

# Learn the Advantages: **BECOME YOUR OWN BANKER & Be a Wealth Creator**

## An Educational Workshop

*Presented by: James R. Grazioli - President  
Comprehensive Financial Group Inc.*

*Financial Service Professional - 30 Yrs.*

*A Discussion of The  
Importance of Becoming  
A Wealth Creator &  
Savings Taxes*

# LEARN HOW TO :

- INCREASE YOUR NET WORTH
- REDUCE YOUR INCOME TAX LIABILITY
- INCREASE YOUR MONTHLY CASH FLOW

HOW SHOULD YOU PAY FOR LARGE  
TICKET ITEMS THAT YOU CANNOT PAY  
WITH YOUR MONTHLY CASH FLOW?

AUTOMOBILES  
YOUR RESIDENTIAL HOME  
HOUSEHOLD IMPROVEMENTS  
INVESTMENT PROPERTIES  
COLLEGE EDUCATION  
WEDDINGS  
BUSINESS EXPANSIONS  
VACATIONS

# Your Circle of Wealth

## How to **Buy**, Borrow, and **Pay** for Major Capital Purchases

➤ **Debtor:** *Works to Spend*

➤ **Saver:** *Saves to avoid paying interest*

➤ **Wealth Creator:** *Saves and uses OPM to maximize efficiency*



# Your Circle of Wealth

## How to Buy, Borrow, and Pay for Major Capital Purchases

### ➤ Debtor: *Works to Spend*

Borrows from lender at highest market rates, using future earning potential as collateral.

### ➤ Saver: *Saves to avoid paying interest*

Borrows from self, reducing current collateral position and resets compounding. Human Nature.

### ➤ Wealth Creator: *Saves and uses OPM to maximize efficiency*

Borrows from lender at negotiated rates, using own money as collateral and continues to earn uninterrupted compounding.




- THE PROBLEM WITH THE SAVER WHO PAYS CASH FOR LARGE TICKET ITEMS

# SAVER

Private Reserve Strategy

## Your Circle of Wealth

### The Problems with Paying Cash



➤ To pay cash, you need to first save cash

Exit PEM Jump Down Back Forward

Search the web and Windows

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# SAVER

## *Your Circle of Wealth*

### The Problems with Paying Cash



To pay cash, you need to first save cash



Annual tax leakage



ESC FEM Jump Draw Back End



Search the web and Windows



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4/4/2016



# SAVER

## Your Circle of Wealth

### The Problems with Paying Cash



To pay cash, you need to first save cash



Annual tax leakage



You must drain the tank to make your purchase

You lose the interest you could have earned had you not drained the tank.



# HOW TO BECOME A WEATLH CREATOR & NOT INTERRUPT COMPOUNDING INTEREST OF YOUR MONEY?

# Your Circle of Wealth

## Consider This..



**What if you could make the purchase without "emptying the tank?"**

**This would allow your private capital reserve to continue to employ the benefits of compounding.**



**If I don't use my capital, whose do I use?**

**You collateralize a loan from a financial institution. Securing the loan by pledging a portion of your Private Reserve.**

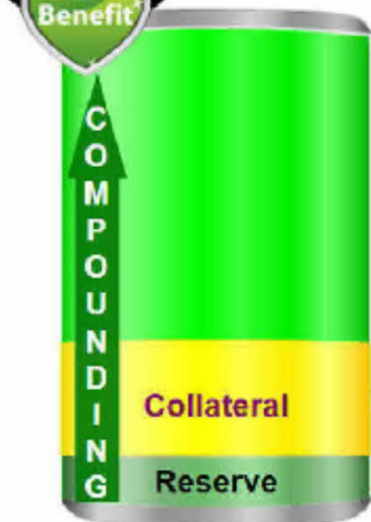




# Your Circle of Wealth



## Permanent Insurance as a Private Reserve



Policy Cash Value



Insurance Company

Interest-Only Loan



Non-structured Payment



Use and Control

Permanent life insurance, when designed and utilized properly, can provide stable growth, cash value collateralization, guaranteed loan access, no annual tax on growth and death benefits. Additional benefits are available with additional policy riders.







# US Debt Clock.org

State Debt Clocks

World Debt Clocks

Debt Clock Time Machine

**US NATIONAL DEBT**  
**\$27,875,565,579,373**  
 DEBT PER CITIZEN: **\$84,179** DEBT PER TAXPAYER: **\$222,191**

US FEDERAL SPENDING (OFFICIAL): **\$6,667,158,716,035**  
 US FEDERAL BUDGET DEFICIT (OFFICIAL): **\$3,207,011,658,389**

US FEDERAL SPENDING (ACTUAL): **\$8,030,138,671,337**  
 US FEDERAL BUDGET DEFICIT (ACTUAL): **\$4,569,991,593,797**

US FEDERAL DEBT TO GDP RATIO  
 1960: **53.28%** 1980: **34.51%** 2000: **59.29%** NOW: **130.82%**

US FEDERAL TAX REVENUE: **\$3,460,147,089,218** REVENUE PER CITIZEN: **\$10,461**

INCOME TAX REVENUE: **\$1,620,269,344,530** PAYROLL TAX REVENUE: **\$1,319,156,352,297**

TOTAL STATE REVENUE: **\$2,096,026,872,136** TOTAL LOCAL REVENUE: **\$1,571,873,000,074**

CORPORATE TAX REVENUE: **\$213,408,672,013** TARIFF TAX REVENUE: **\$68,380,030,216**

STATE DEBT: **\$1,226,971,986,263** DEBT PER CITIZEN: **\$3,710**

LOCAL DEBT: **\$2,101,678,261,757** DEBT PER CITIZEN: **\$6,354**

US GROSS DOMESTIC PRODUCT: **\$21,309,037,208,483**

TOTAL FEDERAL/STATE/LOCAL SPENDING: **\$10,043,291,714,478**

TOTAL DEBT TO GDP RATIO: **146.44%** SPENDING TO GDP RATIO: **47.13%**

**Largest Budget Items**

MEDICARE/MEDICAID: **\$1,271,851,425,224** SOCIAL SECURITY: **\$1,104,425,712,612** DEFENSE/WAR: **\$721,339,011,428** INTEREST ON DEBT (NET): **\$393,691,179,590**

**Unfunded Debt/Interest**

US TOTAL INTEREST PAID: **\$3,832,750,630,769** INTEREST PER ADULT: **\$14,971**

US TOTAL DEBT: **\$82,363,281,251,158** SAVINGS PER FAMILY: **\$27,394**

BANK INTEREST RECEIVED: **\$681,277,443,109** BANK INTEREST PAID: **\$132,411,381,289**

TOTAL PERSONAL DEBT: **\$20,750,026,835,345** PERSONAL DEBT PER CIT.: **\$62,699**

STUDENT LOAN DEBT: **\$1,727,368,261,773** PER STUDENT: **\$38,356**

CREDIT CARD DEBT: **\$977,249,878,356** PER HOLDER: **\$6,080**

**Money Creation**

US TREASURY DOLLARS NOW: **\$790,244,178** US M2 MONEY SUPPLY NOW: **\$19,786,946,478,270**

US TREASURY DOLLARS 2000: **\$3,551,218,105** US M2 MONEY SUPPLY 2000: **\$4,688,582,133,575**

CURRENCY AND CREDIT DERIVATIVES NOW: **\$616,775,233,162,047**

CURRENCY AND CREDIT DERIVATIVES 2000: **\$88,785,256,853,071**

**Trade Balance**

US DEBT HELD BY FOREIGN COUNTRIES: **\$7,100,602,773,622**

US TRADE DEFICIT: **\$895,047,497,531** US TRADE DEFICIT - CHINA: **\$301,469,916,669**

US IMPORTED OIL: **\$99,630,099,375**

US POPULATION: <b>330,920,717</b>	US WORKFORCE NOW: <b>150,003,201</b>	OFFICIAL UNEMPLOYED: <b>10,579,823</b>	DOLLAR TO OIL RATIO NOW: <b>\$119.29 PER BARREL</b>
US INCOME TAXPAYERS: <b>124,954,068</b>	US WORKFORCE 2000: <b>158,440,306</b>	ACTUAL UNEMPLOYED: <b>18,581,418</b>	DOLLAR TO OIL RATIO 1913: <b>\$2.20 PER BARREL</b>
PRIVATE SECTOR JOBS: <b>118,618,860</b>	NOT IN LABOR FORCE NOW: <b>100,579,206</b>	FULL-TIME WORKERS: <b>124,842,573</b>	DOLLAR TO SILVER RATIO NOW: <b>\$4,800 PER OUNCE</b>
US SELF-EMPLOYED: <b>8,517,380</b>	NOT IN LABOR FORCE 2000: <b>80,985,281</b>	PART-TIME WORKERS: <b>24,917,036</b>	DOLLAR TO SILVER RATIO 1913: <b>\$2.66 PER OUNCE</b>
US UNION WORKERS: <b>15,350,230</b>	MEDIAN INCOME NOW: <b>\$35,326</b>	MEDIAN NEW HOME NOW: <b>\$326,883</b>	DOLLAR TO GOLD RATIO NOW: <b>\$34,569 PER OUNCE</b>
GOVERNMENT EMPLOYEES: <b>22,704,617</b>	MEDIAN INCOME 2000: <b>\$31,026</b>	MEDIAN NEW HOME 2000: <b>\$161,801</b>	DOLLAR TO GOLD RATIO 1913: <b>\$28.47 PER OUNCE</b>
MANUFACTURING JOBS NOW: <b>12,309,901</b>	US BANKRUPTCIES: <b>604,981</b>	LIVING IN POVERTY: <b>35,880,091</b>	PAPER TO SILVER RATIO NOW: <b>185.62 to 1</b>
MANUFACTURING JOBS 2000: <b>17,265,980</b>	US FORECLOSURES: <b>71,001</b>	WITHOUT INSURANCE: <b>29,505,061</b>	PAPER TO SILVER RATIO 2000: <b>88.07 to 1</b>
US RETIREES: <b>55,370,236</b>	MEDICARE ENROLLEES: <b>61,363,642</b>	US MILLIONAIRES: <b>18,443,109</b>	DOLLAR TO CRYPTO RATIO NOW: <b>19.27 to 1</b>
US DISABLED: <b>9,608,371</b>	MEDICAID RECIPIENTS: <b>77,687,023</b>	FOOD STAMP RECIPIENTS: <b>45,741,337</b>	DOLLAR TO CRYPTO RATIO 2013: <b>8,582 to 1</b>

**HOUSEHOLD ASSETS: \$128,911,786,485,442** **US TOTAL NATIONAL ASSETS: \$157,142,412,086,891** **ASSETS PER CITIZEN: \$474,701**

**SOCIAL SECURITY LIABILITY: \$21,008,264,824,106** **MEDICARE LIABILITY: \$32,556,939,827,875** **US UNFUNDED LIABILITIES: \$159,162,424,743,295** **LIABILITY PER CITIZEN: \$480,764**

# INTEREST ONLY PAYMENT ON OUR NATIONAL DEBT

- Currently the United States is paying over **500 Billion** Dollars per year in the INTEREST ONLY Payment On Our Over **26 TRILLION** DOLLAR NATIONAL DEBT
- Within a few years we will reach a debt of:
- **30 TRILLION DOLLARS**, and our INTEREST ONLY PAYMENT PER YEAR WILL BE:
- **1 TRILLION DOLLARS**



There are only two ways  
to combat the growing  
debt...

1. Spend Less
2. Tax More



So the only solution  
seems to be...

Higher TAXES





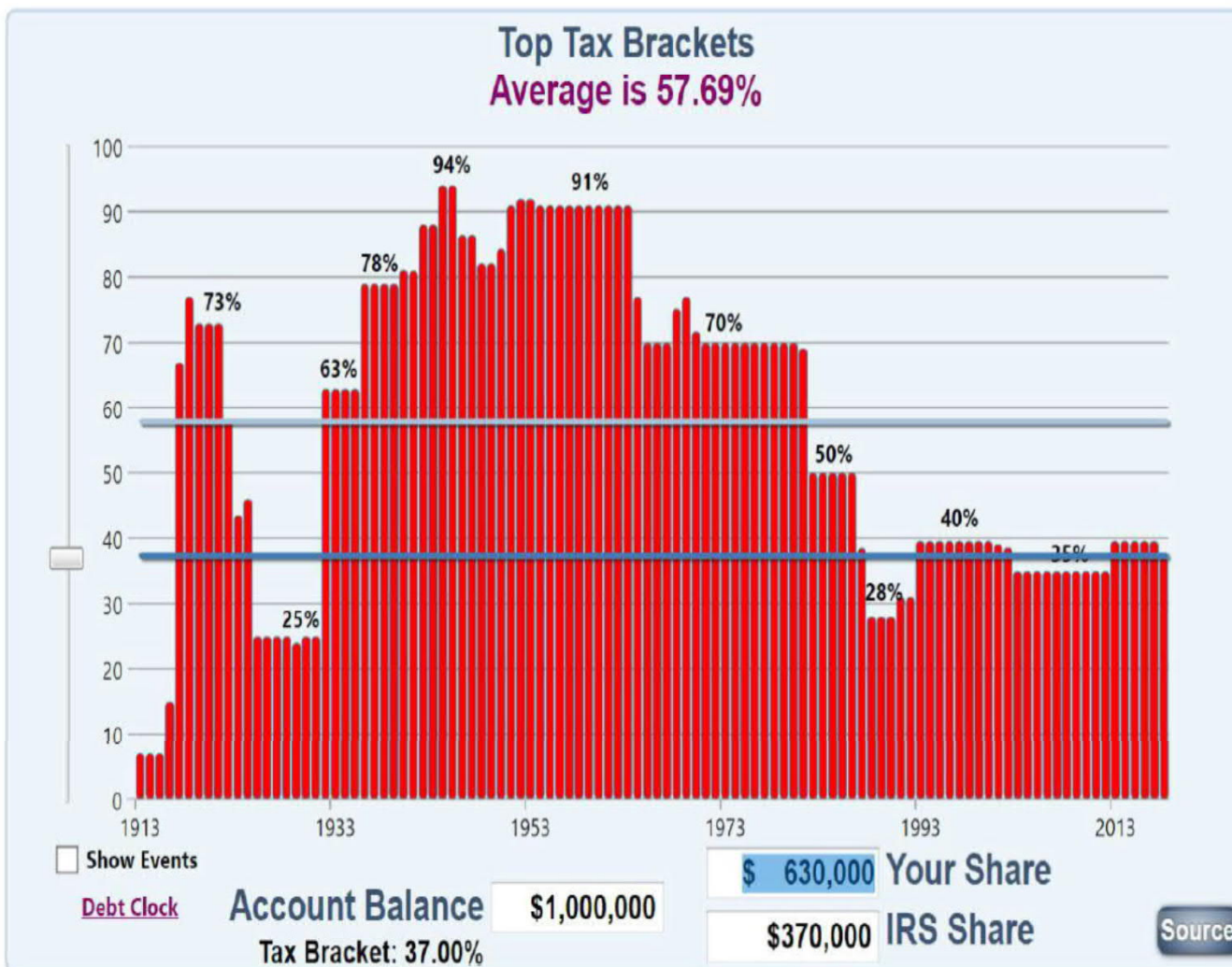
# How important is Tax-Free?

- **The following example will illustrate the beauty and magic of tax-free growth**
- **Which would you choose to pay taxes on?**
- **The seed or the full grown tree?**



# Your Circle of Wealth

## Top Tax Brackets



# Tax Thresholds 70's

- The next slide shows the Tax rates and the top income for those rates (Thresholds)
- During the 70's the tax rates were never below 70% with only \$200,00 of Income.
- Do you see the importance of Tax Free Non Reportable Income with some of your retirement money?



# Your Circle of Wealth

## Federal Income Tax Thresholds

### Federal Income Tax Thresholds 1913 to 2018

Year	Initial Rate	Threshold for Lowest Bracket	Top Rate	Threshold for Highest Bracket
1970	14.00%	\$1,000	71.75%	\$200,000
1971	14.00%	\$1,000	70.00%	\$200,000
1972	14.00%	\$1,000	70.00%	\$200,000
1973	14.00%	\$1,000	70.00%	\$200,000
1974	14.00%	\$1,000	70.00%	\$200,000
1975	14.00%	\$1,000	70.00%	\$200,000
1976	14.00%	\$1,000	70.00%	\$200,000
1977	14.00%	\$3,200	70.00%	\$203,200
1978	14.00%	\$3,200	70.00%	\$203,200
1979	14.00%	\$3,400	70.00%	\$215,400
1980	14.00%	\$3,400	70.00%	\$215,400
1981	14.00%	\$3,400	69.12%	\$215,400
1982	12.00%	\$3,400	50.00%	\$85,600
1983	11.00%	\$3,400	50.00%	\$109,400
1984	11.00%	\$3,400	50.00%	\$162,400

**Tax Rates  
During the  
70's**

[Documentation](#) [Source](#)



# Whose Retirement are we *really* planning?



*Ours or  
Uncle  
Sam's?*

# DOES IT MAKE SENSE TO:

- CONTRIBUTE TO A PLAN THAT YOU HAVE NO CONTROL OVER THE FUTURE TAX RATES?
- CONTRIBUTE TO A PLAN THAT YOU WILL BE PENALIZED IF YOU TAKE MONEY OUT BEFORE AGE 59 ½?
- SHOULD YOU BE CONTRIBUTING TO A TRADITIONAL IRA, 401k\*, SEP, 403b

■ \* 401k - CONTRIBUTE IF THERE IS A COMPANY MATCH

# Have you prepared any kind of an exit strategy?

- ❖ WITH QUALIFIED PLANS:
- ❖ Traditional IRA- No Tax Control
- ❖ 401K – No Tax Control
- ❖ SEP – No Tax Control
- ❖ SIMPLE IRA – No Tax Control
- ❖ 403B – No Tax Control
- ❖ Go to the next slide for the Tax Free Retirement Answer!



# The Solution:

## A Properly Structured Cash Value Whole Life Insurance Policy

### MAXIMUM *Cash Value*

Death Benefit - Income Tax Free - Day 1

Earn Dividends - *(Paid Every Year Since 1847)*

Tax Free Growth - No Market Losses  
Tax-Free Retirement - Non Reportable  
Liquidity, Use & Control of Cash Value

Creditor Proof - Lawsuit Protected

Minimum Guaranteed Growth

Disability Waiver -

*(Plan Completed With Cash Value Growth)*

Chronic Illness Rider -

*(Limited Long Term Care Benefits)*

# Whole Life Insurance Policy



Ceiling:  
Dividends Paid  
Every Year  
Since 1847

No Market  
Losses  
From  
Crashes

Guaranteed Cash Value Growth  
**Never a Market Loss**

## GOALS:

- Earn Annual Dividends With a **Guarantee of No Losses:**
- Dividends Paid Every Year Since 1847
- Tax Free Growth
- Become Your Own Banker For Major Purchases
- \$\$\$ Tax Free Retirement (Non Reportable)
- Income Tax Free Death Benefit From Day 1
- Disability Completion Benefit
- Chronic Illness Benefit for Long Term Care Needs

# Why is this Product Tax Favored? Section 72(e) and 7702

- The most unique feature of permanent life insurance is that under Section 72(e) and 7702 of the Internal Revenue Code the accumulation of cash inside the insurance contract is tax advantaged. Not only can the cash value accumulate tax free, but the cash can also be ACCESSED TAX FREE VIA POLICY LOANS, and is NOT CONSIDERED A DISTRIBUTION OF INCOME!
- Hence, the beauty and magic of life insurance: It is a unique vehicle that allows TAX FREE ACCOUNT VALUE ACCUMULATION, ALLOWS YOU TO ACCESS YOUR MONEY TAX FREE, and, WHEN YOU DIE, The Death Benefit is Paid INCOME TAX FREE to your Beneficiary!



# *YOU MAY BE SHOCKED TO KNOW WHO OWNS CASH VALUE LIFE INSURANCE?*

- 1. Banks are required by regulators to keep large amounts of cash on hand to meet unexpected obligations. This is called their Tier One Capital. Banks must be able to access this money immediately and it cannot be at risk. By law Banks must keep 4% of their assets in Tier One Capital. Banks in the US own over 140 Billion of Cash Value Life Insurance because of the following reasons: Immediate access to cash, no risk, tax free growth of their money, income tax free death benefit.
- 2. Walt Disney started his investments in Disney World from his Cash Value Life Insurance Policy.
- 3. James Cash Penny borrowed money from his Cash Value Life Insurance Policy in 1929 after the crash to keep the famous J.C Penny's Stores from closing.
- 4. Ray Kroc borrowed money from his Cash Value Life Insurance policy to keep the famous McDonalds going when he first started the empire back in 1955.

# TOTAL BOLI (BANK OWNED LIFE INSURANCE)

Represents 25% or more of their Tier One Capital

## LOAN EXPERT

**Question: Where Do Banks Hold Their Money?**

**Answer: Life Insurance (Bank Owned Life Insurance B.O.L.I)!!!**

**It represents 25% or more of their Top Tier One Capital.**

### Top 8 Reasons Why Banks Hold Their Money In Permanent Life Insurance:

- 1 Banks are highly transactional in nature and do poorly in managing conservative investments for the long haul. Life companies do much better.
- 2 Bankers are smart people and they put money in BOLI because there is **NO annual taxation of capital gains or cash value increase in Life insurance.**
- 3 **Life insurance provides minimum guaranteed death benefit to banks where as taxable investments do not.**
- 4 Life insurance benefits come into the bank **income tax free.**
- 5 Unrealized gains or losses cannot be recorded on taxable investment, but banks can recognize increase in **cash surrender value as a credit to earnings.**
- 6 In period of low interest rates banks have cheap access to money from FED and they can **invest funds in Life insurance and gain all the above benefits.**
- 7 Investing in permanent Life insurance offers banks **professional money management options**
- 8 Life insurance companies are inherently stronger than banks because they do not do fractionalized lending, so they have **less exposure & are not overleveraged**

The following numbers should be eye opener and erase all doubts about the beauty of high cash value life insurance as a quality asset. Banks do not do anything that is not in their best economic interest. The irony is, that cash value in permanent life insurance will do more for the consumer than for the banks!

Note: BOLI figures as of December 31, 2006.

Bank	Total Tier One Capital Assets/\$Billions	Total BOLI Cash Value Assets/\$Billions	BOLI % of Tier One Capital	Death Benefit 5x Cash Value \$Billions
1 Bank of America	\$ 95.35	\$ 14.40	15%	\$ 72.01
2 Wachovia	\$ 32.92	\$ 12.87	39%	\$ 64.37
3 JP Morgan Chase	\$ 68.73	\$ 7.87	10%	\$ 39.35
4 Washington Mutual	\$ 21.08	\$ 4.29	20%	\$ 21.43
5 Wells Fargo	\$ 29.19	\$ 3.69	12%	\$ 18.47
6 Citibank	\$ 59.86	\$ 3.28	5%	\$ 16.41
7 U.S. Bank, NA	\$ 12.36	\$ 3.24	26%	\$ 16.21
8 Keybank, NA	\$ 6.81	\$ 2.60	38%	\$ 13.01
9 Branch Banking	\$ 8.08	\$ 2.38	29%	\$ 11.91
10 Bank of New York	\$ 5.47	\$ 1.72	31%	\$ 8.61
11 Sovereign Bank	\$ 5.02	\$ 1.72	34%	\$ 8.59
12 PNC Bank	\$ 6.16	\$ 1.62	26%	\$ 8.09
13 National City	\$ 8.38	\$ 1.57	18%	\$ 7.83
14 Regions Bank	\$ 11.10	\$ 1.25	11%	\$ 6.27
15 PNC Bank	\$ 3.30	\$ 1.16	35%	\$ 5.78

## 401K or IRA Bucket



**This Bucket Represents \$1,000,000 in a 401K or IRA Bucket.**  
**If you choose this bucket, and you file your taxes, Married Filing Jointly,**  
**You will pay taxes on every Dollar you pull out for Retirement.**  
**Example: If you are in a 22% tax bracket and you withdraw \$100,000, you will only net**  
**\$86,420 , and the IRS will receive \$13,580 for the retirement plan you built for them.**



## Brokerage Account Bucket



This Bucket Represents \$1,000,000 in a Brokerage Account Bucket.

If you choose this bucket, you will pay capital gains taxes on your Retirement,

Example: If you are in a 22% tax bracket, you will pay 15% Capital Gains and if you withdraw \$100,000, you will only net \$85,000 and the IRS will receive \$15,000 from the Retirement Plan you built for them.

# Life Insurance Cash Value Bucket



This Bucket Represents \$1,000,000 in a Life Insurance Cash Value Bucket.

**If you choose this bucket, you will pay NO TAXES on your Retirement,**

Example: If you withdraw \$100,000 from you Cash Value, you will **NET \$100,000!**

This Retirement money is **NON REPORTABLE!**

Which bucket would you choose for your Retirement?

# Case Study:



- 50 Year Old Male
- \$25,000 Contribution Per Year for 15 Years
- **\$501,809 Cash Value at Age 65\***
- **Tax Free Retirement – Non Reportable**
- **\$531,725 Income Tax Free Death Benefit Day 1\*\***
- **Chronic Illness Benefit – Included in the Policy and Can Be Used for Long Term Care Needs**
- **Optional - Disability Benefit – Plan will Deposit Into Your Policy If You Are Fully Disabled\*\*\***

*\*Assuming Current Dividend Scale (Not Guaranteed)*

*Penn Mutual has paid Dividends Every Year Since 1847*

*\*\* Assuming a Preferred Plus Non Tobacco Male Age 50*

*\*\*\* Rider not included in this illustration – Optional to add*



# NEXT SLIDE SAMPLE ILLUSTRATION

- SHOWS Taking a Loan **AGAINST** the Policy and not out of the policy - **BUYING AN AUTO FOR (\$30,000) IN YEAR 5**
- **PAYING BACK THE AUTO LOAN** (With Additional Premium) **YEARS 6-9** (The \$30,000 Loan for the Auto Continues to earn dividends)
- Access to Cash Anytime After 1<sup>st</sup> Year & Tax Free Retirement Income-Non-Reportable
- **CASH VALUE AT AGE 65 - \$501,809\***
- **FULL ILLUSTRATION WILL BE PROVIDED AT APPOINTMENT**
- \* Assuming Current Dividend Scale (Not Guaranteed)

Insured: **Mr Client - 50**  
 Male, Age 50, Preferred Plus Non-Tobacco  
 Contract Premium Mode: Annual  
 EPPUA Premium Mode: Annual  
 Policy Payment Period: 50 Years  
 Initial Premium: \$25,000.00

Initial Base Face Amount: \$393,871  
 Initial Flexible Protection Rider Face Amount: \$137,854  
 Initial Total Face Amount: \$531,725  
 Initial Dividend Option: Paid-Up Additions (PUAs)

Supplemental Ledger - Current Dividend Scale

Values

**Current Dividend Scale**  
 Refer back to the basic illustration for guaranteed elements and other important information.

Benefits and values are subject to change by Penn Mutual and are not guaranteed, actual results may be more or less favorable.

Values are based on the guarantees in your policy, as well as any non-guaranteed dividends paid at the current scale. This supplemental ledger will also reflect PUA/dividend surrenders and policy loans, if illustrated.

The policy shown in this illustration is not guaranteed to be a paid-up policy until after the policy payment period ends. Any suspension of premium shown prior to the end of the policy payment period is dependent on the dividends assumed in the illustration. Future dividends may be less than those illustrated which may result in the need to continue premium payments or resume premium payments after an initial suspension of such premium payments.

Year	Age	Total Premium	Dividend	Premium Outlay	Cum. Premium Outlay	Income	Non-Guaranteed		Change in Total Net Cash Value	Change in Net CV Less Prem. Outlay	Total Net Death Benefit w/out Div	Total Net Death Benefit
							Total Loan Balance	Total Net Cash Value				
1	51	25,000	238	25,000	25,000	0	0	15,559	15,559	-9,441	580,588	580,825
2	52	25,000	506	25,000	50,000	0	0	32,781	17,222	-7,778	631,205	631,712
3	53	25,000	1,543	25,000	75,000	0	0	57,359	24,578	-422	680,973	682,516
4	54	25,000	2,697	25,000	100,000	0	0	84,425	27,066	2,066	729,915	732,612
5	55	25,000	2,903	25,000	125,000	30,000	31,500	81,874	-2,552	-27,552	746,718	749,621
6	56	25,000	3,739	33,460	158,460	0	24,192	118,955	37,081	3,621	800,603	804,342
7	57	25,000	4,594	33,460	191,921	0	16,518	158,261	39,306	5,846	854,804	859,398
8	58	25,000	5,429	33,460	225,381	0	8,460	199,871	41,610	8,149	909,330	914,759
9	59	25,000	6,291	33,460	258,841	0	0	243,891	44,020	10,560	964,265	970,556
10	60	25,000	7,093	25,000	283,841	0	0	281,444	37,553	12,553	1,010,784	1,017,877
11	61	25,000	8,070	25,000	308,841	0	0	320,995	39,551	14,551	1,057,108	1,065,178
12	62	25,000	9,042	25,000	333,841	0	0	362,723	41,728	16,728	1,103,425	1,112,467
13	63	25,000	10,100	25,000	358,841	0	0	406,703	43,980	18,980	1,149,737	1,159,837
14	64	25,000	11,206	25,000	383,841	0	0	453,030	46,326	21,326	1,196,146	1,207,352
15	65	25,000	12,379	25,000	408,841	0	0	501,809	48,780	23,780	1,242,697	1,255,076
16	66	0	11,186	0	408,841	0	0	528,807	26,998	26,998	1,056,266	1,067,452
17	67	0	11,892	0	408,841	0	0	556,957	28,150	28,150	1,079,092	1,090,984
18	68	0	12,658	0	408,841	0	0	586,541	29,584	29,584	1,102,634	1,115,293
19	69	0	13,433	0	408,841	0	0	617,587	31,045	31,045	1,126,955	1,140,389
20	70	0	14,181	0	408,841	0	0	650,073	32,487	32,487	1,152,013	1,166,194
21	71	0	14,933	0	408,841	0	0	683,981	33,908	33,908	1,177,705	1,192,638
22	72	0	15,712	0	408,841	0	0	719,292	35,311	35,311	1,203,991	1,219,703
23	73	0	16,703	0	408,841	0	0	756,152	36,859	36,859	1,230,878	1,247,581
24	74	0	17,760	0	408,841	0	0	794,573	38,421	38,421	1,258,682	1,276,442
25	75	0	18,913	0	408,841	0	0	834,610	40,038	40,038	1,287,459	1,306,372





# Guaranteed Whole Life<sup>SM</sup>

## Supplemental Ledger Current Dividend Scale (continued)

Insured: **Mr Client - 50**  
 Male, Age 50, Preferred Plus Non-Tobacco  
 Contract Premium Mode: Annual  
 EPPUA Premium Mode: Annual  
 Policy Payment Period: 50 Years  
 Initial Premium: \$25,000.00

Initial Base Face Amount: \$393,871  
 Initial Flexible Protection Rider Face Amount: \$137,854  
 Initial Total Face Amount: \$531,725  
 Initial Dividend Option: Paid-Up Additions (PUAs)

Non-Guaranteed												
Year	Age	Total Premium	Dividend	Premium Outlay	Cum. Premium Outlay	Income	Total Loan Balance	Total Net Cash Value	Change in Total Net Cash Value	Change in Net CV Less Prem. Outlay	Total Net Death Benefit w/out Div	Total Net Death Benefit
26	76	0	20,590	0	408,841	0	0	876,772	42,162	42,162	1,317,310	1,337,900
27	77	0	21,786	0	408,841	0	0	920,598	43,826	43,826	1,348,989	1,370,775
28	78	0	23,033	0	408,841	0	0	966,143	45,545	45,545	1,381,687	1,404,719
29	79	0	24,317	0	408,841	0	0	1,013,446	47,303	47,303	1,415,430	1,439,748
30	80	0	25,669	0	408,841	0	0	1,062,522	49,076	49,076	1,450,228	1,475,897
31	81	0	27,107	0	408,841	0	0	1,113,375	50,852	50,852	1,486,131	1,513,238
32	82	0	28,636	0	408,841	0	0	1,165,963	52,588	52,588	1,523,216	1,551,852
33	83	0	30,232	0	408,841	0	0	1,220,321	54,358	54,358	1,561,569	1,591,801
34	84	0	31,945	0	408,841	0	0	1,276,420	56,098	56,098	1,601,237	1,633,182
35	85	0	33,767	0	408,841	0	0	1,334,205	57,786	57,786	1,642,340	1,676,106
36	86	0	35,941	0	408,841	0	0	1,393,824	59,619	59,619	1,684,984	1,720,925
37	87	0	37,930	0	408,841	0	0	1,454,856	61,031	61,031	1,729,582	1,767,512
38	88	0	40,028	0	408,841	0	0	1,517,129	62,274	62,274	1,775,882	1,815,910
39	89	0	42,226	0	408,841	0	0	1,580,465	63,336	63,336	1,824,007	1,866,233
40	90	0	44,434	0	408,841	0	0	1,644,735	64,270	64,270	1,874,077	1,918,511
41	91	0	46,670	0	408,841	0	0	1,709,852	65,116	65,116	1,926,113	1,972,783
42	92	0	48,890	0	408,841	0	0	1,775,835	65,984	65,984	1,980,161	2,029,051
43	93	0	51,028	0	408,841	0	0	1,842,752	66,917	66,917	2,036,220	2,087,247
44	94	0	53,088	0	408,841	0	0	1,910,716	67,963	67,963	2,094,210	2,147,299
45	95	0	54,929	0	408,841	0	0	1,980,009	69,294	69,294	2,154,060	2,208,988
46	96	0	56,496	0	408,841	0	0	2,051,258	71,249	71,249	2,215,522	2,272,018
47	97	0	58,483	0	408,841	0	0	2,124,107	72,849	72,849	2,278,270	2,336,753
48	98	0	60,537	0	408,841	0	0	2,198,572	74,465	74,465	2,342,774	2,403,311
49	99	0	62,685	0	408,841	0	0	2,274,496	75,924	75,924	2,409,108	2,471,793
50	100	0	64,907	0	408,841	0	0	2,351,736	77,239	77,239	2,477,385	2,542,292
51	101	0	67,030	0	408,841	0	0	2,429,954	78,218	78,218	2,547,701	2,614,731
52	102	0	68,931	0	408,841	0	0	2,509,353	79,400	79,400	2,619,972	2,688,904
53	103	0	70,878	0	408,841	0	0	2,589,974	80,621	80,621	2,693,975	2,764,854
54	104	0	72,873	0	408,841	0	0	2,671,935	81,961	81,961	2,769,774	2,842,647
55	105	0	74,916	0	408,841	0	0	2,755,499	83,564	83,564	2,847,434	2,922,350
56	106	0	77,010	0	408,841	0	0	2,841,236	85,737	85,737	2,927,013	3,004,022
57	107	0	79,155	0	408,841	0	0	2,930,390	89,154	89,154	3,008,557	3,087,713
58	108	0	81,353	0	408,841	0	0	3,021,630	91,240	91,240	3,092,080	3,173,433
59	109	0	83,604	0	408,841	0	0	3,115,006	93,376	93,376	3,177,633	3,261,236
60	110	0	85,909	0	408,841	0	0	3,210,567	95,560	95,560	3,265,269	3,351,179



# To Summarize The Benefits of: Become Your Own Banker & Tax Free Retirement

**1. Become Your Own Banker – Learn to Be In Control Your Own Money.**

**2. Ability To Borrow Against Your Cash Value for Major Purchases While You Still Earn Dividends on the Borrowed Money:**

**Autos, Mortgages, Children Education, Health Insurance Deductibles, Investment Opportunities, and Emergencies. This Way You Do Not Break the Compounding Effect of Your Long Term Growth.**

**3. Income Tax Free Death Benefit - From Day 1**

**4. Income Tax Free Retirement – Non Reportable**

**5. Optional Disability Protection – Plan Completes and Builds the Cash Value if you are Fully Disabled. (Not Included in this illustration)**

**6. Chronic Illness Rider – Chronic Illness Rider Included – Used for Long Term Care needs.**

**7. Access to Your Cash Value – With no pre 59½ Penalties, like 401K or IRA.**

**8. Creditor Proof – Protection From Lawsuits.**

**:**

# What to look for when selecting an *Insurance Company*

- *Solvency (Assets over Liabilities to meet all obligations)*
- *Liquid Assets (To meet unforeseen emergency cash requirements that may arise)*
- *Capital & Surplus to Assets (Capital & surplus divided by total assets)*
- *AM Best Rating (Performance in Investment Quality, Policy Reserves, Cost Control, Management Experience)*

# Penn Mutual Ratings

## Building on Financial Strength

Our ratings — based on evaluations of our financial condition and operating performance — are a clear sign of our continuing strength and stability.

### A.M. Best: A+ Superior

A.M. Best's A+ (Superior) rating reflects the following:

- Strong risk-adjusted and absolute capitalization
- Diversified business profile within core product lines
- Well-established and focused on growth strategy
- Commitment to maintaining mutuality.

**A.M. Best's Financial Strength Rating (FSR)** is an opinion of an insurer's ability to meet its obligations to policyholders. A.M. Best uses letter grades ranging from A++, the highest, to F, companies in liquidation. Rating modifiers and affiliation codes may also be associated with these ratings. Penn Mutual's A+ (Superior) rating, which was affirmed in March 2018, ranks the second highest out of 16 ratings.

### Moody's Investors Service: Aa3 Excellent

Moody's Aa3 (Excellent) rating is a result of the following:

- Excellent capitalization
- Good asset quality and excellent liquidity
- Stability of earnings.

**Moody's** uses a letter grade scale that ranges from Aaa, the highest rating, to C, the lowest rating. It also applies modifiers (1, 2 or 3) for ratings below Aaa to indicate the approximate rank of the company in a particular class. These rating gradations provide investors with a system for measuring an insurance company's ability to meet its policyholder claims and obligations. Penn Mutual's Aa3 (Excellent) rating, which was reaffirmed in October 2017, ranks the fourth highest out of 21 ratings.

### Standard & Poor's: A+ Strong

Standard & Poor's attributes its A+ (Strong) rating to the following factors:

- Extremely strong financial risk profile
- Extremely strong capital adequacy
- Strong business profile.

**Standard and Poor's** uses a letter grade scale that ranges from AAA, the highest rating to CCC, the lowest rating. Ratings from AA to B may be modified by a plus or minus sign to show relative standing within those grades. An insurer rated 'BBB' or higher is regarded as having financial security characteristics that outweigh any vulnerability, and is highly likely to have the ability to meet financial commitments. Penn Mutual's A+(Strong) rating was applied in December 2017 and ranks fifth highest out of 21 ratings.

*For more information about our ratings, please visit [www.pennmutual.com](http://www.pennmutual.com).*

*The ratings quoted above apply only to our claims-paying ability and not to the products we offer or their underlying investments.*



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■ 1912

Penn Mutual Pays \$130,000 in Death Claims on the Victims of the Titanic.



■ 1863

In Mid-June, Trustees Consider How to Safeguard Penn Mutual's Securities Against a Possible Attack on Philadelphia During the Civil War.

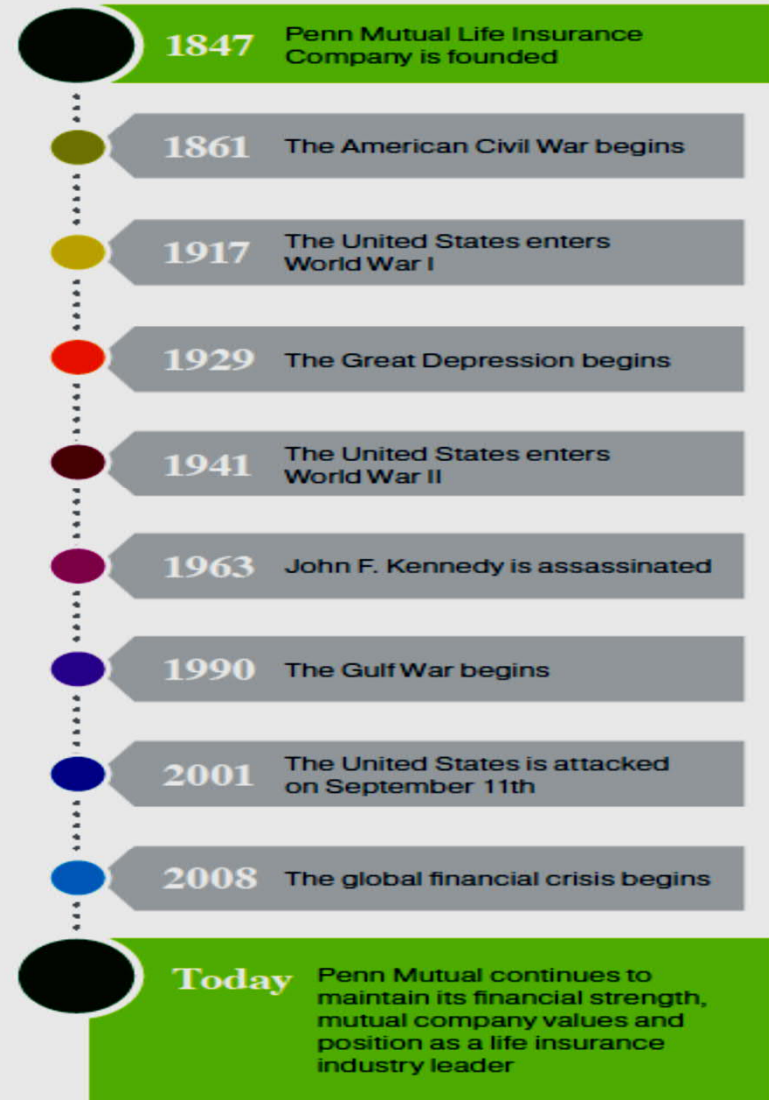
# Penn Mutual's Dividend Has Transcended Challenging Times

Founded in 1847, Penn Mutual has never failed to pay a dividend to eligible policyholders.

While dividends are never guaranteed, Penn Mutual's commitment to mutual company values—such as taking a long-term perspective and putting policyholders first—has resulted in its enduring financial strength and ability to weather storms.



For more information, please contact your adviser or visit [www.pennmutual.com](http://www.pennmutual.com).





## The strongest dividend history over the last 20 years.

Penn Mutual's strong dividend history is driven by a prudent fiscal approach that emphasizes underwriting discipline and long-term stability over short term gains.

### Dividend Action History 2000 - 2019

	<b>Penn Mutual</b>	Brighthouse*	Guardian	Lafayette Life	Mass Mutual	National Life of Vermont	New York Life	Northwestern	Ohio National
2019	Decreased	Maintained	Maintained	Maintained	Maintained	Maintained/Decreased	Decreased	Increased	Maintained
2018	Maintained	Maintained	Maintained	Maintained/Decreased	Decreased	Decreased	Decreased	Decreased	Decreased
2017	Maintained	Decreased	Decreased	Maintained	Decreased	Maintained/Decreased	Maintained	Decreased	Decreased
2016	Maintained	Decreased	Maintained	Maintained	Maintained	Maintained	Maintained	Decreased	Maintained
2015	Maintained/Increased	Maintained	Decreased	Maintained	Maintained	Maintained	Increased	Maintained	Maintained/Decreased
2014	Maintained	Maintained/Decreased	Decreased	Decreased	Increased	Maintained	Increased	Maintained	Maintained
2013	Maintained	Decreased	Decreased	Decreased	Maintained	Decreased	Increased	Decreased	Decreased
2012	Maintained	Maintained	Increased	Decreased	Increased	Decreased	Decreased	Decreased	Maintained
2011	Maintained	Decreased	Decreased	Decreased	Decreased	Maintained	Maintained	Decreased	Decreased
2010	Maintained	Decreased	Decreased	Maintained	Decreased	Maintained	Decreased	Decreased	Maintained
2009	Maintained	Maintained/Decreased	Increased	Maintained	Decreased	Maintained	Decreased	Decreased	Decreased
2008	Maintained/Decreased	Maintained	Increased	Maintained/Decreased	Increased	Maintained	Maintained	Maintained	Maintained
2007	Maintained	Maintained	Increased	Maintained	Increased	Maintained	Maintained	Maintained	Maintained
2006	Maintained	Decreased	Decreased	Maintained	Increased	Maintained	Maintained	Maintained	Decreased
2005	Maintained	Decreased	Increased	Maintained	Decreased	Decreased	Maintained	Decreased	Decreased
2004	Decreased	Maintained	Decreased	Decreased	Decreased	Decreased	Maintained	Decreased	Decreased
2003	Decreased	Decreased	Decreased	Decreased	Decreased	Decreased	Decreased	Decreased	Maintained
2002	Maintained	Decreased	Decreased	Maintained	Decreased	Maintained	Decreased	Decreased	Decreased
2001	Maintained	Maintained	Maintained	Maintained	Maintained	Maintained	Maintained	Maintained	Maintained
2000	Maintained	Maintained	Decreased	Maintained	Decreased	Maintained	Maintained	Maintained	Maintained

### Fewer Dividend Scale Decreases

Over the last two decades Penn Mutual's long-term perspective has paid off in far fewer dividend scale decreases than the competition.

Number of Dividend Scale Decreases Since 2000	<b>Penn Mutual</b>	Brighthouse*	Guardian	Lafayette Life	Mass Mutual	National Life of Vermont	New York Life	Northwestern	Ohio National
	<b>4</b>	11	11	8	10	8	7	12	10

\*Formerly MetLife.

# Understanding Dividend Actions

Dividends are non-guaranteed payments to policyholders set by the insurance company for a group (or 'block') of participating life insurance policies at the end of each calendar year, for the following policy year. They are based on the actual performance of the block of policies across several key measures, compared to what was anticipated when the policies were originally priced and the dividend was last changed. Dividend actions provide an indication of a company's financial strength and underwriting expertise.

## Penn Mutual's Strong Dividend Action History

Penn Mutual's strong dividend history is primarily tied to two key components that drive our dividends:

- 1 Favorable mortality experience
- 2 Strong investment yields that exceed industry averages

### 1 Favorable Mortality Experience

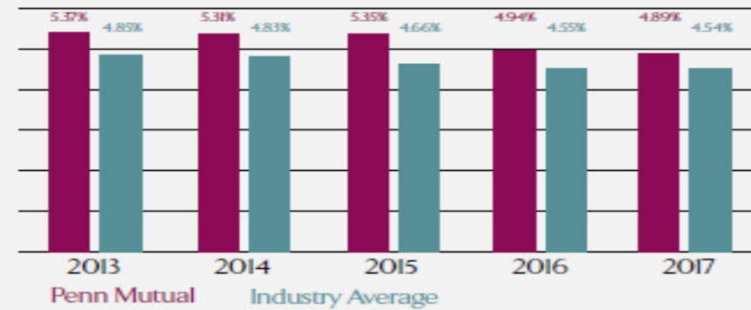
Penn Mutual's favorable mortality experience is the by-product of diligent risk management practices and underwriting expertise and discipline.

### 2 Above Average Investment Yields

While no company can be completely insulated from the prevailing market environment, Penn Mutual's prudent investment philosophy puts us at a distinct advantage. Because of our approach and size, we can be nimble and flexible with respect to seeking out unique, long-term investment opportunities.

This investment agility, combined with strong performance from Janney Montgomery Scott (our retail broker-dealer affiliate) and our holdings in the venture capital space, have led to Penn Mutual's above average investment results.

The chart below shows how Penn Mutual's investment yield has compared with the industry average since 2013.\*



\*Statutory net income for all Penn Mutual assets, including the assets supporting participating whole life policies. Industry yields based on Financial Management, 2017 Report.

For information about Penn Mutual's dividend action stability and financial strength, or to learn more about Penn Mutual's competitive Whole Life product, please contact your Field Office or call the Life Sales Desk at 1-800-818-8184, option 4.

#### For Advisor Use Only.

All guarantees are based on the claims paying ability of the issuer. Dividends are not guaranteed and past performance is not indicative of future results. Dividend scale comparison developed using information believed to be accurate as of November 2018. Penn Mutual information in the dividend scale comparison is based on the whole life products in force during the years reported.

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Remember the Nature of

Procrastination

People Don't Plan to Fail

*They Fail to Plan*



# Thank You For Attending This Presentation

## Where Do You Go From Here?

Presented by: James R. Grazioli - President  
Comprehensive Financial Group Inc.  
Financial Service Professional – 30 Yrs.

Call James R. Grazioli  
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A Wealth Creator  
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Website: [www.financialservicepro.com](http://www.financialservicepro.com)