

How Dividends Differ.

Important distinctions between dividends offered through New York Life's participating Life Insurance and Annuity products.

New York Life now offers both Life Insurance and Income Annuity products that provide the potential for annual dividends to participating policyholders. While many factors enter into a dividend calculation, there are three basic components to the dividend formulas of both participating life and annuity products:

- Investment results
- Mortality experience
- Expense management

Although both the dividend-eligible life insurance and annuity products are issued by New York Life Insurance Company, some of the values that go into the dividend formula will be very different.

To discuss all participating products properly, it is important to understand how each is different when it comes to determining dividends. The chart below highlights some of the main differences you should know.

Mutual Income Annuities* vs. Whole Life Insurance: A dividend comparison

Key Factor	Mutual Income Annuities	Whole Life Insurance
Portfolios 	Has a new portfolio of assets dedicated only to Mutual Income Annuities.	Has a long-standing portfolio of assets dedicated to participating life insurance products.
Dividend History 	Mutual Income Annuities are new and have no dividend paying history.	New York Life has paid dividends to its whole life policyholders for over 160 consecutive years.

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Mutual Income Annuities vs. Whole Life Insurance: A dividend comparison (continued)

Key Factor	Mutual Income Annuities	Whole Life Insurance
Dividend Formula 	The dividend formula for the Mutual Income Annuities has the same key components (investment results, mortality experience, and expense management) as the dividend formula for Whole Life, but different values for each component are used in the calculation.	The dividend formula for Whole Life has the same key components (investment results, mortality experience, and expense management) as the dividend formula for Mutual Income Annuities, but different values for each component are used in the calculation.
Assets Supporting Portfolios 	The Mutual Income Annuities investment portfolio is comprised of mostly fixed income assets, and some equities.	The life insurance investment portfolio is similarly comprised of mostly fixed income assets, and some equities.
Investment Experience Methodology 	The investment component of the Mutual Income Annuity is based on current interest rates. As interest rates change, we may decide to adjust the guaranteed income rates and dividend interest rates for new policies or subsequent premium payments. The dividend formula for each annuity policy or premium payment in this new “investment cohort” will have a different guaranteed income rate and dividend interest rate from policies or premium payments in earlier or later investment cohorts. Therefore, it is possible for annuity policies sold or premiums paid at different times to receive different dividends.	The investment component of the dividend formula of a Whole Life policy is based on the portfolio interest rate. All Whole Life policies are in the same portfolio, regardless of when they were bought, and share in the investment experience of the portfolio as a whole.
Mortality Experience 	If the company experiences actual policy holder mortality greater (i.e. more die, or die younger) than the conservative mortality rates used to calculate policy values, there may be a mortality gain. That gain may be included in the dividend.	If the company experiences actual policy holder mortality lower than the conservative mortality rates used to calculate policy values, there may be a mortality gain. That gain may be included in the dividend.
Declaration of Dividends 	While dividends are not guaranteed, dividend declarations have no bearing or relation to that of life insurance. In any given year, it is possible we could increase or decrease dividends on Mutual Income Annuities, but not on Whole Life policies. Dividend actions will not necessarily move in tandem. It is important to note that dividends for annuities are supported by participating annuity product experience only. No additional earnings support from other business lines is anticipated.	While dividends are not guaranteed, declared dividend amounts have no bearing or relation to those of annuity products. In any given year, it is possible that we could increase or decrease dividends on Whole Life, but not on Mutual Income Annuities. Dividend actions will not necessarily move in tandem. It is important to note that in addition to participating life insurance product experience, other businesses (i.e. NYLIM - New York Life Investment Management) have supported Whole Life dividends.

*New York Life Lifetime Mutual Income Annuity and New York Life Future Mutual Income Annuity are referred to collectively as Mutual Income Annuities, and are issued by New York Life Insurance Company, 51 Madison Avenue, New York, NY 10010

Dividends are not guaranteed. Guarantees are based on the claims paying ability of the issuer.

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