



How to choose whole life insurance





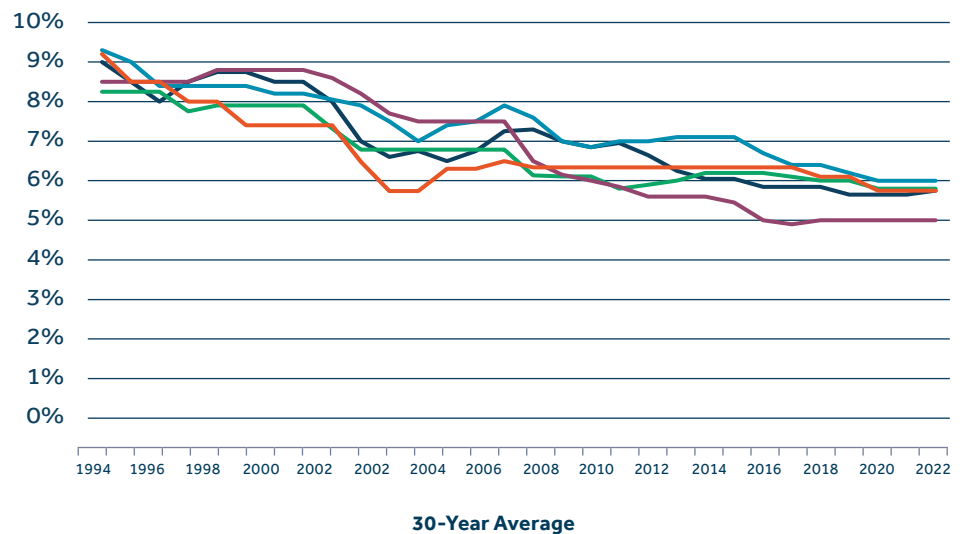
Guardian — built to withstand

Imagine being a custom sailboat builder. Each new boat designed should withstand any obstacles — and **last a lifetime**. Because **lives depend** on these decisions, your approach doesn't allow for compromising. The same applies to whole life insurance.

This is not a race. Predicting the outcome of a sailboat race is nearly impossible since so many factors can impact success. Similarly, it's impossible to accurately predict which policy will deliver the highest combined cash value and death benefit in 30 years. But choosing a company that's **built to deliver on the promises** of their policy to assist in providing **maximum protection** against the unexpected can help.

30-Year Dividend Interest Rate history 1994-2023¹

These mutual companies have declared a Dividend Interest Rate (DIR) for the past 30 years, but it's important to note that this is just **one** piece of the whole life value proposition.^{2,3}



Guardian is among the leading insurance providers in whole life performance, features, and flexibility.

Your permanent life insurance policy should focus on features like cash value accumulation and the guaranteed death benefit.

Who you buy from matters.

Comparison of whole life policies: features, benefits, and flexibility*

| Life insurance feature or rider | Guardian | MassMutual |
|---|--|--|
| Comdex ranking ⁴ | 99 | 98 |
| 2023 Dividend Interest Rate | 5.75% | 6.00% |
| 30-Year DIR average | 7.02% | 7.40% |
| Capitalization ratio ⁵ | | |
| 12-31-2022 | 14.40% | 13.40% |
| 12-31-2021 | 14.70% | 14.40% |
| Difference | -0.30% | -1.00% |
| Index Participation Feature ⁶ | Available | N/A |
| Maximum illustrated rate 2023 | 7.74% | N/A |
| Indexed cap | 10.50% | N/A |
| Indexed minimum cap | 8.00% | N/A |
| Indexed floor | 4.00% | N/A |
| Paid-up Addition (PUA) rider sales load | 10% (PUA 2021) 5% (PUA-STP L95,10 Pay Flex) | 10%, 7.50% L10, L15 |
| PUA flexibility ⁷ | Ability to adjust scheduled or unscheduled payments between minimum and maximum, with at least \$250 payment each year | Limited ability to increase scheduled PUA amount or make unscheduled payments |
| Maximum PUA without additional Evidence of Insurability | Year 1: No maximum, subject to underwriting Years 2-10: 3x base premium, up to \$2M Years 11+: 1x base premium, up to \$2M | 10x base premium all years \$5M annual premium limit (non 1035 exchanges) 20x base premium for 1035 exchanges \$3M annual premium limit |
| Waiver "Own-Occ" ⁸ | 7 years | 5 years |
| Waiver for scheduled PUAs | Available | No |
| LTC ⁹ | Yes – Indemnity (Qualified) | Yes – Reimbursement & Indemnity Options (Non-Qualified) |
| Terminal ABR Cap (\$) | No dollar cap | \$250,000 |
| Guaranteed increase option limits | Up to 8x \$350,000 (Varies by issue age) | 8x \$125,000 |
| Fixed loan rate provisions | 5.00% to later of age 65 or 20 years, then 3.50% guaranteed. Some products may vary. | Fixed loan: 6.00% Direct Recognition |
| Variable loan rate provisions | Variable loan without direct recognition available through client election on 10th policy anniversary | Non-direct recognition |
| Ability to choose loan type after policy issue date | Yes. In policy year 10, option to elect the non-direct recognition variable loan available | No |
| Monthly Automatic Payment Modal Factor ¹⁰ | 0.085833 | 0.087000 |

Key: ■ Denotes a leader in that category.

* Sources: Company publications

| New York Life | Northwestern Mutual | Penn Mutual |
|---|--|--|
| 100 | 100 | 94 |
| 5.80% | 5.00% | 5.75% |
| 6.74% | 6.85% | 6.72% |
| 14.00% 14.90% -0.90% | 13.80% 13.20% -0.60% | 17.50% 15.40% -2.10% |
| N/A | N/A | N/A |
| N/A | N/A | N/A |
| N/A | N/A | N/A |
| N/A | N/A | N/A |
| N/A | N/A | N/A |
| 5% current; 20% guaranteed | Varies | 15% year 1, 10% years 2+ |
| Ability to adjust scheduled and unscheduled between minimum and maximum, with at least \$120 payment every three years | Insurability requirements must be met to increase scheduled PUA amount or make unscheduled payments | Ability to adjust scheduled or unscheduled payments between minimum and maximum, Annual Limit established when issued. |
| Contractual limit is 1X base premium. Current limits are: Year 1: 10x base premium Year 2: 8x base premium Year 3: 6x base premium Year 4: 4x base premium Years 5+: 2 x base premium | Year 1: Year 1: Greater of 7x the Whole Life Plus 100 premium, \$100K, or the Whole Life Plus 100 MEC limit Years 2+: Greater of 2X Whole Life Plus 100 premium, \$10,000, or the Whole Life Plus 100 MEC limit | 20X the base annual unrated premium \$5M annual premium limit. |
| 2 years | 2 years | 2 years; 6 years for additional premium |
| Available | Available | No |
| Yes – Indemnity (Non-Qualified) | Yes – Reimbursement (Non-Qualified) | No |
| \$500,000 | \$1,000,000 | Up to 50%. Maximum: \$250,000 |
| 9x \$150,000 | 7 x \$200,000 | 9 x \$250,000 (\$2 million cumulative maximum) |
| None | None | None |
| Non-direct recognition | Variable loan with direct recognition | Variable loan with direct recognition |
| No | N/A | N/A |
| 0.088000 | 0.086300 | 0.087000 |

Contractual provisions with guarantees

**You need a guide to help you navigate the options available to you.
Let's work together to start your decision making process, today.**

- 1 Dividends are not guaranteed. They are declared annually by Guardian's Board of Directors. The total dividend calculation includes mortality experience and expense management as well as investment results.
- 2 Sources: www.guardianlife.com; www.massmutual.com; www.newyorklife.com; www.northwesternmutual.com; www2.pennmutual.com.
- 3 Information from company announcements are provided by the company.
- 4 Comdex is a ranking and not an independent rating agency. A Comdex ranking is a percentile ranking composite of all ratings received by a company based on a scale of 1 to 100 (with "1" being the weakest and "100" being the strongest), in relation to all other companies that have been evaluated by at least two of the four independent rating services. VitalSigns, August 2023. Subject to change.
- 5 Sources: December 31, 2021 and December 31, 2022 company statutory statements.
- 6 The Index Participation Feature (IPF) is a rider available with select Guardian participating whole life policies. With the new IPF, policyholders can now allocate between 0% and 100% of the cash value of paid-up additions (PUA) to the IPF each year. The IPF provides an adjustment to the dividend paid under the policy. This adjustment, subject to the cap rate (currently 10.50%) and floor (currently 4%), may be positive or negative based on the S&P 500 price return index performance. Adverse market performance can create negative dividend adjustments which may cause lower overall cash values than would otherwise have accrued had the IPF rider not been selected. While the adjustment provided by this rider is affected by the S&P 500 price return index, it does not participate in any stock or equity investment of the S&P 500 price return index.
- 7 Paid-up Additions (PUA) are purchases of additional insurance (death benefit) that have a cash value. These purchases are made with dividends and/or a rider that allows the policyholder to pay an additional premium over and above the base premium. This creates the growth of death benefit and cash values in a participating whole life policy. Adding large amounts of paid-up additions may create a Modified Endowment Contract (MEC). A MEC is a type of life insurance contract that is subject to last-in-first-out (LIFO) ordinary income tax treatment, similar to distributions from an annuity. The distribution may also be subject to a 10% federal tax penalty on the gain portion of the policy if the owner is under age 59½. The death benefit is generally income tax free.
- 8 A Waiver of Premium rider waives the obligation for the policyholder to pay further premiums should he or she become totally disabled continuously for at least six months. This rider will incur an additional cost. See policy contract for additional details and requirements.
- 9 Availability is subject to state approval. Rider provisions and features may vary by state. Please check with your Guardian representative to verify availability. The Accelerated Death Benefit for Long Term Care Services Rider is marketed as Guardian's Long Term Care Rider. Riders may incur an additional premium or cost. Riders may not be available in all states.
- 10 A modal factor is a monthly calculation arrived by multiplying the annual premium, excluding any scheduled PUA payments under any paid-up additions rider that may be attached to this policy, by the applicable modal factor. If you elect to pay premiums other than a one-time payment, annually, the cumulative premium in a given year will be more than if the premium is paid on an annual basis. For any scheduled PUA payments that may apply, the periodic premium is the scheduled PUA payment divided by the number of premiums in a policy year. Modal factors vary by company and the higher the factor, the higher the premium payment, assuming equal annual premiums.
- 11 Some whole life policies do not have cash value in the first two years. Talk to your financial representative and refer to your individual whole life policy illustration for more information.
- 12 A modified endowment contract (MEC) is the term given to a life insurance policy whose funding has exceeded federal tax law limits. In other words, the IRS does not consider this to be a life insurance contract anymore. The change in classification was brought about to combat the use of the "life insurance" designation for the purposes of tax avoidance. The IRS has established specific criteria that if met, results in the policy becoming a MEC.
- 13 All whole life insurance policy guarantees are subject to the timely payment of all required premiums and the claims-paying ability of the issuing insurance company.
- 14 A guaranteed fixed loan interest rate is given by default. Variable loan interest rate may be higher or lower than the fixed interest rate. One-time option is true for most policies. For more details, contact your local Guardian representative.
Guardian policies and riders are issued on forms: 21-WL, 15-IPR, 21-IPUA, 18-GIO, 18-WP WL, 01-R28, 13-LTCR, 07-SIPO, 86-R1, 96-R61, 91-R110
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