



# Five reasons why whole life can be good for your portfolio.

While the primary purpose of whole life insurance is to protect your loved ones in case you pass away, its versatility provides many financial benefits that you may not expect.

## Reason #1

To give your family members the protection they deserve.

### Death benefit helps protect your family from a loss of income.

First and foremost, life insurance is about protecting the people who rely on you. Since the death benefit is guaranteed,<sup>1</sup> you can be sure that your loved ones will have the financial resources they need to continue with their lives in case you pass away.

### Instantly leverage your money.

Unlike many other assets, the death benefit in a whole life policy does not take time to build. Your family will be fully protected from the very first day that your policy is in force. It's easy to see why whole life insurance is such a great way to leverage your money:

**Initial Premium Payment: \$300.31<sup>2</sup>**  
**Guaranteed Death Benefit: \$250,000<sup>3</sup>**

## Reason #2

To replace your "human capital."

### Your lifetime earnings could amount to millions of dollars.

Depending on your age and your income, you could potentially make millions of dollars over the course of your career. Now factor in all the other forms of compensation you will receive as a result of your labor, and you have what could be considered your "human capital."

- Future Wages
- Social Security (determined by wages)
- Pension/Retirement Benefits
- Medical/Health Benefits

### You are your greatest asset—and theirs.

Your human capital will have a tremendous bearing on your family's lifestyle and on the continued growth of your portfolio. But where will that money come from if you are no longer around? Whole life insurance is a way to replace your human capital and to protect your loved ones.

<sup>1</sup> Guarantees are based on the claims-paying ability of the issuer.

<sup>2</sup> The premium quoted is for a 35-year-old male, rated select preferred, paying monthly premiums on a Whole Life policy with a \$250,000 face amount, as of 12/1/2022. Your premiums may differ. Premiums must be paid on an ongoing basis in order to avoid policy lapse and to realize the potential benefits of the policy. Death benefit and premium values guaranteed. Other rate classes are available. Life insurance applications are subject to underwriting.

<sup>3</sup> Provided ongoing premiums are paid.

### Reason #3

## To use the power of tax diversification.

Tax diversification refers to spreading your investment over several types of retirement savings vehicles with the goal of enhancing tax advantages in each stage of investing:

- **Contributions that are tax deductible**
- **Accumulation that is tax deferred**
- **Distributions that are tax free**

With whole life insurance, it's possible to employ tax advantages at each stage of your retirement saving journey. Your policy grows on a tax-deferred basis, and income drawn from your policy is generally tax free.\*

### Gains or growth of your assets fall into three income taxation categories:



**Taxable**



**Tax Deferred**



**Tax Free\***

\* "Tax free" refers to the future treatment of assets which have already been subject to income taxation before being put into an account or product. Certain interest, although exempt from federal income tax, may still be reportable to the IRS.

### Reason #4

## To help protect your retirement assets.

### Cash value can be a valuable asset.

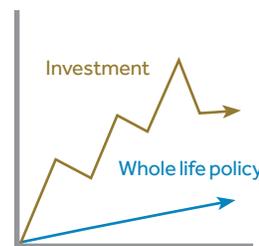
Since whole life policies are guaranteed to build cash value over time, you have a valuable resource that you can access to help pay for big-ticket items like a new home or business. If your need for death benefit protection changes, you can also use this pool of money to help protect your retirement assets during down markets. Instead of selling off portions of your portfolio when prices are depressed, you can use the cash value of your policy as a stop-gap measure until your other assets have had time to recover.<sup>4</sup>

### Protect your family, your business, and even your finances.



Here's why whole life can be a smart addition to your overall financial strategy:

When the market's down, withdrawing money from your investment account can lock in losses, quickly depleting your balance.



Here's how you can be more flexible:

Your cash value is guaranteed to increase. Taking money from your whole life policy leaves money in your investment portfolio and gives it more opportunity to recover.

<sup>4</sup> Guarantees of a whole life policy are based on the claims-paying ability of the issuer. Cash value can be accessed through loans and partial surrenders, which accrue interest and, if not paid back, will reduce the policy's death benefit and cash value.

## Reason #5 To “reinvest” dividends.

### Whole life policies are eligible for dividends.

One of the benefits of purchasing whole life coverage from a mutual company is that you will be eligible to receive dividends.<sup>5</sup> While not guaranteed,<sup>1</sup> New York Life has paid dividends for 164 consecutive years, so our policy owners are used to enjoying the extra value they provide.

### Watch your policy value grow over time.

You can use your dividends to purchase paid-up additional coverage (paid-up additions), which in turn gives you more death benefit protection, more cash value, and more dividend-earning potential. You can take dividends in cash, can be deposited with New York Life, where they can earn interest, or use them to pay future premiums. And these benefits compound over time, so the value of your policy has the potential to increase faster than might otherwise be possible.

## Five best next steps:

1. Learn how whole life insurance can also help to fund your retirement and other financial needs.
2. Look into potentially valuable options and riders.
3. Learn more about the financial strength backing our policies.
4. See if whole life can be a fit with your budget.
5. Review personalized quotes and compare policies.



<sup>5</sup> Dividends are not guaranteed, but have been paid for 164 consecutive years.

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