**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."

Sometimes you have to jump through hoops to claim a money-back guarantee. You might have to return the unused product or prove that you used it before you can even request a guarantee. One skin product company required customers to send pictures of themselves taken with the product and a newspaper showing the date, one at the beginning of the 90-day-trial period and another at the end.

**What's a guarantee worth, anyways?**

If the company making the guarantee has a solid track record, a guarantee is valuable! Guarantees give buyers confidence, reduce stress and provide assurance. They limit risk. And they help purchasers make decisions about who they can trust and where their money might be well spent.

Oddly enough, people usually put their money in places with few if any guarantees. And without guarantees, even the most trusted places to store our cash can let us down.

Mortgage bonds, previously thought of as reliable and boring, collapsed in the financial crisis. The housing market followed, with trillions of home equity lost. Muni-bonds, typically another safe haven for money, have been disrupted by bankruptcies. Enormous companies assumed to be stable drivers of the economy such as Enron and WorldCom collapsed with little warning. And the elite brokerage that performed so consistently turned out to be Ponzi scheme.

Some financial products *do* come with guarantees. Banks have FDIC insurance and CDs offer guaranteed rates, although the current anemic rates "guarantee" your savings will not keep pace with inflation.

Term life insurance provides a death benefit that is practically "guaranteed" *not* to be paid, since most term policies expire long before the insured does.

But there IS a place where your money can provide you true "lifetime guarantees." Participating whole life insurance from a mutual life insurance company offers guarantees that should not be overlooked... especially if you're not the type of person who likes to gamble with your dollars!

When you buy a whole life policy from a mutual life insurance company, you're purchasing a financial product known for its guarantees:

**A guaranteed death benefit.** Since death is a "when" and not an "if" event, we think that's a pretty important guarantee! 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 warrantees - they assure you of temporary protection, but you're not likely to need it while it's in force. With whole life, as long as the premiums are paid, a legacy benefit is assured.

**A guaranteed level premium.** You premium will never go up with whole life insurance. Quotes for term life insurance increase dramatically as you age until they become cost-prohibitive. Premiums have risen on other types of permanent life insurance while policies were in force. However, your whole life policy premium will remain the same for life, or until the policy is paid up.

**Guaranteed cash value.** Whole life policies have a guaranteed cash value that is net of all costs (mortality costs, company expenses, agent commissions). Additionally, that guaranteed cash value is guaranteed to rise every single year even if no dividends are paid. Your gains are locked in, and unless you withdraw from it, your cash value will only ever go up.

Cash value can be guaranteed because of the following guarantees:

**A guaranteed mortality rate.** This means that your cost of insurance inside the policy is pre-determined. No ugly surprises or "imploding" policies.

**A guaranteed expense factor.** Policy expenses are guaranteed not to exceed a contractually determined amount.

**Guaranteed growth of your cash value.** Whole life policies guarantee **a minimum interest rate** (typically 4%) subtract the internal costs of the policy. This growth does *not* include dividends, which have historically been paid, but are not guaranteed.

Your cash value will not "roller coaster ride" with stocks, interest rates, real estate prices or politics, and your savings are guaranteed to grow even during market crashes and periods of rock-bottom interest rates.

Perhaps you're hoping for more than the minimum guarantee? You'll love this next guarantee then...

**A guarantee of participation in any profits of the mutual company.** Premiums are used to pay claims, cover operating expenses and policy costs, and fund required reserves. Profits over and above operating expenses are distributed back to policyholders in the form of dividends. This is because mutual insurance companies are "by definition... owned entirely by their policyholders," according to the [National Association of Insurance Commissioners](http://www.naic.org/capital_markets_archive/150428.htm), and "profits earned are returned to policyholders...."



Dividends, though not contractually guaranteed, have historically been paid in addition to the guaranteed minimum returns of whole life policies. Declared annually, dividends have been paid by major mutual life insurance companies every year for well over 100 years through every economy imaginable. Whole life dividends were paid even through the Great Depression and the Great Recession, which gives you an idea of how solid this guarantee is!

By purchasing Paid-Up Additions with dividends, policyholders increase both their cash value and the amount of the death benefit. Through PUAs, dividends become part of the guaranteed cash value, guaranteed to rise every year. In this way, your dividends earn their own 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 interest rate for any future policy loans.

**Customized guarantees.** Depending on which riders are chosen, you can also be guaranteed:

* the ability to purchase more insurance in the future, regardless of health,
* that premiums will be paid for you in the event of disability, typically until the age of 60 or 65 (depending on your policy),
* access to a portion of your death benefit for long-term care, if needed, and
* the ability to accelerate your death benefit in the case of a terminal illness.

**Are guarantees right for you?** You don't need to ask your doctor, just take the quick true/false quiz below:

**T/F** You understand the importance of having safe, liquid savings in addition to investments.

**T/F** You want a good, safe place to store cash where you can earn more than the banks are paying.

**T/F** If you could easily leverage more cash, you could capitalize on more opportunities.

**T/F** You enjoy sleeping at night and don't want to leave your financial future to chance.

**T/F** When you pass away, you want to leave a legacy (or an additional legacy) to loved ones and/or special causes you care about.



*If you answered "True" to three or more questions, we guarantee you'll appreciate whole life insurance!*

To find out more about the power of whole life insurance when used as a replacement for other cash equivalents, you may wish to read [*Live Your Life Insurance*](http://amzn.to/2edffRw), a book by my friend and colleague, Kim Butler. It explains how to use whole life insurance strategically so that YOU benefit from your own life insurance.

And to find out how a whole life policy might perform for you... simply reach out and request a policy illustration. We would be happy to provide you with an illustration as well as additional information, and there's no obligation... guaranteed!

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