

Four Benefits to Owning Whole Life Insurance

Pay the required premiums and whole life provides:

1. A guaranteed death benefit.
2. Money when it's needed by families and businesses.
3. An economical way to guarantee lifetime benefits.
4. Funds to beneficiaries with income tax efficiency.

What About the Cash Value?

Is Whole Life Insurance a good place to accumulate money?



An Asset With More Options Than a New Car



Whole Life Insurance . . . Providing *Flexibility You can Choose!*

- **Income-tax free death benefit** to heirs.
- **Borrow from your policy** instead of the bank.¹
- Repay your loan **on a schedule you choose.**
- With Life Insurance cash values, at retirement you can take out a **policy loan stream of TAX FREE Income!**
- **Access to portion of the death benefit** on a tax-favored basis if the insured is diagnosed with a terminal or chronic illness.²
- With Life Insurance Cash Values, you can receive the loans with: **NO TAX, NO 1099, NO IRS REPORTING!**
- **Must keep the policy in force to achieve above results.**
- You may elect a **reduced paid-up policy—No More Premiums.**

¹ If the policy is structured properly (not recognized as a Modified Endowment Contract ([MEC]), the cash value can be accessed tax-free through a combination of withdrawals and loans. Loans and withdrawals reduce the available death benefit and cash value.

Consider the Alternatives

Consider the Features of Whole Life Insurance

Stocks	Bonds	Mutual Funds	CD	Qualified Plans ³ and IRAs	Tax-Free Bonds	Real Estate	Whole Life Insurance	Features
							✓	Tax-Free Death Benefit
				✓		✓	✓	Tax-Deferred Growth
					✓		✓	Tax-Free Access ⁴
✓	✓	✓	✓	✓	✓	✓	✓	Competitive Rate of Return
			✓				✓	Guarantees
				✓			✓	Creditor Protection ⁵
✓	✓	✓	✓		✓	✓	✓	Unlimited Contribution
							✓	Access to Cash Value
✓	✓	✓	✓		✓	✓	✓	Collateral
							✓	Estate-Tax-Free ⁴
✓	✓	✓			✓		✓	Liquidity, Use, Control
							✓	Disability Waiver ⁶
				✓				Tax Deductible ⁴

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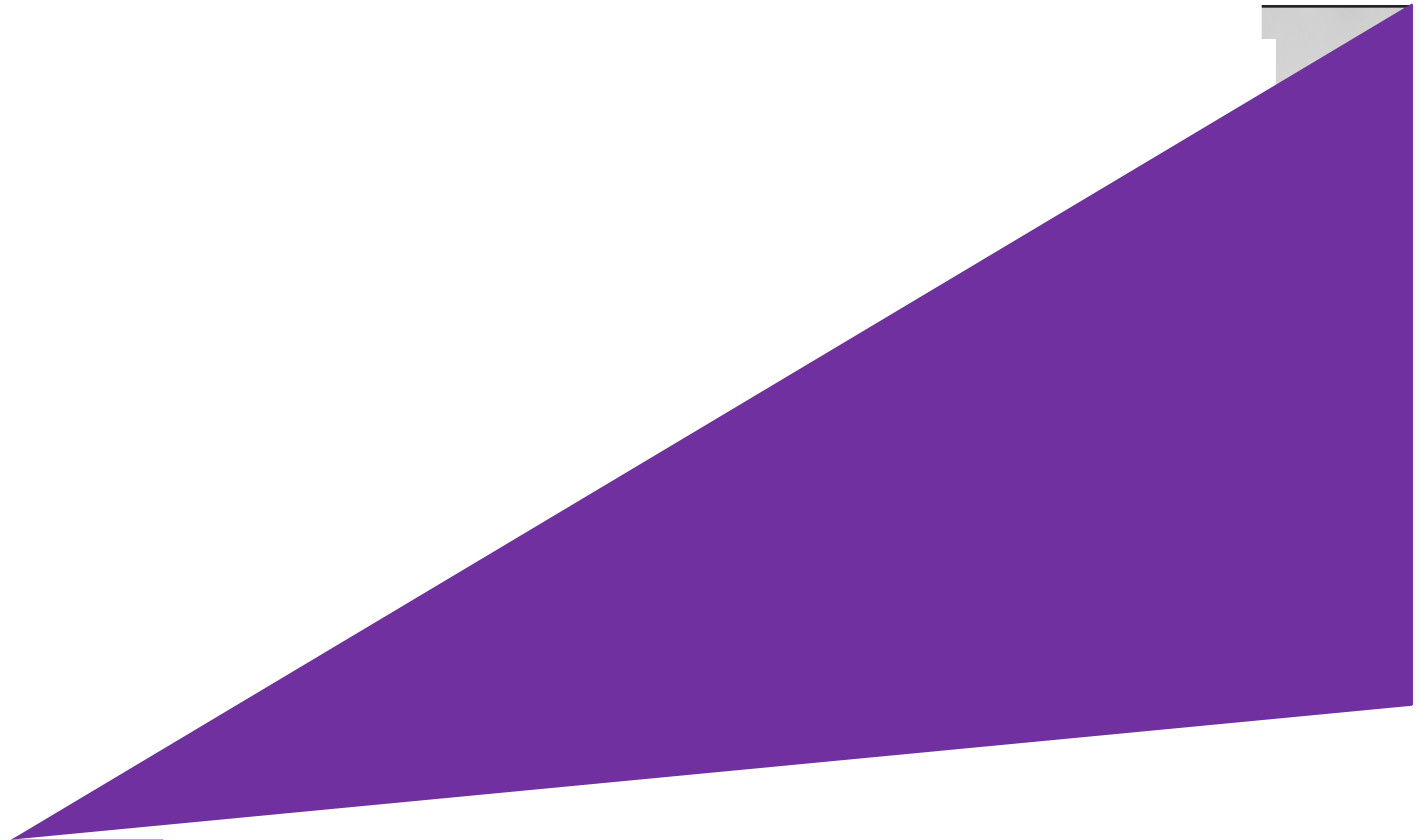
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Whole Life Insurance: Helping with Retire

Whole Life and 401(k)

Whole Life and
Qualified Plans



WHOLE LIFE PLAN OPTIONS

Paid-Up at age 121

Paid-Up at age 100

Paid-Up at age 65

Paid-Up in 10 years

THE POWER OF Dividend-Paying Whole Life Insurance



Benefits of Whole Life Insurance

01

Guaranteed Death Benefit

Whole life insurance policies provide a guaranteed death benefit, provided that required premiums are timely paid. This death benefit can be used to help secure the financial future of the insured's loved ones after the insured passes.

02

Accumulation of Cash Values

Not only can a whole life insurance policy provide a death benefit, but it can also accumulate cash value that can be used to pay premiums, provide collateral for policy loans, or supplement retirement income.²

03

Ability to Earn Dividends³

Whole life insurance policies can earn dividends which may be used several different ways including to pay premiums, add death benefit and cash value, or to accumulate within the policy, for example.

04

Supplemental Riders⁴

Not only does the whole life policy build cash value but it may also include chronic illness⁵ and terminal illness accelerated death benefit riders to provide more flexibility with living benefits.

THE POWER OF Dividend-Paying Whole Life Insurance



Importance of a Mutual Company

A mutual life insurance company is one in which the company is owned, operated and maintained for the benefit of its policyholders. Mutual life insurance companies share their favorable experience with their eligible policyholders through the payment of dividends. Stock life insurance companies are owned by and operated for the benefit of their shareholders. Policyholders of mutual life insurance companies also have the opportunity to vote in Board of Director elections.

What is a Dividend?

The company may declare a dividend when its actual experience proves to be more favorable than what was anticipated in setting premium payments. A dividend payment represents the policyholder's share of that favorable experience.

The company determines the premiums for a whole life policy series based on many variable factors, including the company's anticipated experience with claims and benefit payments, investment earnings and operating expenses. Companies monitor these factors carefully. When the company's actual experience is better than expected, a dividend may be declared and then paid to eligible policyholders.

It is important to know dividends are not guaranteed.



THE POWER OF Dividend-Paying Whole Life Insurance



We understand the overwhelming number of financial decisions you have. What if we told you there was a financial product that can provide real-world, fixed benefits you can use during the entirety of your life, while also helping protect the future of your loved ones after you pass?

Factors that Impact Dividends



Death Claims

Death claims, or mortality rates, can have a substantial impact on dividends. When the company establishes premiums for a policy series, it does so based on anticipated mortality rates for insureds. When death claims differ from what is anticipated, the amount of surplus available to pay dividends is impacted.



Return on Company Investments

Since premiums depend, in part, on the anticipated results of the company's investments, the amount available to pay dividends can be impacted by the performance of such investments. Mutual companies manage such investments specifically for the benefit of policyholders.



Corporate Expenses

Lastly, when premiums are established, corporate expenses are factored into this calculation. Increases or decreases in actual expenses incurred may impact the amount available to pay dividends.



Frequently Asked Questions About Dividends

How are Dividends Used?

Whole life insurance policies can earn dividends which may be used several different ways including to pay premiums, add death benefit and cash value, or to accumulate within the policy, for example.

At Security Mutual Life, a majority of our policyholders keep their dividends with the Company. This means that many policyholders elect to apply dividend payments to their policies by purchasing paid-up additional insurance or leaving their dividends on deposit with the ability to earn interest. Policyholders may also choose to have dividends applied under any appropriate option available in their policies.

Do All Participating Policies Receive Dividends?

Some participating policies may not receive dividends. While universal life insurance and term life insurance policies may be classified as participating policies, their owners are advised that minimal dividends, if any, will be paid on such policies. Even though some participating policies will be unlikely to earn any dividends, they do provide voting rights to the policyholder.

How Does a Life Insurance Company Determine Dividends?

Each year, the company reviews the experience of participating blocks of policies focusing on mortality, expenses and investment income for similar policies. This experience is compared against the company's expectations when the pricing was established. Other factors, such as the company's capital needs, plus the economic environment and conditions, are considered in determining the dividend payout.

Capitalized Whole Life Insurance: A Financing Tool

- It's all about control
- It's all about where your payments are going
- It's all about simplicity
- It's all about compounding your money uninterrupted

Capitalized Whole Life Insurance: A Cash Accumulation Tool

- Guarantees
- Safety
- Predictability
- Growth

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