the policy would perform if the dividend scale illustrated remained unchanged for the life of the policy. The illustration also includes sample alternate dividend scale scenarios to help highlight the potential impact a dividend scale interest rate change has on the non-guaranteed values in

the policy. It was not a prediction of the largest dividend scale change that could occur over the life of their policy.

For more information about Equitable Life's® [dividend policy](#), visit the [Dividend information page](#) on our corporate website.

Will there be an update to the Equitable Sales Illustrations® system?

No change will be made to the Equitable Sales Illustrations system at this time.

How will this information be communicated to policyholders?

Since there will be no change to the current dividend scale, notices will not be included in annual policy statements. However, a [Policyholder Dividend Notices](#) indicating that the current dividend scale will continue effective July 1, 2022 until June 30, 2023 will be available to clients on the Dividend information page of our corporate website under the Individuals Tab >> Already a client. You can also find a copy of the Policyholder Dividend Notice on EquiNet® on the [Whole Life Insurance product page](#) under the Resources tab.

Participating whole life policyholders may contact their advisor or Individual Customer Service for questions about the 2022/2023 dividend scale.

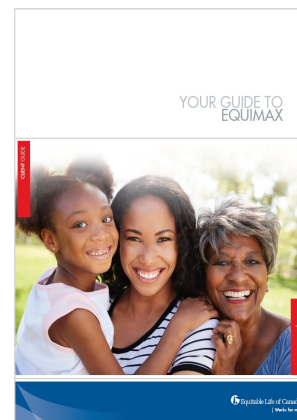
How can you help clients understand the impact of dividends?

Material is available to help your clients understand the impact of the dividend scale on their participating policies. You can find it on EquiNet on the [Whole Life Insurance](#) product page under the Marketing Materials tab.



[Understanding Participating Whole Life Insurance \(1038\)](#)

This client guide includes key financial facts about the management, performance and strength of Equitable Life's participating account, how dividends are calculated and how they impact the policy.



[Your Guide to Equimax \(1129\)](#)

This client guide provides an overview of Equimax, its options and features, how participating policies work, and the benefits of participating whole life insurance.

Questions? Who can you contact?

Western	Eastern
1.800.668.4095*	1.800.668.4095*
western-service@equitable.ca	eastern-service@equitable.ca
British Columbia	Ontario
Alberta	Quebec
Manitoba & Northwestern Ontario	Atlantic Canada
Saskatchewan	

*Monday to Friday, 8:30 a.m. – 7:30 p.m. ET

TOGETHER – Protecting Today – Preparing tomorrow™

We believe in the power of working together with independent financial advisors across Canada to offer individual insurance solutions so you can protect what matters today while preparing for tomorrow.

As a MUTUAL we provide financial security DIFFERENTLY by focusing exclusively on our CLIENTS.

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