

EquiBuild



LIFE  
INSURANCE

TO BUILD A  
WEALTHY FUTURE





**The first Universal  
Life providing  
strong guaranteed  
cash surrender  
values and paid-up  
insurance**

Liquidity  
Growth  
Security



**EquiBuild is the first Universal Life providing strong guaranteed cash surrender values and paid-up insurance. It is designed to help clients build a wealthy future by investing in liquidity, growth and security.**

**EquiBuild offers clients permanent life insurance coverage as well as strong guaranteed cash surrender values that start accumulating the first contract year. In addition, thanks to the EquiBuild Bonus, clients can increase the face amount and surrender value of their contract by earning paid-up additions to their life insurance.**

**EquiBuild is an especially interesting option for clients looking to:**

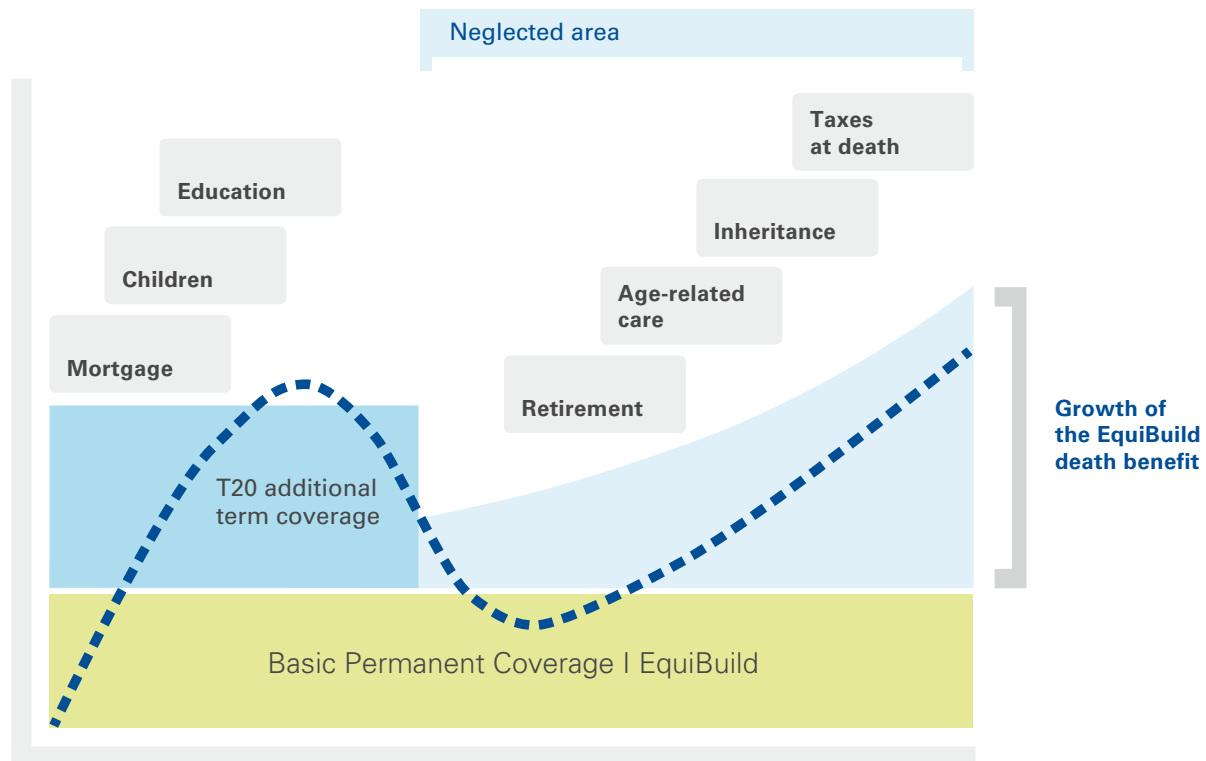
- Benefit from increases to their surrender value and death benefit over the long term
- Grow the value of their wealth to be transferred to heirs
- Maintain the necessary flexibility to access to the surrender value of their contract to supplement their retirement income or meet other financial goals

Business clients who wish to protect increases in the value of their company will surely be interested in this innovative solution, as well.



## EquiBuild provides increasing coverage

Traditional life insurance products offer permanent fixed coverage to which term coverage is added to cover various needs, such as a mortgage or income replacement during the children's dependency period. Moreover, it is important to note that needs related to aging tend to increase over time. The face amount in the event of death of traditional products may not be sufficient to cover your clients' changing needs.

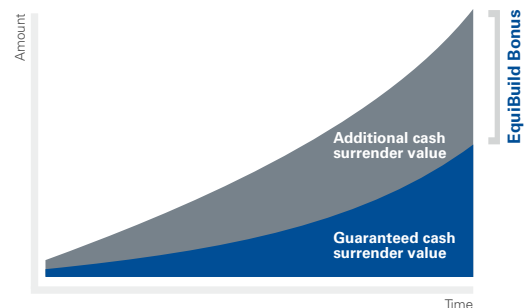


**The EquiBuild Bonus provides continued growth of the death benefit and surrender value**



EquiBuild includes the annual payment of a bonus that can be used to purchase paid-up additional insurance or invested in the accumulation fund. By using the EquiBuild Bonus to increase the death benefit, without increasing the premium, clients also benefit from an increased guaranteed cash surrender value. This bonus allows market gains and the benefits of future interest rate hikes to be shared with our clients.

The EquiBuild Bonus rate is determined annually based on the declared return of the EquiBuild Fund, an internal fund managed by an experienced team of managers. Each client's EquiBuild Bonus is based on the guaranteed cash surrender value of the client's policy on the policy anniversary date.



**The EquiBuild Bonus attributed to each client is calculated as follows:**

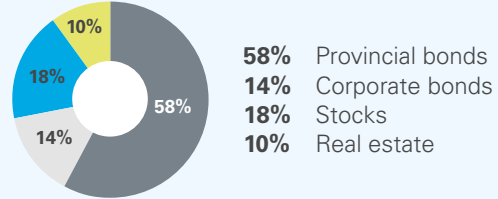
$$\left( \begin{array}{|c|} \hline \text{EquiBuild} \\ \text{Fund Declared} \\ \text{Rate} \\ \hline \end{array} \right) - \begin{array}{|c|} \hline 3.5\% \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{Total} \\ \text{Guaranteed} \\ \text{Cash Surrender} \\ \text{Value} \\ \text{(excluding} \\ \text{accumulation fund)} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{EquiBuild} \\ \text{Bonus} \\ \hline \end{array}$$

Trigger Threshold

## The EquiBuild Fund provides stable returns with low volatility

The EquiBuild Fund Declared Rate is used to annually determine the EquiBuild Bonus amount. The objective of this fund is to minimize volatility and generate stable long-term returns. It is made up of fixed-income securities, real estate assets and stocks.

### EquiBuild Fund target asset allocation



## The EquiBuild Account allows clients to invest with peace of mind

The EquiBuild Account, with the EquiBuild Fund as its underlying fund, is one of the investment options offered under the policy. Clients who want to profit from stock market return potential without being overly affected by market fluctuations will be happy to learn that this account is available to them.

Because the EquiBuild Account targets stable long-term returns, clients should avoid withdrawing funds from it to remain sheltered from market value adjustments.

The return credited to the EquiBuild Account is equal to the EquiBuild Fund Declared Rate less a management expense ratio of 1.50%.

## Life Investment Account

This account is unique on the market and is offered starting on the later of the 10th policy anniversary and the insured's 40th birthday.

With a single investment in the Life Investment Account, clients will receive a fixed monthly return up to age 100. These return payments can be used to offset insurance costs and, in the event of death, the estate will recover the difference between the initial investment and the sum of monthly return payments received.

Here is the example of Paul:



Paul is 65 years old and wants to free himself of paying the insurance costs on his policy. To do this, he can make an investment in the Life Investment Account.

- Annual minimum premium: **\$16,000**
- Investments accumulated under the policy: **\$275,000**
- Amount invested in the Life Investment Account: **\$200,000**



## EquiBuild 15-year Payment

EquiBuild 15-year Payment is for clients who want to be premium-free even faster. This guaranteed-payment option allows clients to benefit from the flexibility of EquiBuild but also be compensated with higher surrender values and increased growth of the death benefit over the long term, in order to meet their changing needs.

To build a  
wealthy future  
even faster!

### At all steps along the way...

#### A lifetime gift for young children

Parents will be pleased to know that they can offer their children payment-free growing insurance protection by the time they reach adulthood, with high surrender values allowing them to realize personal projects.

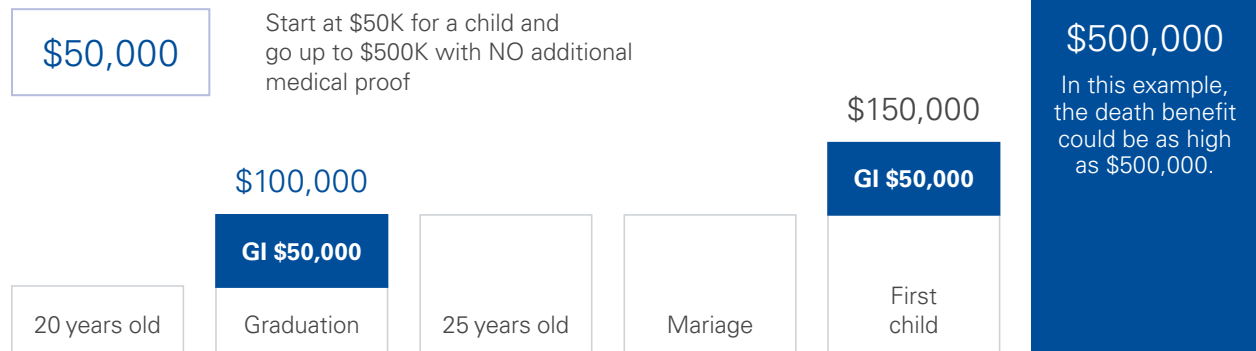
#### Meet Julia...

- Julia is almost one year old
- Her parents subscribe a face amount of \$50,000 payable in 15 years
- The monthly premium is \$50 per month, given Julia's young age

EquiBuild 15-year Payment includes guaranteed insurability for Julia, which will allow her to increase the amount of coverage twice for significant life events, regardless of her health.



#### Initial Face Amount



Face  
amount

+

10x  
the invested  
premium

Julia will have access to a source of additional liquidity in order to realize personal projects once she reaches adulthood or benefit from a supplement to her retirement income equivalent to seven times the premiums invested.

**Cash value at 30 years old**

\$9,360

Invested premium:  
**\$9,000**



Down payment  
on a car  
or a house



Personal projects



Return to school

**Cash value at 65 years old**

\$62,000

Invested premium:  
**\$9,000**

7x  
the premium  
invested

Additional retirement  
flexibility

In the long term, Julia can also count on significant protection in the event of death, being ten times the premiums invested. Thanks to the continuous growth of EquiBuild, Julia can leave an inheritance to her loved ones.

**Death benefit at 85 years old**

\$147,000

Invested premium:  
**\$9,000**

Face  
amount + 10x  
the invested premium

Based on the EquiBuild Fund declared rate of 5.5% and repayment of the IIT (investment income tax).



## Immediate benefits for Millennials

Millennials seek flexible solutions that provide short-term benefits in order to realize projects and cover unforeseen events. EquiBuild 15-year Payment is the perfect fit to their lifestyle and provides the liquidity they need to benefit from a temporary premium holiday in the event of loss of employment during their working years. Growth of the death benefit allows them to leave a larger inheritance in the long term.



## Additional retirement income and a larger estate for future retirees.

Future retirees often worry about going through their savings once they have retired. Early disbursement of registered retirement savings during the first few years of retirement may limit the liquidity available in the medium term. Additionally, they want to benefit from life insurance without paying premiums once retired.

### Remember that EquiBuild 15-year Payment is only available at issue.

- Face Amount: \$25,000 to \$1,000,000
- The EquiBuild Bonus must be used to purchase paid-up additional insurance
- Age at issue: 0-70 years old
- Not available with Integrated Coverage



# Aligned with key events in your life



## EquiBuild with Integrated Coverage

An innovative solution for your clients' permanent insurance needs!

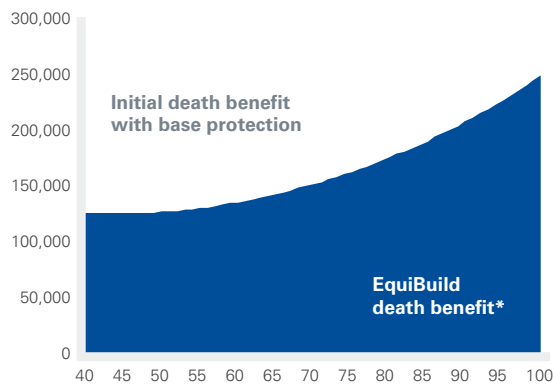
Thanks to the addition of Integrated Coverage when the policy is issued, clients can get an enhanced initial death benefit for a premium comparable to that of EquiBuild coverage alone.

EquiBuild with Integrated Coverage also contributes to sustained growth of cash surrender values and the death benefit thanks to payment of the EquiBuild Bonus, which could be applied to the purchase of paid-up additional insurance, so as to meet the growing needs of your clients.

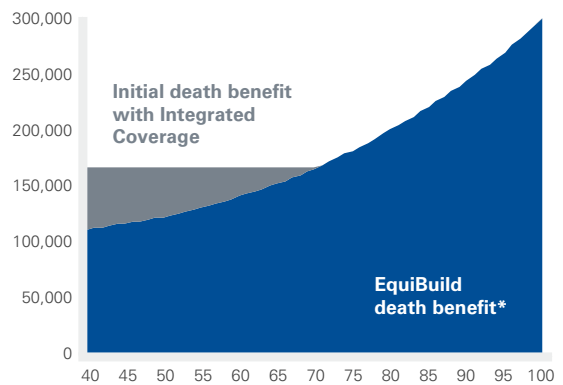
For example, your client needs \$150,000 in permanent insurance. You recommend EquiBuild because of the flexibility this product offers but your client will have to limit coverage to a face amount of \$130,000 to respect his or her budget. Thanks to Integrated Coverage, which is added to EquiBuild, your client can take advantage of an enhanced initial death benefit to cover his or her actual insurance needs, for a comparable premium.

## EquiBuild with Integrated Coverage provides more insurance when your clients need it most!

EquiBuild for a 40-year old man, NS: \$130,000 initial death benefit with a monthly premium of \$152.



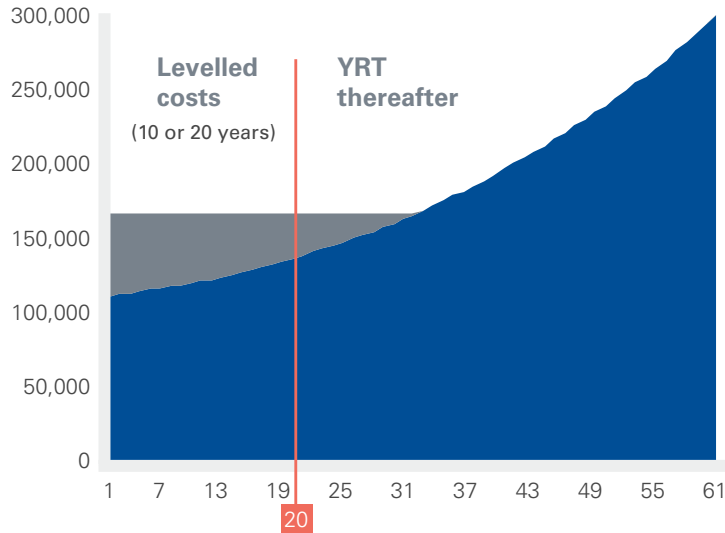
EquiBuild with Integrated Coverage offers an initial death benefit of \$150,000 for the same premium of \$152.



\* Based on an annual declared return rate of 5.5% for the EquiBuild Fund.

## EquiBuild with Integrated Coverage 10 or Integrated Coverage 20

The cost of Integrated Coverage is balanced during the initial 10- or 20-year period and becomes YRT (yearly renewable term) thereafter. Starting the 5th year, the Integrated Coverage face amount is replaced annually by an increase in the EquiBuild face amount. Integrated Coverage ends once the face amount is completely replaced by the increase to the EquiBuild basic coverage face amount. The cost of the basic coverage is levelled and payable until age 100.



### EquiBuild with Integrated Coverage 10

will interest clients who are looking to maximize the cash surrender value and death benefit in the short term with a greater allocation of paid-up insurance thanks to the excess premium.

### EquiBuild with Integrated Coverage 20

is suitable for most clients who wish to take advantage of an enhanced initial death benefit with long-term growth of the cash surrender value and the death benefit.

## Example

A 40-year old man, NS, with a total death benefit of \$150,000, which includes \$100,000 with EquiBuild and \$50,000 with Integrated Coverage 20.

You will see that the death benefit with Integrated Coverage is replaced annually, starting in the 5th year, by the cumulative amount of paid-up insurance until the 31st year, when it reaches \$0.

The death benefit then demonstrates sustained growth to reach \$198,060 at age 85.

### 40-year old man, NS.

Years	EquiBuild death benefit	Cumulative paid-up insurance*	Integrated Coverage death benefit*	Total death benefit*
0	\$100,000	\$0	\$50,000	\$150,000
5	\$100,000	\$4,311	\$45,689	\$150,000
10	\$100,000	\$9,712	\$40,288	\$150,000
30	\$100,000	\$48,605	\$1,395	\$150,000
31	\$100,000	\$51,336	\$0	\$151,336
45	\$100,000	\$98,060	\$0	\$198,060

\* Based on an annual declared return rate of 5.5% for the EquiBuild Fund.

Provides more  
insurance when  
it's needed most



# EquiBuild combines liquidity, growth and security

## Liquidity

- EquiBuild's high guaranteed cash surrender values begin accumulating the first month after policy issue.
- The EquiBuild Bonus contributes to surrender value growth over time.

## Growth

- The EquiBuild Bonus enables continued growth of the death benefit and guaranteed surrender value of the policy. Granted annually, it can be used to purchase paid-up additional insurance or invested in the accumulation fund.
- Excess premium payments can also be used to purchase paid-up additional insurance.
- Policy investment options come with low management fees, helping to accelerate growth of the client's wealth.

## Security

- The client's EquiBuild premium will never increase and surrender values are guaranteed at policy issue. Costs for paid-up additional insurance are also guaranteed.
- The EquiBuild Account promotes asset growth through stable returns with low volatility over the long term.
- The Life Investment Account pays a fixed monthly return that can be used to offset insurance costs.

## EquiBuild at a glance

- Coverage type: Individual or joint last to die
- Cost type: Level, payable to age 100
- Lifetime Payment or 15-year Payment
- Minimum face amount: \$25,000
- Death benefit: Base face amount + Paid-up additional insurance face amount + Fund
- No surrender charges or policy fees

## In a Nutshell: EquiBuild with Integrated Coverage

- Available upon issue only with level costs payable at 100 years of age
- Minimum face amount: \$50,000
- Integrated Coverage death benefit does not include cash surrender values
- Cost type: The cost of Integrated Coverage is levelled for the initial 10- or 20-year period and YRT (yearly renewable term) thereafter

## Riders and Additional Benefits

### Riders

- Term Insurance: T10 (R&C), T20 (R&C), Pick-A-Term T25 and T30
- Disability Credit
- Critical Illness (without return of premiums option): T10 (R&C), T20 (R&C), T25 (R&C), T75, T100, T100 20-year payment
- Child Module
- Supplementary Income (SI)

### Additional Benefits

- CAD (Contribution in the event of the applicant's disability)
- CADE (Contribution in the event of the applicant's death)
- CID (Contribution in the event of the insured's disability)

## EquiBuild offers various investment options to suit any investor profile:

- Daily Interest Account
- Guaranteed Interest Accounts:  
5- and 10-year fixed terms
- Index-Based Accounts



### Market Index

Name of Account	Financial Index Used	Current MER <sup>1</sup>
Bonds	FTSE TMX Canada Universe Bond Index	1%
Canadian Stocks	S&P/TSX 60, total return	1%
Global Stocks	MSCI World	1%
International Stocks	MSCI – EAFE, total net return	1%
European Stocks	MSCI – Europe, total net return	1%
U.S. Stocks	S&P 500, total return	1%
U.S. Stocks/DAQ	NASDAQ 100	1%

### Active Management Index

Name of Account	Underlying Fund	RFG courant <sup>1</sup>
Dividend Growth (iA)	IA Clarington Dividend Growth Fund – T6 Series	0% <sup>2</sup>
EquiBuild Account	EquiBuild Fund	1.5%

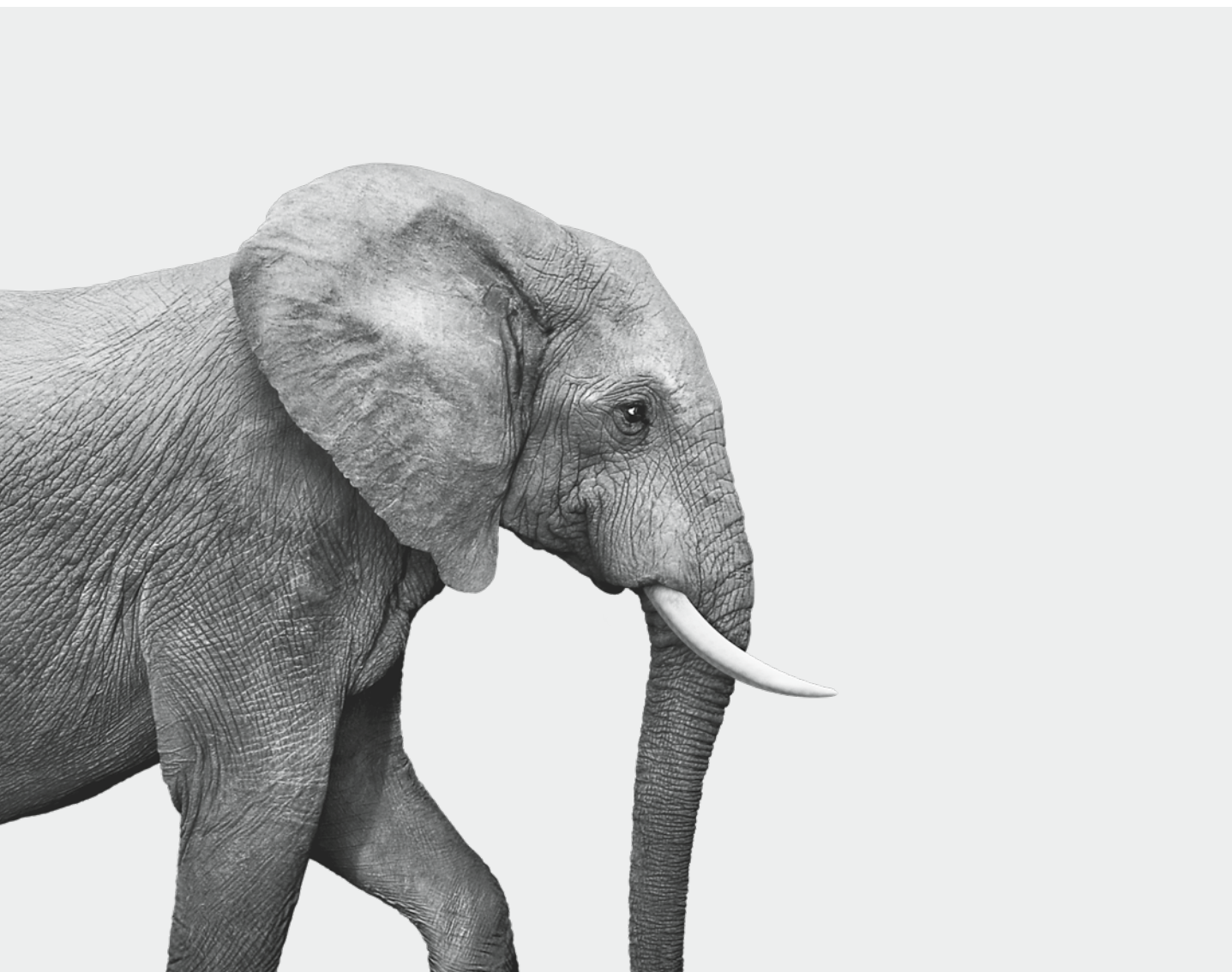
### Other sales tools

- EquiBuild Product Guide
- EquiBuild Product Summary (F13-879A)
- Client Leaflet (F13-880A)
- EquiBuild Investment Options & Associated Fees (F13-882A)
- The EquiBuild Fund (F13-1008A)

These documents are available in the Advisor Centre (Extranet) document centre. Except for the product guide and F13-882A, which are only available in electronic format, paper copies of these documents are also available for order.

<sup>1</sup> MERs listed can change at any time, but cannot exceed the guaranteed maximum fees in the contract.

<sup>2</sup> These fees do not take into account the fees on the underlying fund.



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## INVESTED IN YOU.

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