



# Competitive conversion privilege

Based on a study of Equitable and 17 competitors<sup>1</sup>

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## companies offer term conversions

These competitors do not allow conversions for the full duration of the level term period and/or allow conversions only to a limited selection of permanent products:<sup>3</sup>

- AIG
- Brighthouse
- John Hancock
- New York Life
- Lincoln Financial
- Ohio National
- PacLife
- SBLI

While other companies allow conversions during the full duration of the level term period and to all or almost all permanent plans available for sale at the time:

- **Equitable**
- Banner
- Guardian
- MassMutual\*
- Nationwide\*\*
- Northwestern Mutual
- Penn Mutual
- Principal Life\*\*
- Prudential

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## companies offer term conversion credits

These competitors offer term conversion credits for a limited period of time:

- New York Life offers conversion credits only during the first 5 policy years.
- Prudential offers conversion credits during the first 5 policy years only for Term Elite (not Term Essential).
- Guardian offers conversion credits during the first 5 years.

The rest offer conversion credits until the end of the level term period:

- **Equitable**
- Ohio National
- Penn Mutual

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## leader in term conversion privileges: Equitable

Only Equitable offers a conversion credit until the end of the level term period and a 25% increase in the credit if converted in the first 5 policy years. Plus, clients have the option to apply to add our Long-Term Care Services<sup>SM</sup> Rider.<sup>2</sup>

<sup>1</sup>Except for 30-year level term.

<sup>2</sup>This benefit comes at an additional cost.

# Why should clients convert from term to permanent life insurance?

## They won't have to answer more health questions or undergo a medical exam.

If they purchased term insurance when they were in excellent health, they will maintain that health rating for the permanent policy.

## They can build cash value with a permanent policy.

Cash value can be withdrawn or borrowed as a source of potentially tax-free income, and can be used to meet major life goals or manage unexpected expenses. Policy loans and withdrawals will reduce the face amount and cash value of a contract. Clients may need to fund higher premiums in later years to keep the policy from lapsing.

## Their first year permanent policy premium will generally be reduced.

If your clients convert from a Term Series policy to any Equitable permanent policy available at the time of

conversion before the end of the level term period (or age 70 for Annual Renewable Term),<sup>4</sup> they'll generally receive a term conversion credit, which will reduce their first year permanent policy premium by the amount of the earned first year's annual premium on the term policy.<sup>2</sup>

## There are benefits to converting early (within 5 years).

If your clients convert to a permanent policy within the first policy years, they can:<sup>4</sup>

- Apply to add our Long-Term Care Services<sup>SM</sup> Rider,<sup>4</sup> which is among the industry leaders.
- Receive an additional 25% conversion credit bonus, making their total conversion credit 125% of the earned first year's annual premium on the term policy.
- Secure a lower premium, because they'll be converting at a younger age.

**For more information, please call the Sales Desk  
or visit [equitableLIFT.com/termseries](https://equitableLIFT.com/termseries).**

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2 See Term Conversions section of the Term Series 160 Product Guide for how the term conversion credit is determined. A conversion credit is not available if premiums or charges for the new policy will be waived under the terms of a rider providing disability waiver benefits. Conversion credit is not available for TermOne<sup>®</sup> policies. Policies converted within the first policy year will receive a prorated conversion credit subject to terms and conditions of the policy.

3 Term conversion privilege analysis is as of May 25, 2021, by Equitable's Life Competitive Intelligence Team. The analysis for these companies is based only on the base policy provision and does not include extended conversion agreements or riders available. If the company offers a variety of term products with different conversion privileges or provisions, assessment was done based on the "primary" product that generates the most sales revenue for that particular company.

4 Underwriting class, face amount and age restrictions apply.

Not all products, features and riders are available in all jurisdictions.

Life insurance is subject to exclusions, limitations and terms for keeping it in force. TermOne<sup>®</sup> is a registered service mark of Equitable Financial.

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