

YOUR GUIDE TO EQUILIFE® LIMITED PAY UNIVERSAL LIFE

CLIENT GUIDE



equilife

ABOUT EQUITABLE LIFE OF CANADA®



Equitable Life® is one of Canada's largest mutual life insurance companies. For generations we've provided policyholders with sound financial protection, and we look forward to continuing to deliver long-term financial value. We're focused on the needs of our clients, and pride ourselves on the breadth and quality of our financial and insurance products and on our premier client service.

The mutual structure of our company ensures that our participating policyholders are owners with voting rights on company issues. With no shareholders imposing undue emphasis on short-term earnings, Equitable Life always operates in the best interest of our policyholders.

Equitable Life is a focused, stable and strong company.

Our mutual structure is a key element of our value proposition, along with our diversified product portfolio and superior service. As an organization we're progressive, competitive and firmly committed to serving the best interests of our policyholders, through longer-term strategies that foster ongoing stability, growth and profitability.

ABOUT THIS GUIDE

This guide provides an overview of EquiLife Limited Pay universal life insurance. For complete contractual details, please refer to your policy contract, which will govern in all cases.

YOUR GUIDE TO EQUILIFE® LIMITED PAY UNIVERSAL LIFE

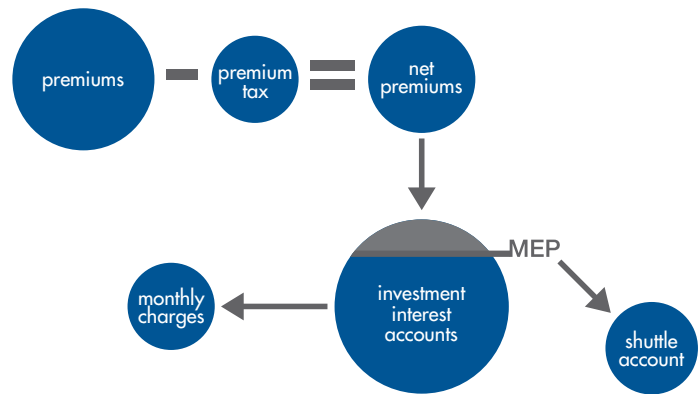
EquiLife Limited Pay participating¹ universal life strikes the right balance between life insurance protection, tax-advantaged investment opportunities, and guarantees. You'll benefit from:

- Guaranteed cash values and death benefit,
- Guaranteed cost of insurance rates,
- Guaranteed limited pay periods,
- Plus the flexibility to change your insurance coverage as your needs change.

Whether you're saving for your children's education, your retirement, or a rainy day, the ability to make additional deposits into the plan helps maximize tax-advantaged growth you can access in the future.

HOW EQUILIFE WORKS

1. You pay the **premium**.
2. Premium tax is deducted from your premium.
3. The net premium is deposited into the **Investment Interest Accounts** of your choosing.
4. Monthly charges² are deducted from the Investment Interest Accounts.
5. Money over and above what is required to pay the monthly charges remains in the Investment Interest Accounts and forms the **Account Value** of the policy.
6. The maximum exempt premium (MEP) is the maximum premium you can pay annually into your policy while maintaining its tax-exempt status. Any premiums paid that exceed the MEP will be deposited directly into the Shuttle Account. Interest earned within the Shuttle Account is taxed annually. If exempt room becomes available in the future, money will be transferred from the **Shuttle Account** and paid as a premium into your policy. (See Step #1)



¹EquiLife Limited Pay universal life is a participating policy of the Company. While it is in force, your 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. Your policy is not eligible for experience dividend.

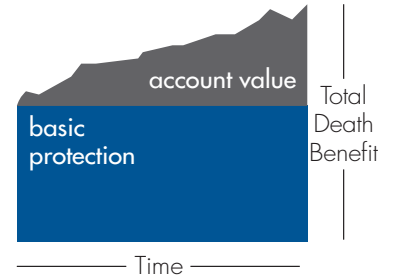
²The monthly charges consist of the Cost of Insurance Charges, Administration Charges, Linked Interest Option Administration Fees, and charges for any optional Riders or benefits you have selected.



GUARANTEED DEATH BENEFIT

With the option to buy as little as \$25,000 of life insurance protection, you can put a plan in place that meets your need and budget.

EquiLife provides a guaranteed level death benefit. Any accumulated account value in the Investment Interest Accounts and any funds in the Shuttle Account are also paid upon death of the life insured.



GUARANTEED CASH VALUE

EquiLife offers Guaranteed Cash Values which are available as early as the 5th policy anniversary.

You can access the cash value in your policy through a cash withdrawal, policy loan or policy surrender.³

GUARANTEED PAYMENT PERIOD AND COST OF INSURANCE (COI) OPTIONS

Select the limited pay option that best meets your needs and goals. Monthly cost of insurance charges and administration charges will remain level for the period selected and are payable until the final year of the payment period you selected, at which time, no further payment of cost of insurance or administration charges are required.⁴

Cost of Insurance (COI) Options	Available at issue ages...
Level 10 Year	0 – 75
Level 15 Year	0 – 70
Level 20 Year	0 – 65
Level to Age 65	0 – 55

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.

³Restrictions described in your policy contract apply. The amount payable on death will be reduced by cash withdrawals and any existing indebtedness under the policy.

⁴Charges for Optional Riders and benefits and Linked Interest Option Administration Fees will continue to apply and must be paid beyond the guaranteed Cost of Insurance period selected.

INVESTMENT INTEREST ACCOUNTS

Equilife offers a wide range of investment options. With the help of your advisor and the [Universal Life Investor Profiler Questionnaire](#), you can determine an appropriate mix for your personal situation.

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)

A minimum investment of \$500 is required and can be invested for terms⁵ of 1, 5, and 10 years. Interest credited will never be negative.

Term	Interest Rate
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 1.50% to a minimum credited interest rate of 0%.
5 Year	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 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.

Ask your advisor for a copy of [Universal Life Savings & Investment Opportunities](#) for a full description of available investment options.

⁵ We reserve the right to change or discontinue Guaranteed Deposit Account terms available to you at any time.

⁶ Linked Interest Options are NOT Mutual Funds or Indices; you are not investing in or acquiring units in a mutual or investment fund or other security. You are placing funds on deposit, earning interest, with the general funds of Equitable Life. PERFORMANCE IS NOT GUARANTEED. You 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.



ADMINISTRATION FEES ON LINKED INTEREST OPTIONS

The following annual Administration Fees apply to the Account Value of Linked Interest Options only. They do not apply to the Daily Interest Account or Guaranteed Deposit Account.

Linked Interest Options	Administration Fees
5 Index Interest Options	1.75% – 1.95%
7 Performance Fund Interest Options	0% – 0.75%
5 Portfolio Interest Options	0.45%

IMPACT OF RATES OF RETURN ON THE ACCOUNT VALUE

At any given time, the Account Value of your EquiLife policy is equal to the sum of all of the Investment Interest Accounts.

- A positive rate of return will result in a credit and will increase your Account Value.
- A negative rate of return will result in a debit and will decrease your Account Value.

While Linked Interest Options may provide the potential for greater rates of return over the long term, there is an inherent risk in selecting them as investment options. Unlike investing in the Daily Interest Account or Guaranteed Deposit Account where the credited interest rates are guaranteed, investments in the Linked Interest Options are not guaranteed and could fluctuate positively or negatively in any given period. It is important to consider these factors, and your risk tolerance, when making your selection of EquiLife Investment Interest Accounts.

TAX BENEFITS OF UNIVERSAL LIFE

EquiLife is designed to provide you with various tax advantages while conforming to the current provisions and regulations for exempt life insurance policies under the Income Tax Act (Canada). These advantages include:

1. Tax-free life insurance proceeds payable to your beneficiary(ies) on death.
2. Tax-advantaged interest earnings on the premiums you pay to your policy.⁷
3. Tax-free withdrawal of Account Value upon disability.

⁷Subject to government exempt testing guidelines.



BUILT-IN POLICY BENEFITS

EquiLife provides you with the following built-in benefits:

Bereavement Counselling Benefit

Upon the death of a life insured under the EquiLife policy, and payment of the death benefit, Equitable Life will provide a Bereavement Counselling Benefit to the beneficiary(ies) of the policy. The benefit provides a reimbursement of up to a total of \$500 of the cost of counselling, shared among all beneficiaries, subject to requirements as outlined in the contract.

Disability Benefit Disbursement

To help ease the burden during a time of disability, the life insured may be eligible to receive a disbursement from the Account Value of their policy. Restrictions described in the policy contract apply.

Special Options Provision

Within 60 days of the death of one of the lives insured under a Joint First-to-Die policy, the surviving life insured under the policy can purchase an individual policy (or policies) based on their current age without providing evidence of insurability. This provision also pays an additional death benefit if the surviving life insured dies within 60 days of the first death.

Living Benefit

If the life insured is diagnosed with an illness that will become terminal within 24 months, they may qualify for a Living Benefit⁸ payment. The Living Benefit payment is a portion of the death benefit and will be the lesser of \$25,000 or 50% of the face amount of the policy.⁹ The policy must be in force for the benefit to be paid. Subject to current administration guidelines.

⁸This is a non-contractual benefit.

⁹Less any existing policy loans.

OPTIONAL RIDERS AND BENEFITS

Optional Riders allow you to tailor the plan to meet your needs.

<p>Waiver of Monthly Charges Rider</p>	<p>In the event of a total disability as described in the policy contract, lasting six months or more, all the monthly charges under the policy (including those for Riders and benefits but excluding administration fees for Linked Interest Option Accounts), will be waived while the life insured continues to be disabled.</p>
<p>Applicant's Waiver of Charges Rider – Death/Disability</p> <p>(available on children's plans only)</p>	<p>If the person insured under the EquiLife policy is between the ages of 0 and 15 years, and the payor/applicant of the policy is between 16 to 55 years, the payor/applicant may apply for this Rider. It provides for the payment of all charges applicable to the plan if the payor/applicant is totally disabled by sickness or accident for at least six consecutive months, or dies before the waiver expires.</p> <ul style="list-style-type: none"> • The waiver expires at age 60 of the payor/applicant or age 21 of the insured child, whichever comes first. • In the event of disability, Equitable Life will refund any charges paid during this six-month period and waive any charges that come due during the continuation of the total disability until age 21 of the insured child. • In the event of death, charges will continue to be waived until age 21 of the insured child. At age 21, the Rider expires and the insured child has the option to add Disability Waiver on their own life.
<p>Guaranteed Insurability Option</p>	<p>This option provides the opportunity to purchase additional life insurance policies at specified future dates, without providing evidence of insurability.</p>
<p>Children's Protection Rider</p>	<p>This Rider provides term insurance protection for all of your children, ages 15 days to 18 years, under one convenient plan. The protection remains in force to the child's age 25. It may be converted to any permanent or term plan issued by Equitable Life at that time, for up to five times the original coverage amount. Conversion must be made when the child is between the ages of 21 and 25. No evidence of insurability is required.</p>
<p>Flexible Guaranteed Insurability Option</p> <p>(available on children's plans only)</p>	<p>This option guarantees the insured child's right to purchase, without evidence of insurability, up to a maximum of \$500,000 of additional life insurance at specified dates in the future. Those dates are selected at the time of issue of your EquiLife policy.</p>
<p>Term Riders</p>	<p>10 and 20 Year Renewable and Convertible Term Riders give you the opportunity to add term life insurance coverage for you, your spouse or a third party with whom you share an insurable interest. Preferred underwriting rewards good health with lower term insurance premiums.</p>
<p>EquiLiving Critical Illness Insurance Riders</p>	<p>This Rider provides you with a lump sum benefit in the event you are diagnosed with one of the 25 covered conditions as described in the Rider contract and you survive the applicable survival period. Use the benefit to offset the cost of managing the illness without impacting your savings and your family's standard of living.</p>

Talk to your advisor about **EquiLife** today.

EQUITABLE LIFE OF CANADA. A wise choice.

Through personal service, superior products and an ongoing commitment to mutuality, Equitable Life can assist you in reaching your financial goals. Whether you're making your first investment, building your financial plan, or looking for ways to protect what is most important to you, we have the solutions you need. With customer-centred staff, and a prudent investment strategy focused on long-term stability, growth and profitability, we also have the focus and expertise you need. In all aspects of your life, we're committed to helping you achieve the financial future you're looking for, by putting you first.

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



**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.