



## Equimax

### Rent or Own

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<b>Client profile</b>	<ul style="list-style-type: none"> <li>Recognize and appreciate the need for life insurance to provide for their family or other dependents or transfer their assets to others after death (family, charitable giving).</li> <li>Middle market with the cash flow necessary to pay more than just the cost of insurance in order to fund accumulation within the plan.</li> <li>Want guaranteed premiums and cash value<sup>1</sup>.</li> <li>Have a lower risk tolerance and prefer a stable, hands-off investment option.</li> <li>Interested in putting a portion of their savings into an asset with lower volatility.</li> </ul>	
<b>Advisor profile</b>	<ul style="list-style-type: none"> <li>Believes in whole life insurance.</li> <li>Prefers hands-off investment management. Not comfortable recommending investments to clients especially in times of higher market volatility.</li> <li>Wealth-focused advisor looking for a simple concept to introduce insurance to clients.</li> <li>Wants an easy-to-understand concept that can help:             <ul style="list-style-type: none"> <li>convert more Equitable term insurance renewals to permanent insurance</li> <li>increase clients' premium commitment today by showing them how by "owning" whole life insurance (Equimax), they are investing in an asset that grows in value and avoids the volatile returns in the equity market.</li> </ul> </li> </ul>	
<b>Client attention grabbers</b>	<ul style="list-style-type: none"> <li>Like a home, there are 2 different ways to pay for life insurance: rent or own. When you "own" permanent insurance, like owning a house, each payment you make builds equity and value that you can access<sup>1</sup> if you need it. Use it to help cover planned or unexpected expenses, or even supplement your retirement income.</li> </ul>	
<b>Key features and benefits</b> (Equimax participating whole life insurance)	<b>Feature</b>	<b>Benefit</b>
	Guaranteed Cash Value and Death Benefit  An asset that increases in value	Peace of mind knowing the coverage and cash value is guaranteed.  Value accumulates within the plan on a tax-advantaged basis. This may provide greater benefit to your clients when compared to traditional non-registered interest-bearing savings vehicles that are taxed annually.

<sup>1</sup> The cash value of the policy may be accessible via a withdrawal (UL policy), policy loan (Equimax policy), collateral loan or policy surrender. May be subject to taxation and a tax reporting slip may be issued. Some restrictions and charges may apply.

Key features and benefits continued	Feature	Benefit
	Ability to access the cash value through a policy loan	<p>A policy loan allows your client to use the cash value in their Equimax policy as collateral to borrow money from Equitable Life. If the loan is granted, there will be outstanding debt against the policy.</p> <ul style="list-style-type: none"> <li>• The minimum loan amount that your client can apply for is currently \$500. Equitable Life sets the minimum and it is subject to change.</li> <li>• The maximum loan amount that your client can apply for is currently limited to 90% of the available cash value less any amounts already owing on the policy (outstanding indebtedness). Equitable Life sets the maximum and it is subject to change, however, it will never be greater than 90% of the available cash value less any outstanding indebtedness.</li> </ul> <p>If at any time the total indebtedness under the policy, including the accrued interest, exceeds the available cash value, the policy will lapse and the insurance coverage will terminate.</p>
	Returns that are guaranteed never to be negative	<p>Hands-off investment management. Never having to explain why your clients' investments lost money. Client satisfaction grows as they receive policy statements that never show a negative return. Satisfied clients are an excellent source of referrals.</p>
	Paid Up Additions (PUAs) Dividend Option plus Excelsator Deposit Option (EDO)	<p>PUAs can result in increases in both the death benefit and cash value over the life of the policy. Add to that additional deposits made through the Excelsator Deposit Option and clients can build substantial value they can access for emergencies, to supplement retirement income or leave as a tax-free payment to their beneficiaries.</p> <p>The cash value of the policy can also become a potential source of tax-free income when the policy is used in a <a href="#">collateral loan</a> arrangement. <a href="#">See Preferred Retirement Solution using whole life.</a></p>

Key features and benefits	Feature	Benefit
continued	Mutual company	<p>Equitable Life is proud to be one of Canada's largest mutual life insurance companies. We are owned by our participating policyholders, not shareholders. Participating policyholders elect our Board of Directors. As a mutual company, we are not driven by shareholder pressures for quarterly results. This allows us to focus on management strategies that foster prudent long-term growth, continuity and stability.</p> <p>Participating whole life policyholders are eligible to participate in the earnings in the participating account through dividend payments. 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 experience, taxes and other experience of the participating block of policies.</p>

<sup>2</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 experience, taxes and other experience of the participating block of policies.



Frequently asked questions	Questions	Answers
	Are dividends guaranteed?	<p>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 experience, taxes and other experience of the participating block of policies.</p> <p>Equitable Life has paid dividends every year since it started selling participating whole life in 1936. As well, dividends will never be negative and once credited, cannot be taken away.</p>
	Can clients make additional payments into a whole life policy above the required premium?	Yes, it's called Excelerator Deposit Option (EDO). The option allows clients to accelerate the tax-advantaged growth in their policy by making additional deposits above the required guaranteed premium. Those deposits buy paid-up insurance which may increase the total death benefit and total cash value of their policy.
	Can we guarantee that a policy will be paid up after a limited number of years?	Yes, by selecting the 20 Pay option, premiums for the base plan are guaranteed to be paid up in 20 years. Premiums for optional Riders and benefits may extend beyond 20 years.
	Why would I sell whole life when universal life offers more flexibility?	Equimax offers hands-off investment management in a diversified portfolio. It provides long-term growth and returns that will never be negative and once dividends are credited, they cannot be taken away. <sup>2</sup> With Universal Life, clients could experience negative returns which can erode the value of the policy.
	Why would I sell whole life when universal life costs less?	Equimax also offers more contractual guarantees than universal life due to its built-in guaranteed cash value. Even when paying the required guaranteed premium, there is expected growth due to the payment of dividends. <sup>2</sup> With the exception of advising clients on actions that may be required to their policy as a result of the impact of a decrease in the dividend scale, Equimax requires little or no management by an advisor.

Frequently asked questions continued	Questions	Answers
	Where is the money in the participating account invested?	<p>The amount of premium not required to pay for current benefits and expenses is invested in the participating (PAR) account to provide for future benefits.</p> <p>Refer to following to see how participating premiums are invested:</p> <ul style="list-style-type: none"> <li>• <a href="#">Understanding Participating Whole Life Insurance (1038)</a></li> <li>• <a href="#">Participating Account Quarterly Update (1360)</a></li> <li>• <a href="#">Participating Account Portfolio Assets and Allocations – Executive Summary (1828)</a></li> </ul>
	If I already sell a competitor's whole life product with similar price, cash value, death benefit and commission, why should I switch to Equitable Life's product?	<p>Many advisors prefer to deal with a successful mid-size company like Equitable Life because we take the time to personally understand your business needs and help develop solutions. Equitable Life Regional Sales Managers, located coast to coast, provide personalized sales support. They can help you increase sales and build your business.</p> <p>Equitable Life is not your typical financial services company. We have the knowledge, experience and ability to find solutions that work for you and your clients. We're friendly, caring and interested in helping. And when it comes to service, we like to provide the personal touch! That isn't just a promise, it's a reality.</p> <p>Being recognized for our service culture across all lines of business is a point of pride for a company that includes 'customer focus' as one of its three corporate values.</p> <p>In a 2019 survey of customers from 15 life insurance companies,* Equitable Life ranked #1 on the Net Promoter Score, a measure used across industries to gauge the loyalty of a firm's customer relationships.</p> <p><small>* LIMRA CxP Customer Experience Benchmarking Program, Life Insurance In-Force Experience</small></p>

Frequently asked questions continued	Questions	Answers
	Why Equitable Life?	<p>DBRS Morningstar upgraded the Financial Strength Rating and the Issuer Rating of Equitable Life to A (high) with Stable Trends. This upgrade to our rating is very positive and reflects our continued strong business performance as well as our strong LICAT ratio of 162% at the end of Q2 2020, which puts us in the top tier of Canadian life insurance companies.</p> <p>Also see <a href="#">5 reasons for doing business with Equitable Life (1271)</a></p>
Common obstacles from clients	Obstacles	Answers
	Permanent insurance is too expensive.	<p>Show clients that with permanent insurance like Equimax, a portion of every dollar they pay in premiums is actually more like savings. They shouldn't think of permanent insurance like they would their hydro or phone bill. When they pay those bills, the money is gone. But with permanent insurance they are investing in something that grows in value. Run an illustration to show how the premiums they are paying are really becoming an investment.</p> <p>If they still feel that permanent insurance is too expensive and doesn't fit within their budget, ask them what monthly payment they can afford and look at a combination of term and permanent to manage the cost. In most cases, the amount of insurance a person needs is often higher today, to replace their income, than it will be after retirement for estate and final expenses.</p>
Point of sale tools	Tools	Where to find it
Equitable Life's advisor website - <a href="#">EquiNet®</a> provides the tools and information you need.	New business illustration 1197-2 – What kind of life insurance is right for you?	Desktop software. <a href="#">Go to EquiNet.</a> <a href="#">EquiNet Home &gt; Individual Insurance &gt; Marketing Materials</a> <a href="#">Download now</a>



Point of sale tools	Tools	Where to find it
continued	1038 – Understanding Participating Whole Life Insurance  (This client guide provides information about Equimax participating whole life insurance, including some 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.)	<a href="#">EquiNet Home &gt; Individual Insurance &gt; Marketing Materials</a> <a href="#">Download now</a>
	1828 – Participating Account Executive Summary  (Cette brochure vous informe sur la façon dont le compte des contrats avec participation est investi.)	<a href="#">EquiNet Home &gt; Individual Insurance &gt; Marketing Materials</a> <a href="#">Download now</a>
	1360 - Participating Account Quarterly Update  (This 2 page summary provides quarterly updates and commentary.)	<a href="#">EquiNet Home &gt; Individual Insurance &gt; Marketing Materials</a> <a href="#">Download now</a>
	1505 – Dividend scale interest rate – historical performance  (This 1 page summary provides a historical look at Equitable Life's dividend scale interest rate compared to other well-known economic indicators.)	<a href="#">EquiNet Home &gt; Individual Insurance &gt; Marketing Materials</a> <a href="#">Download now</a>

Review your clients' insurance needs to determine which product best meets their needs and whether the concept outlined in this sales track is appropriate for their situation. The information in this sales track is not a substitute for tax or legal advice. Your clients should consult their tax or legal professional for independent advice with respect to their personal circumstances.

While Equitable Life has made every effort to ensure the accuracy of the information presented here, the policy contract governs in all cases.

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