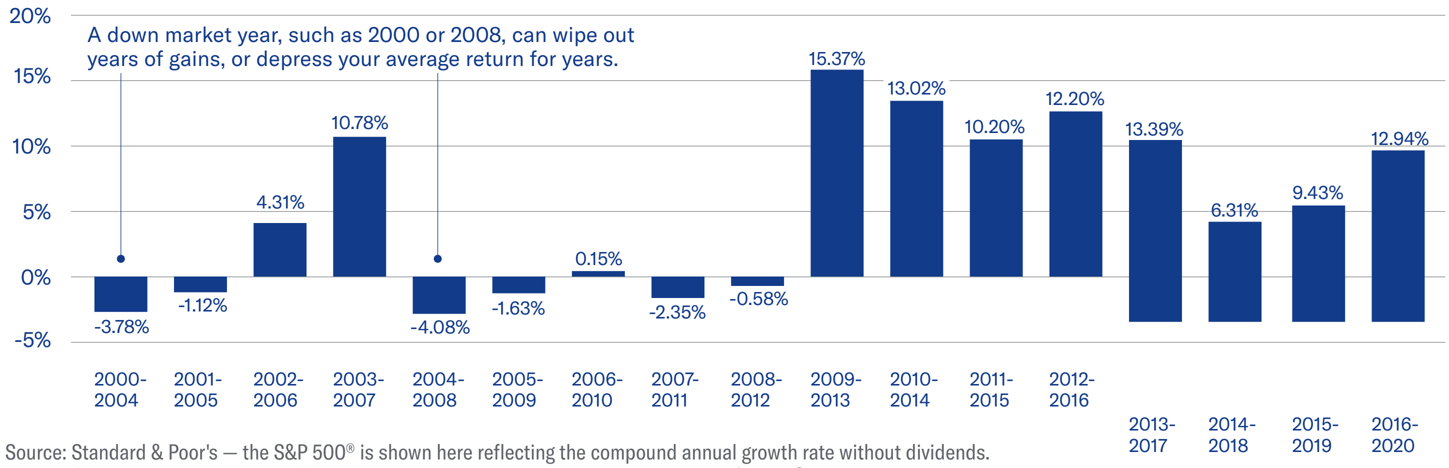
Life insurance as an asset to stabilize wealth transfer

> "I think I could achieve a 7% rate of return on my investments over the next 25 years, but I'm worried my children won't receive much of the legacy if the market doesn't perform as planned."

Use life insurance to stabilize wealth transfer

Whether the market is currently up or down, clients who want to transfer their wealth to their families often remain uneasy when committing dollars to the market. Clients who want to transfer their wealth also want to be certain their beneficiaries receive everything that's intended to go to them. But, what if they die in a down market? Even the best asset management can't entirely guard against market drops or extended down markets. For clients planning to transfer their wealth to their next generation, this can be a major concern. Over the past several years, the results for the S&P 5-year average has been mixed. Take a look at the S&P 500® — 5-year average return chart below.

S&P 500® — 5-year average return[1]



Source: Standard & Poor's — the S&P 500® is shown here reflecting the compound annual growth rate without dividends. Past performance is not indicative of future results. Clients cannot invest directly in the S&P 500®.

Ensure your client's wealth transfer will happen. Taking a small amount of client assets, or the annual growth, can purchase a life insurance policy with a death benefit that assures a basic amount of wealth will transfer to a client's beneficiaries, regardless of when a client dies.

Financial professionals can:

- Help your client assure a wealth transfer through the death benefit.
- Help your clients manage their assets with more flexibility, knowing a fixed amount will pass to their beneficiaries.

This is a hypothetical example intended to demonstrate conceptually how this approach would work and does not represent any specific product. For hypothetical results using a specific life insurance product, please refer to a life insurance illustration from Equitable Financial or Equitable America.

How the strategy works

By directing a small amount of their net worth, or income, each year to life insurance, clients can leverage their dollars and benefit. For example, John Wilson is a 65-year-old male. He has a $6,000,000 net worth that he wants to direct to his children. For just $50,000 per year (or 0.83% of his net worth), he can use the leverage provided by life insurance,[2] as long as he qualifies both medically and financially for the insurance. This gives him some peace of mind that his family will receive at least a $2,180,000 legacy from him as long as he pays the required premiums.

Year	Premium	Cumulative premium	Death benefit	Before-tax equivalent on IRR on net death benefit[3]	Probability of death
1	$50,000	$50,000	$2,180,000	7,100%	0.40%
5	$50,000	$250,000	$2,180,000	139.3%	3.79%
10	$50,000	$500,000	$2,180,000	43.05%	12.26%
15	$50,000	$750,000	$2,180,000	20.81%	28.46%
22[4]	$50,000	$950,000	$2,180,000	9.31%	62.81%
25	$50,000	$1,250,000	$2,180,000	6.74%	77.34%
30	$50,000	$1,500,000	$2,180,000	3.85%	93.31%

The policy premium and life insurance death benefit amounts used in this case are based off a $2,180,000 death benefit on a VUL Legacy℠ flexible premium variable universal life insurance policy. The $50,000 premium assumes a gross interest rate of 6%, which is not guaranteed, and current charges. If a 0% interest rate was used with guaranteed charges, the policy would fail in year 12, at which point $550,000 worth of premium would have been paid into the policy. There is risk involved with VUL Legacy℠ including the possible loss on principal invested. For hypothetical results using a specific life insurance product, please refer to a life insurance illustration from Equitable Financial or Equitable America.

A VUL Legacy℠ policy is a variable universal life insurance contract with the primary purpose of providing a death benefit. It is also a long-term financial investment that can also allow potential accumulation of assets through customized, professionally managed investment portfolios. These portfolios are closely managed in order to satisfy stated investment objectives. There are fees and charges associated with variable life insurance contracts, including mortality and risk charges, administrative fees, investment management fees, front-end load, surrender charges and charges for optional riders. Additionally, there is investment risk, including the possible loss of principal invested.

To learn more, call your financial professional or visit equitable.com.

1 Standard & Poor's — the S&P 500® is shown here reflecting the compounded annual growth rate without dividends. Past performance is not indicative of future results. Clients cannot invest directly in the S&P 500®.

2 Assumes policyowner is subject to 40% in federal, state and local income taxes.

3 IRR stands for internal rate of return.

4 Client life expectancy based on the 2008 VBT table rates.

VUL Legacy℠ is issued in New York and Puerto Rico by Equitable Financial Life Insurance Company, NY, NY; and in all other jurisdictions by Equitable Financial Life Insurance Company of America, an Arizona stock corporation with its main administrative office in Jersey City, NJ. Distributed by Equitable Advisors, LLC (member FINRA, SIPC) (Equitable Financial Advisors in MI & TN) and Equitable Distributors, LLC (NY, NY). When sold by New York state-based (i.e., domiciled) financial professionals, VUL Legacy℠ is issued by Equitable Financial Life Insurance Company, 1290 Avenue of the Americas, NY, NY 10104.

This piece is not a complete description of the VUL Optimizer℠ variable life policy. The prospectus contain more complete information about the product, including investment objectives, risks, charges, expenses, limitations and restrictions. Please read the product prospectus and consider the information carefully before purchasing a policy or sending money. You should contact your representative for a copy of the current prospectus.

A life insurance policy is backed solely by the claims-paying ability of the issuing life insurance company. It is not backed by the broker/dealer or insurance agency through which the life insurance policy is purchased or by any affiliates of those entities, and none makes any representations or guarantees regarding the claims-paying ability of the issuing life insurance company.

Equitable is the brand name of the retirement and protection subsidiaries of Equitable Holdings, Inc., including Equitable Financial Life Insurance Company (NY, NY); Equitable Financial Life Insurance Company of America, an AZ stock company with main administrative headquarters in Jersey City, NJ; and Equitable Distributors, LLC. Equitable Advisors is the brand name of Equitable Advisors, LLC (member FINRA, SIPC) (Equitable Financial Advisors in MI & TN). The obligations of Equitable Financial and Equitable America are backed solely by their claims-paying abilities.

EQUITABLE