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Give Your Dollars a Lifetime Guarantee



Not much in life is truly "guaranteed." We can't guarantee the weather, what other people will or won't do, the direction of the markets, or even if we'll be around to see tomorrow.

And even most "guarantees" have exceptions.

Your purchase is guaranteed - but only for 30 days, or unless you drop the item, get it wet, or use it in a way that invalidates the warranty.

One company printed a tongue-in-cheek limitation about their own lifetime guarantee for their rugged luggage and phone cases: "DOES NOT COVER

SHARKBITE, BEAR ATTACK, OR CHILDREN UNDER 5."

So what is a guarantee worth, anyways?



When the company making the guarantee has a solid track record, a guarantee is worth plenty! Guarantees provide assurance and give buyers confidence. They reduce stress. They limit risk. And they help purchasers make decisions about who they can trust and where their money will be safe.

Oddly enough, people put their money in a lot of places with few if any guarantees.

Mortgage bonds, previously thought of as reliable and boring, collapsed in the financial crisis. The housing market followed, and trillions of home equity was lost. Muni-bonds, typically another safe haven for money, have also become a bit of a concern with financial

pressures on municipalities.

Some financial products *do* come with guarantees. Banks have FDIC insurance and CDs offer guaranteed rates.

Term life insurance provides a guaranteed premium schedule and a death benefit. However, more often than not, the insured outlives the term period of the life insurance. This results in a \$-0- benefit paid out to their loved ones.

But there IS a place where your money can provide you "**lifetime guarantees.**" Participating whole life insurance from a mutual life insurance company offers guarantees that should not be overlooked.

When you buy a whole life policy from a mutual life insurance company, you're purchasing a financial product known for its **guarantees.**¹ Some comparisons between Whole Life and Term:

A guaranteed death benefit. Since death is a guaranteed event, nothing is more important than guaranteeing a death benefit. Term life policies can be useful, especially to young families on a budget, but they are designed to be temporary policies, not permanent life insurance. They're like appliance warranties - they provide you temporary protection while it is unlikely that you will end up having to use it. Unlike whole life where the death benefit is guaranteed for your whole life.

A guaranteed level premium. Premiums with whole life are guaranteed to NEVER change through-out your whole life. Premiums for yearly-renewable term insurance increase as you age, or level term offer periods of 10, 15, 20 or even up to 30 years which often become cost-prohibitive after the term period expires.

Guaranteed cash value. Whole life has guaranteed cash value that is guaranteed to increase in value every single year of your whole life...it never has a bad day.²

The cash value in whole life will **never** put you on a "roller coaster ride" like stocks, bonds, interest rates or real estate do.

And it even gets better...

A guarantee of participation in profits of the mutual company. Premiums are used to pay claims, increase surplus, cover operating expenses, and fund required reserves. Profits over and above surplus and operating expenses are distributed back to policyholders in the form of dividends.³ This is because mutual insurance companies are "by definition... owned entirely by their policyholders," according to the [National Association of Insurance Commissioners](#), and "profits earned are returned to policyholders...."



Dividends, though not contractually guaranteed, have historically been paid to policyholders in addition to the guaranteed minimum returns. Declared annually, dividends have been paid by major mutual life insurance companies **every single year** for well over 100 years through every economy imaginable. Dividends were paid during the periods of pandemics, two World Wars, major stock market corrections, the Great Depression as well as the recent Great Recession.

Certainly a solid and well tested guarantee!

If you choose to reinvest your dividend back into your whole life policy it becomes part of the guaranteed values and will continue to grow on a tax-deferred, tax-favored basis. Always available should you ever decide to withdraw (tax-favored) your accumulated dividends.

Your ability to borrow against your policy's cash value is also guaranteed by your policy contract. Typically you can borrow an amount equal to 90 or 95% of your cash value from the insurance company. And you won't ever have to justify your reason for borrowing or prove your "creditworthiness" to do so. With many mutual life insurance companies, you can even lock in a guaranteed rate for any future policy loans or use the policy as collateral to borrow from a third party financial institution (bank) at favorable rates.⁴

Customized guarantees. You can also choose among riders⁵ which provide more guarantees:

- the ability to purchase more insurance in the future, regardless of health,
- that premiums will be paid for you in the event of disability... "a self-completing plan".
- access to a portion of your death benefit for long-term care needs.
- the ability to accelerate your death benefit in the case of a terminal or chronic illness.

Are guarantees right for you? True or False?:

T/F It is important to have safe, liquid savings as part of your assets.

T/F You want a good, safe place to store cash during uncertain times.

T/F If you have easy access to your money, you could prevent high cost borrowing situations.

T/F Not exposing your money to "roller coaster rides" allows you to sleep peaceful throughout the night..

T/F Upon your demise you want to replace the assets you spent during retirement to your loved ones (leave a legacy).

If you answered "True" to three or more of the questions, we guarantee you'll appreciate the guarantees of whole life!

To find out more about the power of whole life, you may wish to read *Cash is King*, by James A. Denburg. This book explains how to use whole life insurance strategically so that YOU benefit from your own life insurance. I am happy to send you a copy.⁶



¹All 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.

²Some whole life policies have no cash value in the first couple of years. Confirm with your financial representative on your particular whole life product.

³Dividends are not guaranteed. They are declared annually by Guardian's Board of Directors.

⁴Policy benefits are reduced by any outstanding loans and loan interest. Dividends, if any, are affected by policy loans and loan interest. If the policy lapses, or is surrendered, any loans considered gain in the policy may be subject to ordinary income taxes. If the policy is a Modified Endowment Contract (MEC), loans are treated like withdrawals, but as gain first, subject to ordinary income taxes. If the policy owner is under 59 ½, any taxable distribution from the policy may also be subject to a 10% federal tax penalty.

⁵Riders may incur either an additional cost or premium. Riders may not be available in all states.

⁶This material has not been endorsed by Guardian, its subsidiaries, agents, or employees

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Certified Financial Services, LLC

Richard Aronwald
Financial Specialist
raronwald@cfsllc.com

600 Parsippany Road Suite 200
Parsippany, NJ 07054
973 263-0622
richardaronwald.com

Registered Representative of Park Avenue Securities LLC (PAS), 52 Forest Avenue, Paramus, NJ 07652. Securities products and services offered through PAS, (201) 843-7700. Financial Representative, The Guardian Life Insurance Company of America, New York, NY (Guardian). PAS is an indirect wholly owned subsidiary of Guardian. Certified Financial Services, LLC is not an affiliate or subsidiary of PAS or Guardian.

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