



# How to choose whole life insurance







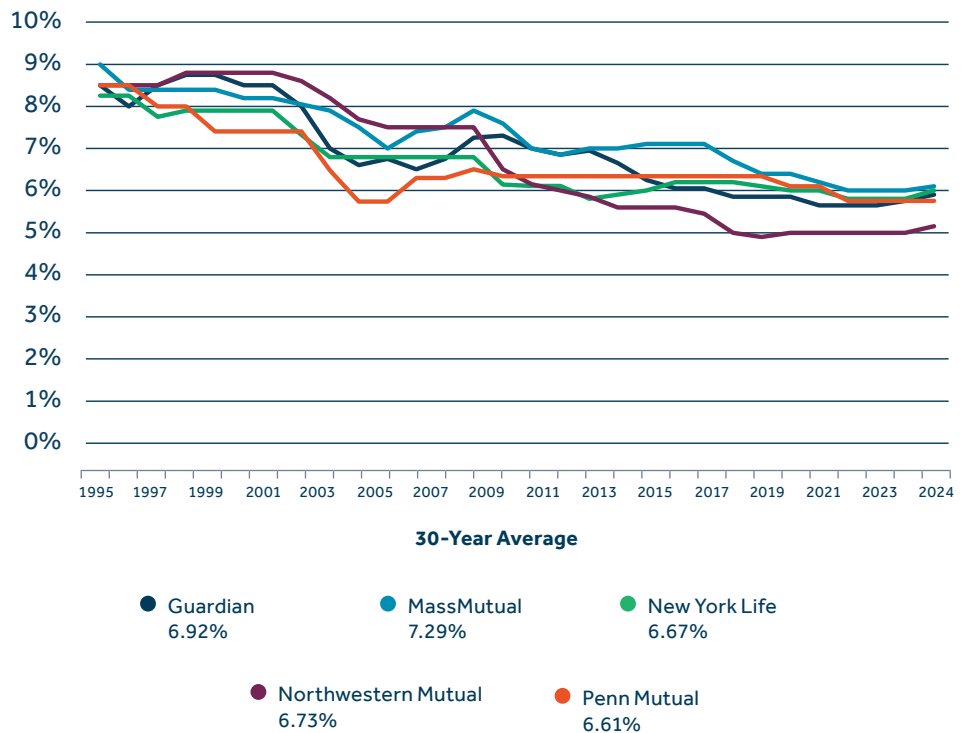
# Guardian — built to withstand

**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 1995-2024<sup>1</sup>

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.<sup>2,3</sup>



Caution must be used in attempting to make company-to-company comparisons, as business lines and other variables may not be comparable. This report is merely one factor to consider when making a decision.

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

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

Who you buy from matters.

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

Whole life insurance feature or rider	Guardian	MassMutual	New York Life	Northwestern Mutual	Penn Mutual
Comdex ranking <sup>4</sup>	99	98	100	100	93
2024 Dividend Interest Rate	5.90%	6.10%	6.00%	5.15%	5.75%
30-Year DIR average	6.92%	7.29%	6.67%	6.73%	6.61%
Capitalization ratio <sup>5</sup>					
12-31-2022	14.40%	13.40%	14.00%	13.20%	15.40%
12-31-2023	14.00%	13.20%	14.10%	13.10%	15.10%
Difference	-0.40%	-0.20%	0.10%	-0.10%	-0.30%
Index Participation Feature <sup>6</sup>	Available	N/A			
Maximum illustrated rate 2024	7.71%				
Current index cap	10.50%				
Index minimum cap	8.00%				
Guaranteed index floor	4.00%				
Paid-up Addition (PUA) rider expense charge	10% (PUA 2021) 5% (PUA-STP L95,10 Pay Flex)	10%, 12 Pay, 20 Pay, Pay to 65, HECV, Pay to 100, 7.5%, 8 Pay, 10 Pay, 15 Pay	5% current; 20% guaranteed	Varies	15% year 1, 10% years 2+
PUA flexibility <sup>7</sup>	Ability to adjust scheduled or unscheduled payments between minimum and maximum, with at least \$250 PUA payment each year	Limited ability to increase scheduled PUA amount or make unscheduled payments	Ability to adjust scheduled and unscheduled between minimum and maximum, with at least \$120 payment every three years	Additional premiums may be increased up to company limits.	PUA payments may be made without underwriting up to Annual Payment Limit. Annual Payment Limit set at issue.
Maximum PUA without additional Evidence of Insurability	<b>Year 1:</b> No maximum, subject to underwriting <b>Years 2-10:</b> 3x base premium, up to \$2M <b>Years 11+:</b> 1x base premium, up to \$2M	10x base premium all years, maximum of \$5M (1035 or non 1035 exchanges) – all years  20x base premium, maximum of \$3M (1035 exchanges) – year one	Contractual limit is 1X base premium. Current limits are: <b>Year 1:</b> 10x base premium <b>Year 2:</b> 8x base premium <b>Year 3:</b> 6x base premium <b>Year 4:</b> 4x base premium <b>Years 5+:</b> 2 x base premium	<b>Year 1:</b> Year 1: Greater of 7x the Whole Life Plus 100 premium, \$100K, or the Whole Life Plus MEC limit <b>Years 2+:</b> Greater of 2X Whole Life Plus 100 premium, \$10,000, or the Whole Life Plus MEC limit	25x the base annual premium. \$5M annual premium limit.
Waiver “Own-Occ” <sup>8</sup>	7 years	5 years	2 years	2 years	2 years; 6 years for additional premium
Waiver for scheduled PUAs	Available	No	Available	Available	No
Long Term Care rider/Chronic Illness rider (Premium Paying) <sup>9</sup>	Yes – Indemnity (7702b)	Yes – Reimbursement (101(g))	Yes – Indemnity (101(g))	Yes – Reimbursement (101(g))	No
Whole Life, Disability Income and LTC Rider in one product	SafeGuard 360™	No	No	No	No
Maximum guaranteed increase option limits	Up to 8x \$350,000	8x \$125,000	9 x \$150,000	7 x \$200,000	9 x \$250,000 (\$2 million cumulative maximum)
Fixed loan rate provisions	5.00% to later of age 65 or 20 years, then 3.50% guaranteed. Some products may vary. Direct Recognition	Fixed loan: 6.00% Direct Recognition	None	None	None
Variable loan rate provisions	Variable loan non-direct recognition available through client election on 10th policy anniversary	Non-direct recognition	Variable loan with non-direct recognition	Variable loan with direct recognition	Variable loan with direct recognition
Ability to choose loan type after policy issue date	Yes. In policy year 10, option to elect variable loan option	No	No	No	No
Monthly Automatic Payment Modal Factor <sup>10</sup>	0.085833	0.087000	0.088000	0.086300	0.087000

**Key:** ■ Denotes a **leader** in that category.  
\* Sources: Company publications  
Chart does not include hybrid life/ LTC products.

**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](http://www.guardianlife.com); [www.massmutual.com](http://www.massmutual.com); [www.newyorklife.com](http://www.newyorklife.com); [www.northwesternmutual.com](http://www.northwesternmutual.com); [www2.pennmutual.com](http://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, March 2024. Subject to change.
- 5 Sources: December 31, 2022 and December 31, 2023 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, 22-LTCR, ICC21 DIR, 07-SIPO, 86-R1, 96-R61, 91-R110

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