

WAIVER OF PREMIUM RIDER

Protection For Your Family In Case You Can't Work

Whole life insurance is a valuable financial asset designed to help protect you, your family and your business from unforeseen events. But what would happen to your coverage if you became too sick or injured to continue paying your premiums?

WAIVER OF PREMIUM LOCKS IN PROTECTION

When you buy life insurance, consider including the Waiver of Premium rider.¹ When elected, it keeps your protection in place by waiving premiums if you, as the insured, are unable to work due to injury or illness and are considered totally disabled.

Additionally, even if you own disability income insurance and should become disabled, the benefits obtained from a whole life policy with Waiver of Premium could provide supplemental income² after the disability policy benefits end.



DEFINITION OF TOTAL DISABILITY

During the first five full years from the date of disability, "total disability" means that the insured isn't able to perform all of the duties of his or her regular occupation.

After the first five years from the date of disability, "total disability" means that the insured isn't able to perform all of the duties of his or her occupation, or any other occupation suitable by either education or training.

Until the insured's 25th birthday, "occupation" includes attending school full-time outside the home.

The insured will automatically be considered totally disabled upon the entire and irrevocable loss of sight in both eyes, or total and permanent loss of use of both hands or feet or of one hand and one foot.

If total disability strikes before age 60 and continues for at least six months:

- Guardian will waive premiums due for as long as you remain disabled.

If total disability begins before age 60 and continues to age 65:

- You will be considered disabled for life and any remaining premiums due will be waived.

If total disability begins on or after age 60, and before age 65:

- Premiums will be waived until age 65 or for two years, whichever is longer.

If you qualify for benefits under the Waiver of Premium rider, Guardian also will refund any premiums, monthly deductions, or specified amounts you paid during the six-month waiting period.



WHAT DOES IT COST?

Waiver of Premium rider costs are based on your age and underwriting class. Check with your Guardian representative to find out about your specific situation. And ask yourself, “How much could it cost me — and my family — if I don’t have this protection?” With the Waiver of Premium rider, you’ll have a stronger safety net in place for a modest additional premium. Waiver of Premium covers all riders except Paid-up Additions. For an additional premium, however, this rider may be covered as well.

LIVING WITH A DISABILITY IS MORE COMMON THAN YOU THINK

Because we’re living longer in general, many people live with chronic or terminal illnesses for longer periods of time. According to recent statistics, over 37 million Americans, or 12% of the population, are classified as “disabled.”³ Having life insurance in place secures a financial future for you and your heirs, and Waiver of Premium can help make your policy self-completing if you’re unable to make premium payments due to illness or injury.

WHY WAIVER FROM GUARDIAN?

1. Flexibility of design

With a Guardian policy with Waiver of Premium, we use an “own occupation” definition of disability, which means that you, as the insured, would not be able to perform all the duties of your regular occupation during the first full five years of your disability (compared to just two years with many other companies).

2. Your policy, and beyond

Guardian’s Waiver of Premium rider also applies when exercising a Guaranteed Insurability Option (GIO).⁴ If you are disabled when you exercise the GIO, and premiums are being waived on the original policy, premiums on the new policy would be waived as well!

3. It’s for the young, too!

Guardian offers two additional variations of the Waiver of Premium for juvenile policies. Guardian’s Applicant’s Waiver of Premium (AWP) rider, when elected, will waive premiums if the applicant dies or becomes fully disabled. AWP is available on policies that become paid up at the insured’s age 25 or earlier. For policies that become paid up after age 25, Guardian offers a Combined Waiver of Premium (CWB) rider that covers the applicant in the early years and the insured in the later years. This rider offers the benefits of both the AWP and Waiver of Premium.

Discuss the benefits of including Waiver of Premium when you purchase Guardian life insurance today.

THE AVERAGE LONG-TERM DISABILITY ABSENCE LASTS 2½ YEARS.

More than one in five workers will be disabled for one year or more during their working career.

There were 8.8 million disabled wage earners receiving Social Security Disability Insurance (SSDI) benefits as of February 2017.

The majority of workers receiving Social Security disability benefits are under age 55, including 30% who are in their 30’s and 40’s.

Less than 5% of disabling accidents and illnesses are work related.

The other 95% are not, meaning Workers’ Compensation doesn’t cover them.³

¹ Waiver of Premium, Guaranteed Insurability, Applicant’s Waiver of Premium, and Combined Waiver of Premium Riders incur an additional premium. Premiums for the Waiver of Premium rider are payable until the insured’s age 65.

² Policy benefits are reduced by any outstanding loan or loan interest and/or withdrawals. Dividends, if any, are affected by policy loans and loan interest.

Withdrawals above the cost basis may result in taxable ordinary income. If the policy lapses, or is surrendered, any outstanding loans considered gain in the policy may be subject to ordinary income taxes. If the policy is a Modified Endowment Contract (MEC), loans are treated like withdrawals, but as gain first, subject to ordinary income taxes. If the policy owner is under age 59½, any taxable withdrawal may also be subject to a 10% federal tax penalty.

³ Sources: Social Security Administration and Council for Disability Awareness http://www.disabilitycanhappen.org/chances_disability/disability_stats.asp

⁴ The Guaranteed Insurability Option (GIO) is an optional policy rider available at an additional cost.

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