

Dividend Notice

New dividend scale for July 1, 2023

The Equitable Life Insurance Company of Canada is pleased to announce that its Board of Directors has approved a change to the dividend scale for the period of July 1, 2023 to June 30, 2024.

- The dividend scale interest rate* will go from 6.05% to 6.25% on July 1, 2023.
- Other factors used to decide the dividend scale will stay the same.
- The interest rate for participating whole life insurance policies with dividends on deposit will stay the same at 2.25%.
- The policy loan interest rate will go from 6.20% to 6.50% on June 30, 2023. This will apply to all new or active policy loans and automatic premium loans. The change is for Equimax® policies that have a 9-digit policy number starting with “3” or “8”. Some older policies may have other policy loan rates as they are based on the prime interest rate.

*The dividend scale interest rate is different from the participating account rate of return. The participating account rate of return is the return on the investments over the calendar year. The dividend scale interest rate smooths out the ups and downs of the participating account experience.

Once the next dividend scale year starts, we expect policyholder dividends to be close to \$105 million until the end of June 2024.

How are dividends determined?

Premiums paid go into the participating account. The participating account is used to cover benefits, expenses, and the company’s contributions to its surplus account. The remaining cash in the account is then invested. Death benefits paid and investment returns earned are what mainly affect the participating account. However, it is also affected by policy loans, terminated policies, taxes, and expenses. Each year, we watch how the participating account performs. We look at the difference between the assumed and actual experience of the account. That difference can have a positive or negative effect on the dividend paid.

Dividends and their future performance 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. How much is paid will depend on the dividend scale.

When a client bought their participating whole life policy, they received an illustration that was based on the dividend scale at that time. It was not a projection or an estimate of future performance. It was meant to show that the performance is based on values that are guaranteed and those that aren’t. It shows how the policy would do if the

dividend scale stayed the same for the life of the policy. The illustration also includes examples of other dividend scale scenarios that can affect the non-guaranteed values in the policy. It is not meant to show the largest dividend scale change that could happen over the life of their policy.

To learn more, visit Equitable Life's [Dividend page](#) on our website. The page has information about the 2023/2024 dividend scale and Equitable Life's dividend policy.

Will there be updates to illustrated values?

We will be updating all our illustration tools by June 1, 2023. The update will include the new dividend scale. After June 1, you may access the updated versions of Web Illustrations, the Equitable Sales Illustrations® desktop system, and EZstart™ on our advisor site, EquiNet®.

EZcomplete®, our electronic application, also creates an illustration as part of the Equimax application process. This illustration is based on what is entered in the application. Illustrated values in EZcomplete will be updated with the new dividend scale by June 1, 2023.

What does this change mean to participating whole life clients?

Any dividends received before this change belong to the client and will not be affected in any way. Guaranteed cash values and guaranteed death benefits are also not affected by this change. The guaranteed values in the client's policy will continue to grow. To learn more, please see the "Table of Guaranteed Values" pages in the client's policy contract.

Policy values

The dividend scale change will affect non-guaranteed values. As a result, the future policy values on an illustration made today may be higher or lower than what was shown when the client purchased their policy.

How will this information be shared with policyholders?

Participating whole life clients will get [a notice of the dividend scale change](#) with their annual policy statement. You can find a copy of this notice on our [Dividend information](#) page. There, you will also find more details about dividends that you can share with clients.

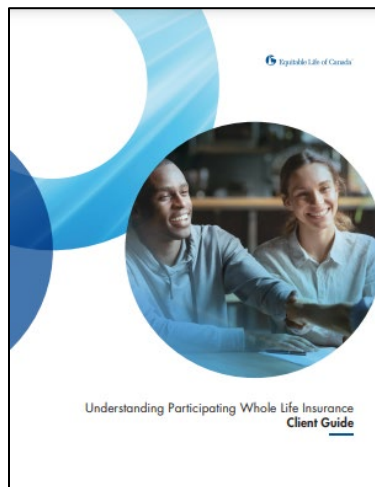
Clients with Equitable Client Access® will be sent their annual statement, the dividend scale notice, and inforce illustration (if applicable) to their secure inbox. The same information will be sent to your secure EquiNet inbox.

If clients have questions, they may contact their advisor. They may also reach out to Equitable Life® Individual Customer Service for:

- Questions about the 2023/2024 dividend scale.
- An illustration showing new cash values and death benefits based on the 2023/2024 dividend scale. This will show the dividend scale unchanged for the life of the policy.
- An illustration showing a new premium offset point based on the 2023/2024 dividend scale. This will show the dividend scale unchanged for the life of the policy.
- Details on what this change means for their policy.

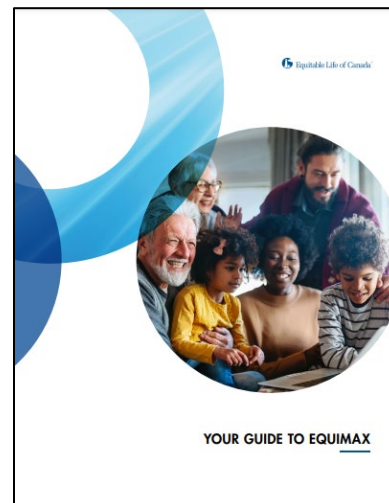
How can I help clients learn more about dividends?

Lots of great resources are available on EquiNet to help clients. We also have resources to describe how a dividend scale change affects a participating policy.



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

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



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

This client guide talks about Equimax. It explores options and features, how participating policies work, and the benefits of choosing whole life insurance.

Please visit Marketing Materials under the [Whole Life](#) page for these guides and more.

Need more information?

If you still have questions, please reach out to your Equitable Life Advisor Service Representative.

Phone: 1-800-668-4095

Western Canada

(BC, AB, SK, MB)

western-service@equitable.ca

Eastern Canada

(ON, QC, NB, NS, PE, NF)

eastern-service@equitable.ca

Monday to Friday

8:30 a.m. – 7:30 p.m. ET

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