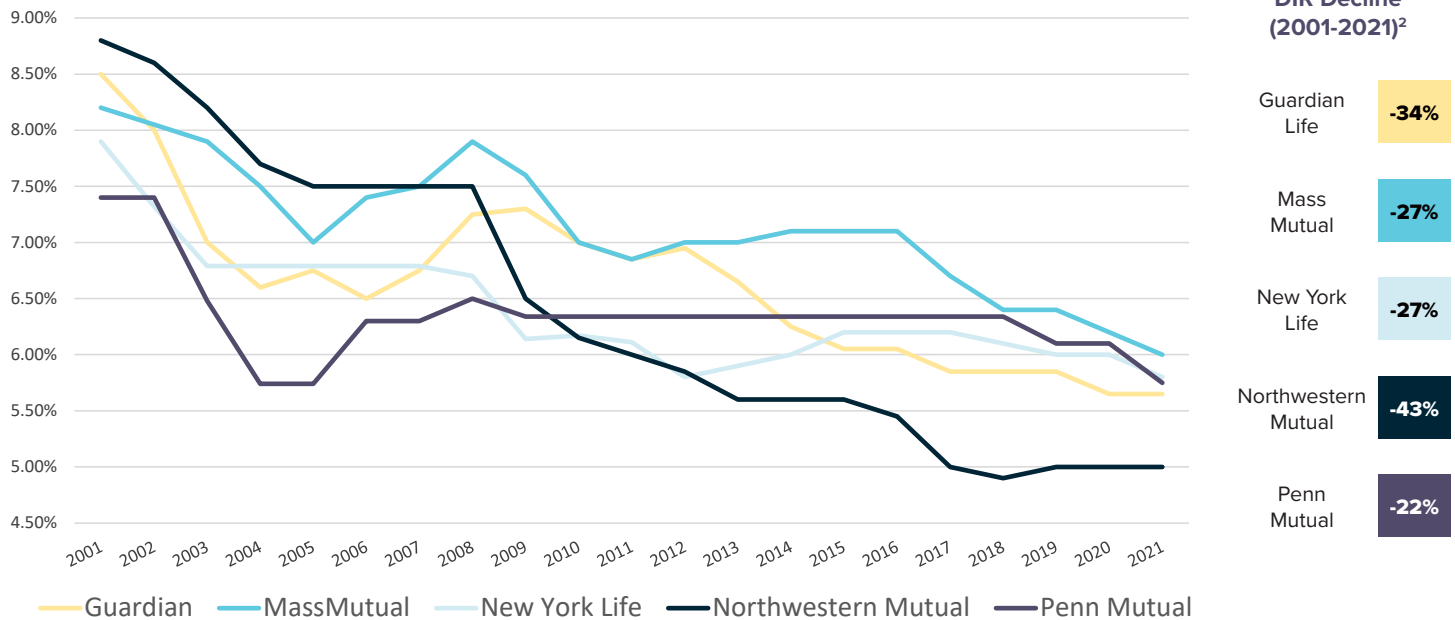


UNDERSTANDING DIVIDEND INTEREST RATE CREDITING¹



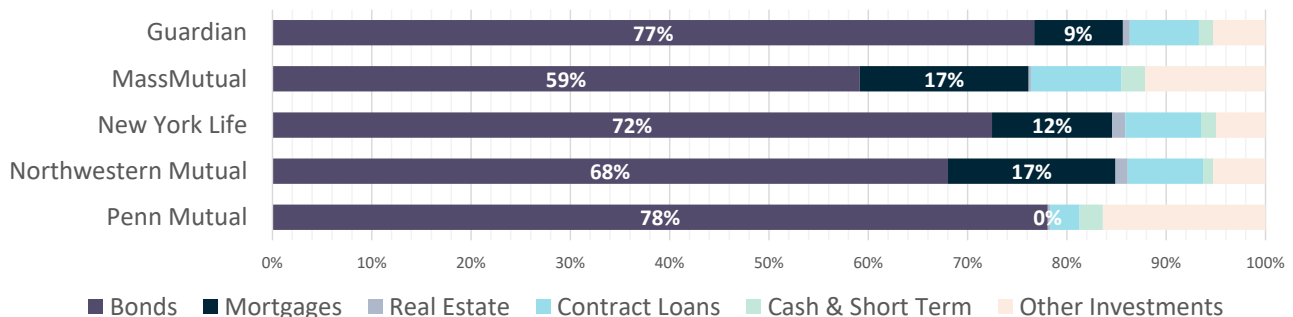
Dividends on participating whole life insurance are a complex calculation comprising elements of insurance carrier mortality experience, expenses, and interest credited. The interest element, known as the Dividend Interest Rate (DIR), is a rate that is commonly referenced in sales illustrations and marketing materials. The DIR is also the only one of the three elements which carriers regularly make public. However, the actual dividend is not simply the DIR applied to policy cash value. The actual dividend will be significantly less than the DIR growth rate due to the expense and mortality elements. The DIR will be tied in part to the assets a carrier invests in and the yields earned as well as other factors including support from other lines of business or carrier marketing objectives related to the DIR. This material provides a history of carrier DIRs, the assets carriers invest in, and the historical net investment yields earned on carrier portfolios to help you better comprehend some of the elements influencing the DIR.

Historical Dividend Interest Rates (2001-2021)²



Carrier	NET YIELD ON INVESTED ASSETS					
	2015	2016	2017	2018	2019	2020 ³
Guardian Life Ins Co of America	4.70%	4.54%	4.30%	4.11%	4.21%	3.82%
Massachusetts Mutual Life Insurance Co	4.50%	4.01%	4.04%	4.63%	4.21%	3.36%
New York Life Insurance Co	4.55%	4.27%	4.51%	4.67%	4.32%	4.34%
Northwestern Mutual Life Insurance Co	4.64%	4.53%	4.26%	4.19%	4.14%	4.11%
Penn Mutual Life Insurance Co	5.35%	4.94%	4.89%	4.84%	4.80%	4.12%

2019 Asset Allocation (%)⁴



¹ Data from S&P Global Market Intelligence | ² Dividend interest rates taken from carrier announcements and marketing materials | ³ Net Investment yield annualized as of end of third quarter of 2020
⁴ Other investments is a combination of common stock, preferred stock, and other long-term investments excluding affiliated, receivable for securities and aggregate write-ins for invested assets.