


Life Insurance

This is an annual benefit statement for a mature whole life policy purchased from a mutual life insurance company in 1985. I include this information to demonstrate what I think are some of the long term favorable attributes of a whole life policy. Life insurance is in an asset class that is more similar to bonds than stocks. In some respects, the life insurance appears to me to be better than bonds because there is no interest rate risk with the life insurance as is a part of any bond investment.

Your 2019 Annual Benefit Statement			
<small>The information and values shown are as of policy year ending March 10, 2019</small>		<small>The Guardian Life Insurance Company of America 7 Hanover Square New York, NY 10004-2616</small>	
Policy Information			
Policy Number			
Plan	WHOLE LIFE		
Policy Date	03/11/1985		
Insured			
Premium	\$ 3,635.00		
Billing Cycle	PAYABLE ANNUALLY		
<small>Policy Information: provides basic information about your policy. Please note that you will receive a separate premium notice when your premium is due. If any of the information shown is incorrect, please contact your Guardian representative.</small>			
Benefits Summary			
	Death Benefit	2019 Cash Value	2018 Cash Value
Basic Policy	\$250,000.00	\$137,700.00	\$133,345.00
Dividend Additions	\$245,653.00	\$164,221.49	\$155,198.91
Total	\$495,653.00	\$301,921.49	\$288,543.91
<small>Benefits Summary: shows the policy year end death benefit, as well as the current and previous year end cash values. Values shown assume that premiums are paid to the statement date and do not deduct any outstanding loan and/or lien, if applicable. As of March 10, 2019, your Cash Surrender Value equals \$301,921.49.</small>			

As of 2019 this policy has been in force for 34 years. The annual premium has been paid every year and all policy dividends have been reinvested. The long-term value of this type policy is shown below:

Annual Premium is \$3,635

Original Face Amount is \$250,000.

34 annual premiums paid = \$123,590

Current income tax free life insurance benefit is \$495,653 (as of 3/11/2019)

Current annual policy dividend is \$5,977 (Dividends can be used to reduce premium or taken in cash. However, this policy has been reinvesting dividends every year. This can be changed in the future.)

Current policy cash value grows income tax deferred and is \$301,921.

Last year the policy anniversary cash value was \$288,543.

The tax deferred increase in cash value this past year was \$13,378.

The point of this message is not to say that this type of a life insurance policy is the best investment in the world. No. But, the point is to demonstrate that a good whole life policy will get better as time passes and the results would be considered by many to be favorable and worthwhile. Term life insurance is much less expensive and may be more appropriate in many circumstances. I do not suggest that one should make great sacrifices to purchase a permanent life policy. However, if one can afford a combination of whole life and term life the long term result could create a more satisfying insurance plan.