The Cash Value of Whole Life Insurance Improves Portfolio Performance

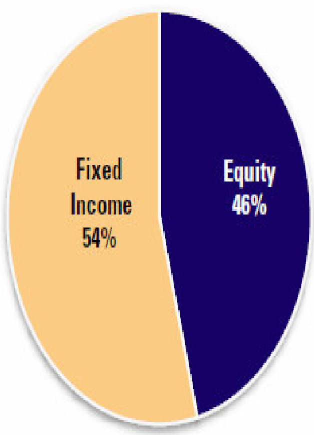
According to a recent independent study[1] by Ibbotson Associates, a diversified portfolio including permanent life insurance from New York Life Insurance Company has higher expected returns and a lower standard deviation (risk) than a portfolio without life insurance.

In their analysis, Ibbotson measured the expected returns and standard deviation of sample diversified portfolios, and then measured the impact of replacing some of the portfolios' traditional fixed income investments with the cash value of a whole life insurance policy. For example, Ibbotson compares two portfolios that both have a 54% Fixed Income/46% Equity split, suitable for someone with a moderate risk tolerance.

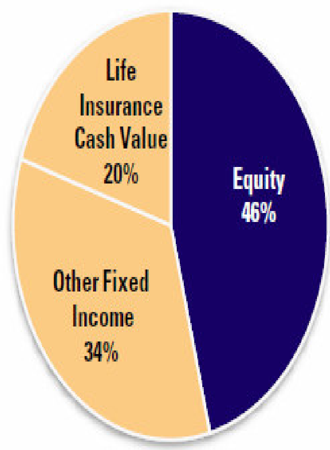
- Portfolio A contains traditional fixed income asset classes such as High Yield Bonds, TIPS, Short-term Bonds, and Cash Equivalents.

- Portfolio B contains these same asset classes, but allocates a portion of the investment in Whole Life Insurance Cash Value.

Portfolio A



Portfolio B



	Portfolio A	Portfolio B
Expected Return[2]	6.02%	6.28%
Standard Deviation (Risk)[3]	10.14%	9.69%