

Learn the Advantages: Cash Value Permanent Life Insurance

An Educational Workshop

*Presented by: James R. Grazioli - President
Comprehensive Financial Group Inc.
Financial Service Professional - 33 Yrs.*

*A Discussion of The
Importance of Whole
Life Insurance Combined
with Term Insurance in
One Plan*

LEARN HOW TO :

- Financially Protect Your Family
- Use Cash Values with Living Benefits
- Save Taxes

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

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

Chronic Illness Rider -

(Limited Long Term Care Benefits)

Disability Protection (Optional)

Whole Life Insurance Policy Combined With Term Insurance

Ceiling:
Dividends Paid
Every Year
Since 1847

No Market
Losses
From
Crashes

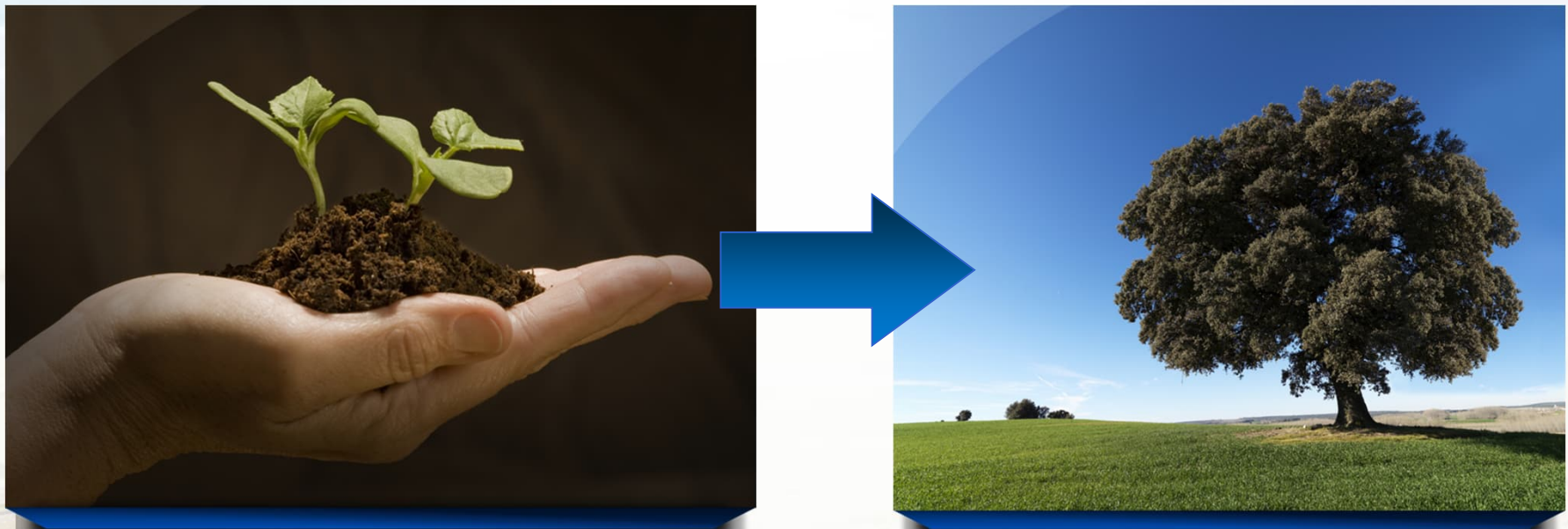
Guaranteed Cash Value Growth
Never a Market Loss

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
- Chronic Illness Benefit for Long Term Care Needs
- Disability Protection (Optional)

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?**



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!

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 Example:



- 50 Year Old Male
- \$1,500 Contribution Monthly for 15 Years
- **\$340,063 Cash Value at Age 65***
- **\$25,480 Annual Tax-Free Retirement Income – Non-Reportable to Age 85***
- **\$448,701 Income Tax Free Death Benefit Day 1****
- **Chronic Illness Benefit – Included in the Policy and Can Be Used for Long Term Care Needs**

**Assuming Current Dividend Scale (Not Guaranteed)*

Penn Mutual has paid Dividends Every Year Since 1847

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

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 6**
- **PAYING BACK THE AUTO LOAN** (With Additional Premium) **YEARS 7-10** (The \$30,000 Loan for the Auto Continues to earn dividends)
- Access to Cash Anytime After 1st Year & Tax- Free Retirement Income-Non-Reportable - \$25,480 per year*
- **CASH VALUE AT AGE 65 - \$340,063***
- **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: Monthly
EPPUA Premium Mode: Monthly
Policy Payment Period: 15 Years
Initial Premium: \$1,500.00

Initial Base Face Amount: \$224,351
Initial Flexible Protection Rider Face Amount: \$224,350
Initial Total Face Amount: \$448,701
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.

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.

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

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
1	51	18,000	165	18,000	18,000	0	0	7,161	7,161	-10,839	453,846	454,011
2	52	18,000	374	18,000	36,000	0	0	18,782	11,621	-6,379	459,234	459,608
3	53	18,000	666	18,000	54,000	0	0	35,058	16,275	-1,725	464,635	465,301
4	54	18,000	1,469	18,000	72,000	0	0	53,556	18,499	499	470,054	471,523
5	55	18,000	2,471	18,000	90,000	0	0	73,869	20,313	2,313	475,498	477,968
6	56	18,000	3,059	18,000	108,000	30,000	31,860	63,736	-10,133	-28,133	449,113	452,172
7	57	18,000	3,811	26,697	134,697	0	24,599	92,769	29,033	2,335	461,761	465,572
8	58	18,000	4,468	26,697	161,395	0	16,887	123,543	30,774	4,077	474,934	479,401
9	59	18,000	5,149	26,697	188,092	0	8,697	156,143	32,600	5,902	488,668	493,817
10	60	18,000	5,871	26,697	214,790	0	0	190,659	34,516	7,818	503,000	508,871
11	61	18,000	6,647	18,000	232,790	0	0	217,322	26,664	8,664	508,732	515,379
12	62	18,000	7,488	18,000	250,790	0	0	245,521	28,199	10,199	514,543	522,031
13	63	18,000	8,373	18,000	268,790	0	0	275,345	29,824	11,824	520,449	528,822
14	64	18,000	9,299	18,000	286,790	0	0	306,855	31,510	13,510	533,703	543,002
15	65	18,000	10,266	18,000	304,790	0	0	340,063	33,208	15,208	563,052	573,318
16	66	0	10,012	0	304,790	25,480	0	331,656	-8,407	-8,407	537,077	547,089
17	67	0	9,696	0	304,790	25,480	0	322,641	-9,015	-9,015	511,248	520,944
18	68	0	9,359	0	304,790	25,480	0	312,999	-9,641	-9,641	485,461	494,820
19	69	0	9,001	0	304,790	25,480	0	302,703	-10,296	-10,296	459,687	468,687
20	70	0	8,704	0	304,790	25,480	0	291,802	-10,902	-10,902	433,894	442,598
21	71	0	8,372	0	304,790	25,480	0	280,238	-11,564	-11,564	408,182	416,554
22	72	0	8,044	0	304,790	25,480	0	267,996	-12,242	-12,242	382,496	390,539
23	73	0	7,708	0	304,790	25,480	0	255,051	-12,945	-12,945	356,840	364,548
24	74	0	7,353	0	304,790	25,480	0	241,365	-13,686	-13,686	331,200	338,553
25	75	0	6,966	0	304,790	25,480	0	226,906	-14,459	-14,459	305,544	312,511

Insured: **Mr. Client - 50**

Male, Age 50, Preferred Plus Non-Tobacco
Contract Premium Mode: Monthly
EPPUA Premium Mode: Monthly
Policy Payment Period: 15 Years
Initial Premium: \$1,500.00

Initial Base Face Amount: \$224,351
Initial Flexible Protection Rider Face Amount: \$224,350
Initial Total Face Amount: \$448,701
Initial Dividend Option: Paid-Up Additions (PUAs)

Year	Age	Total Premium	Non-Guaranteed					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
			Dividend	Premium Outlay	Cum. Premium Outlay	Tax Free Income	Total Loan Balance					
26	76	0	6,917	0	304,790	25,480	10,917	211,564	-15,342	-15,342	283,188	290,105
27	77	0	7,428	0	304,790	25,480	38,654	195,192	-16,372	-16,372	264,889	272,316
28	78	0	7,960	0	304,790	25,480	68,110	177,721	-17,471	-17,471	245,390	253,350
29	79	0	8,514	0	304,790	25,480	99,393	159,074	-18,647	-18,647	224,598	233,112
30	80	0	9,102	0	304,790	25,480	132,615	139,168	-19,906	-19,906	202,412	211,514
31	81	0	9,717	0	304,790	25,480	167,897	117,902	-21,267	-21,267	178,739	188,456
32	82	0	10,376	0	304,790	25,480	205,366	95,175	-22,727	-22,727	153,470	163,845
33	83	0	11,059	0	304,790	25,480	245,159	70,883	-24,292	-24,292	126,508	137,567
34	84	0	11,825	0	304,790	25,480	287,418	44,905	-25,979	-25,979	97,726	109,551
35	85	0	12,634	0	304,790	25,480	332,298	17,103	-27,802	-27,802	67,056	79,690
36	86	0	0	0	304,790	0	336,740	17,052	-51	-51	77,596	77,596
37	87	0	0	0	304,790	0	340,973	16,957	-95	-95	73,363	73,363
38	88	0	0	0	304,790	0	344,961	16,821	-136	-136	69,376	69,376
39	89	0	0	0	304,790	0	348,672	16,643	-177	-177	65,664	65,664
40	90	0	0	0	304,790	0	352,079	16,453	-190	-190	62,258	62,258
41	91	0	0	0	304,790	0	355,178	16,255	-198	-198	59,158	59,158
42	92	0	0	0	304,790	0	357,975	16,071	-184	-184	56,362	56,362
43	93	0	0	0	304,790	0	360,492	15,920	-151	-151	53,844	53,844
44	94	0	0	0	304,790	0	362,773	15,804	-116	-116	51,563	51,563
45	95	0	0	0	304,790	0	364,859	15,767	-37	-37	49,477	49,477
46	96	0	0	0	304,790	0	366,835	15,863	96	96	47,502	47,502
47	97	0	0	0	304,790	0	368,831	15,845	-18	-18	45,505	45,505
48	98	0	0	0	304,790	0	370,737	15,819	-26	-26	43,599	43,599
49	99	0	0	0	304,790	0	372,549	15,758	-61	-61	41,787	41,787
50	100	0	0	0	304,790	0	374,237	15,667	-91	-91	40,099	40,099
51	101	0	0	0	304,790	0	375,776	15,544	-123	-123	38,561	38,561
52	102	0	0	0	304,790	0	377,140	15,465	-78	-78	37,196	37,196
53	103	0	0	0	304,790	0	378,380	15,389	-77	-77	35,957	35,957
54	104	0	0	0	304,790	0	379,500	15,322	-66	-66	34,836	34,836
55	105	0	0	0	304,790	0	380,516	15,281	-41	-41	33,820	33,820
56	106	0	0	0	304,790	0	381,456	15,298	17	17	32,880	32,880
57	107	0	0	0	304,790	0	382,378	15,440	142	142	31,958	31,958
58	108	0	0	0	304,790	0	383,403	15,436	-3	-3	30,934	30,934
59	109	0	0	0	304,790	0	384,387	15,433	-3	-3	29,949	29,949
60	110	0	0	0	304,790	0	385,333	15,429	-4	-4	29,003	29,003

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.

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)*

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.

Kroll Bond Rating Agency: AA- Strong

Kroll Bond Rating Agency's AA- (Strong) rating is based on the following:

- Flexible approach to distribution as a competitive advantage
- Steady GAAP earnings
- Unwavering commitment to mutuality
- Profitably growing the business in a balanced, diversified manner

Kroll Bond Rating Agency uses a letter grade scale that ranges from AAA, the highest rating to D, the lowest rating. Ratings from AA through CCC may be modified by a plus or minus sign to indicate upper and lower risk levels within the broader category. Penn Mutual's insurance financial strength rating of AA- was assigned in January 2019, ranks the fourth highest out of 22 ratings, and includes a positive outlook.

For more information about our ratings, please visit 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.





■ 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.

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 – 33 Yrs.

Call James R. Grazioli
Receive a Customized illustration of the:
Become Your Own Banker &
A Wealth Creator
772-286-4324 or Cell/Text – 772-485-4288
Email: jamesgraz@hotmail.com
Website: www.financialservicepro.com