

EQUATION GENERATION® IV UNIVERSAL LIFE AT A GLANCE

FOR ADVISOR USE ONLY



equation gen IV

EQUATION GENERATION® IV UNIVERSAL LIFE AT A GLANCE

For full details, please refer to the [Equation Generation IV Advisor Guide, #1176](#)

Participating¹ universal life insurance provides cost-effective life insurance protection and tax-advantaged investment opportunities. There are two plan types to choose from:

- **Equation Generation IV with bonus** provides an incentive bonus² plus a guaranteed investment bonus regardless of market performance or rates of returns.
- **Equation Generation IV low fees** provides an incentive bonus² plus lower management fees that immediately enhance the return on investment for maximum tax-advantaged cash accumulation.

ISSUE AGES AND POLICY FEES

Children: 0–15; \$8 per month

Adults: 16–80; \$10 per month

MINIMUM SUM INSURED

Children: \$25,000

Adults: \$50,000

Joint first-to-die: \$50,000

Joint last-to-die: \$50,000

RATE BANDS

\$25,000 – \$49,999 (children’s plans only)

\$50,000 – \$99,999

\$100,000 – \$249,999

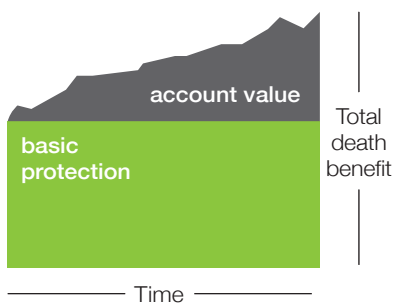
\$250,000 – \$499,999

\$500,000+

DEATH BENEFIT OPTIONS

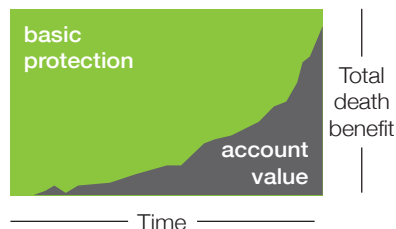
Account value protector

Provides a level amount of insurance plus the payout of any account value.



Level protector

Provides an amount of insurance that typically remains level for the life of the contract.



Please note that the sum insured is automatically increased as needed at the policy anniversary to assist in maintaining the exempt status of the policy. The increase is subject to the maximum percentage increase permitted under the tax legislation that applies. The death benefit will include those increases as well. Any funds held in the shuttle account are paid out upon the owner’s death or on termination of the Equation Generation IV contract.

COST OF INSURANCE (COI) TYPES

Yearly renewable term for life (YRT) Offers a cost of insurance structure that increases each year.

Level for life Offers a cost of insurance structure that remains level for the life of the policy, subject to any automatic increases in the sum insured to assist in maintaining the exempt status of the policy.

The cost of insurance structure available is dependent on issue age and death benefit option selected:

Cost of insurance type	Account value protector	Level protector
YRT (issue ages 0 – 80)	•	•
Level (issue ages 16 – 80)	•	•

COVERAGE OPTIONS

Single life Provides a death benefit on one life.

Joint first-to-die Provides a death benefit that is payable on the first death of the lives insured under the plan. Two lives may be insured.

Joint last-to-die Provides a death benefit that is payable on the last death of the lives insured under the plan. Two lives may be insured.

BUILT-IN POLICY BENEFITS

Built-in policy benefits	
Bereavement counselling benefit	In addition to the death benefit, the beneficiary(ies) named in the policy may be eligible to receive a bereavement counselling benefit of up to a total of \$500 towards the cost of counselling expenses, shared among all beneficiaries, subject to requirements as outlined in the contract.
Disability benefit disbursement	If the life insured becomes disabled from a mental or physical impairment as defined in the policy contract, you may be eligible for a lump sum payout for up to 100% of the policy's cash surrender value ³ . The disability benefit disbursement provides access to tax free ⁴ funds to be used however you choose.
Living benefit	If the life insured is diagnosed with an illness that will become terminal within 24 months, they may qualify for a living benefit payment. The living benefit payment is a portion of the death benefit and will be the lesser of \$100,000 or 50% of the face amount of the policy less any existing policy loans. The policy must be in force for the benefit to be paid. Subject to current administration guidelines. This is a non-contractual benefit.
Special options provision (available on joint first-to-die policies only)	Within 60 days of the death of one of the lives insured under a joint first-to-die policy, the surviving life insured can purchase an individual policy with a total death benefit up to the value of the original joint first-to-die policy, without evidence of insurability. This provision also pays an additional death benefit if the surviving life insured dies within 60 days of the first death. On a material change in the relationship, the joint first-to-die policy can be surrendered for individual coverage.

OPTIONAL RIDERS

- Additional accidental death benefit
- Children's protection rider
- Waiver of charges rider
- Term life insurance (10 and 20 YRCT)
(available on the life insured under a single life plan only)
- Equiliving® critical illness insurance
- Flexible guaranteed insurability option
(available on children's plans only)

INVESTMENT OPTIONS

Equation Generation IV offers a wide range of investment options. To help your clients select the ones that best match their financial goals and risk tolerance, have them complete the [Universal Life Investor Profiler Questionnaire, #1190](#).

Daily interest account (DIA)

The daily interest account is similar to a typical savings account found at various financial institutions. The interest rate credited on premiums allocated to the daily interest account will be determined by Equitable Life® from time to time, but is guaranteed never to be less than 90% of the yield on 91-day Government of Canada Treasury Bills, less 2%. Interest credited will never be negative.

Guaranteed deposit account (GDA) – Minimum investment of \$500 with terms⁵ of 1, 5 and 10 years. Interest credited will never be negative.

	Equation Generation IV with bonus	Equation Generation IV low fees
1 year	The interest rate is guaranteed not to be less than 90% of the yield on Government of Canada bonds with the same term and maturity date less 2.00% to a minimum of 0%.	The interest rate is guaranteed not to be less than 90% of the yield on Government of Canada bonds with the same term and maturity date less 1.50% to a minimum of 0%.
5 year	The interest rate is guaranteed not to be less than the greater of 0.50%; and 90% of the yield on Government of Canada bonds with the same term and maturity date less 2.00%.	The interest rate is guaranteed not to be less than the greater of 1.00%; and 90% of the yield on Government of Canada bonds with the same term and maturity date less 1.50%.
10 year	The interest rate is guaranteed not to be less than the greater of 1.50%; and 90% of the yield on Government of Canada bonds with the same term and maturity date less 2.00%.	The interest rate is guaranteed not to be less than the greater of 2.00%; and 90% of the yield on Government of Canada bonds with the same term and maturity date less 1.50%.

Linked interest options

Linked interest options⁶ provide the opportunity to have non-registered accounts that enjoy tax-advantaged earnings with performance that reflects domestic, global equity, or bond markets. There are three types of linked interest options available:

Index interest options	Performance fund interest options	Portfolio interest options
Interest based on the movement of widely recognized indices.	Interest based on the performance of mutual funds managed by some of the world's best professional money managers.	Interest based on the performance of the Franklin Templeton Quotential Portfolios.

LINKED INTEREST OPTION ADMINISTRATION FEES

ADMINISTRATION FEES		
Linked interest option	Equation Generation IV with bonus	Equation Generation IV low fees
Index interest options	3.00% – 3.20%	1.75% – 1.95%
Performance fund interest options	1.75%	0.00% – 0.75%
Portfolio interest options	2.20%	0.45%

For more details on the investment options available within Equation Generation IV, refer to [Universal Life Saving & Investment Opportunities, #1193](#).

BONUSES

Guaranteed investment bonus⁷ Starting in the 2nd policy year, at each monthly anniversary a guaranteed investment bonus of 0.75% of the account value will be credited to each Equation Generation IV with bonus policy.

Incentive bonus² An incentive bonus credits a percentage of the account value to all Equation Generation IV policies, provided the account value at the applicable policy anniversary is not less than two times the accumulated total of the minimum annual premiums since the effective date of the policy. The incentive bonus is paid as follows:

INCENTIVE BONUS SCHEDULE		
Policy anniversary	Equation Generation IV with bonus	Equation Generation IV low fees
1 – 4	0%	0%
5 – 14	0.25%	0%
15 +	0.50%	0.50%

AUTOMATIC INCREASE IN SUM INSURED

If at any policy anniversary the policy fails any of the applicable exemption tests, the sum insured will be automatically increased as needed to assist in maintaining the exempt status of the policy. The increase is subject to the maximum percentage increase permitted under the tax legislation that applies. If the increase in the sum insured is not sufficient to maintain the exempt status of the policy, a portion of the cash surrender value attributable to the daily interest account, guaranteed deposit accounts and/or the linked interest options will be transferred to the shuttle account in order to maintain the policy's exempt status. No evidence of insurability is required for the automatic increase in the sum insured.

SHUTTLE ACCOUNT

In order to maintain the tax-exempt status of the Equation Generation IV policy, excess premiums and funds from the investment interest accounts will be transferred to the shuttle account and allocated to the daily interest account (DIA). The shuttle account is a separate premium on deposits account that is set up at issue with the Equation Generation IV policy. Because the shuttle account is held outside of the policy any interest earned in the shuttle account will be subject to annual taxation. If exempt room becomes available in the Equation Generation IV policy on a future policy anniversary, amounts in the shuttle account will automatically be transferred and paid as a premium into the policy while continuing to maintain the tax-exempt status of the policy.

SURRENDER CHARGES

Surrender charges⁸ within the first nine policy years are equal to the target annual minimum premium times the following percentages:

SURRENDER CHARGE SCHEDULE								
Policy year	1	2	3	4–6	7	8	9	10+
% of target annual premium	100	200	275	300	250	150	100	0

¹ Universal life is a participating policy of the Company. While it is in force, the policy is eligible for ownership dividends. These dividends may be paid based on the overall earnings of the Company and when the Company has a strong capital position at the time and into the foreseeable future. Ownership dividends are paid at the discretion of the Board of Directors. Dividends are not guaranteed. This policy is not eligible for experience dividends.

² Incentive bonus is not guaranteed.

³ The maximum payment amount subject to our administrative rules and guidelines in effect at the time of the disbursement.

⁴ Tax laws are subject to change.

⁵ We reserve the right to change or discontinue guaranteed deposit account terms available at any time.

⁶ Linked interest options are NOT mutual funds or indices; your clients are not investing in or acquiring units in a mutual or investment fund or other security. Your clients are placing funds on deposit, earning interest, with the general funds of Equitable Life. PERFORMANCE IS NOT GUARANTEED. Your clients may be credited positive or negative interest depending on the performance of the mutual fund or index being tracked. The mutual fund or index being tracked may change at any time. Linked interest option administration fees will apply.

⁷ Not available with Equation Generation IV low fees

⁸ Surrenders may be subject to taxation.

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

Works for me.®

Canadians have turned to Equitable Life since 1920 to protect what matters most. We work with you to offer solutions that provide good value, and help you navigate those solutions to meet the needs of your clients.

But we're 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 we're owned by our participating policyholders, not shareholders. So we can focus on your interests and provide you with personalized service, security and wellbeing.



**Equitable Life
of Canada®**

One Westmount Road North,
Waterloo, Ontario N2J 4C7
Visit our website: www.equitable.ca

® denotes a trademark of The Equitable Life Insurance Company of Canada.