

LIFE INSURANCE

1

WHOLE LIFE INSURANCE IN PERSPECTIVE

Three reasons to consider the *original* permanent life insurance



Insurance for your whole lifetime

Everyone likes getting something that can benefit them in more ways than one. That's why whole life insurance is a product you should explore. With its lifetime guaranteed cash value and death benefit, no other financial product can provide you with such lifelong security.

Whole life can also be a surprisingly versatile financial tool, with ongoing cash accumulation and liquidity through policy loans and select riders. It can even generate tax-favored cash value that can be used for retirement. And it ultimately pays a death benefit that can be free of federal and state income taxes.

Despite these qualities, whole life insurance has been singled out and criticized by certain news media personalities because the initial cost is more than term life or universal life insurance for the same amount of coverage. Their criticism also centers on the cash value component and perceived inflexibility of whole life. But are these criticisms on target, and are they overlooking key benefits of whole life insurance?

Let's explore three reasons why the original life insurance can meet your needs by providing you with value, guarantees and flexibility for your financial future.



Whole life insurance features are locked in for your lifetime with guaranteed:

- Premiums
- Cash value
- Death benefit

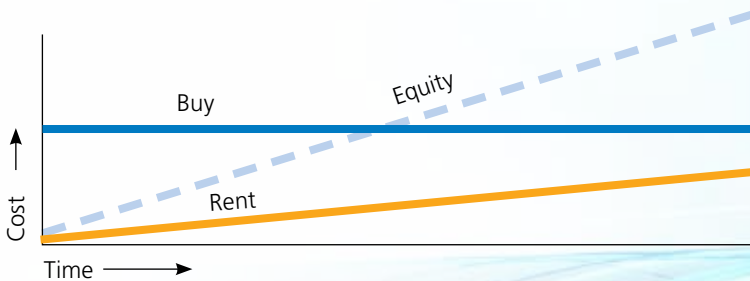
Reason 1:

Premiums help you build value with guarantees over time

You've probably heard one of the key criticisms of whole life is that the premiums are too high for the same coverage you can get with term life insurance. While whole life insurance does typically have higher initial premiums, it also offers benefits beyond what term life can provide. Consider the following:

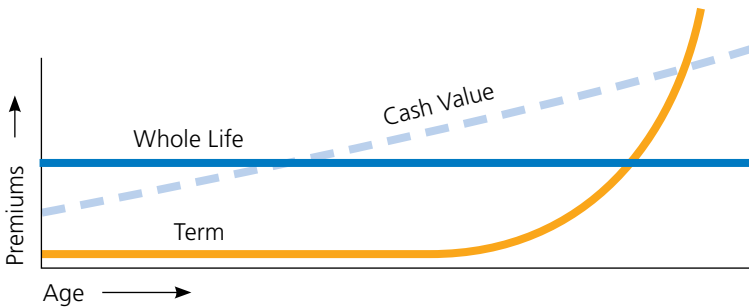
Renting versus owning

Choosing between term and permanent life insurance is a lot like deciding whether to rent or buy your home. Renting costs much less up front and makes sense if you need a residence for a set period. If you want a home that provides security and builds value over time (i.e. equity), you buy it. You'll have more expense at the beginning, but you gain it back in long-term value.



Consider rising costs of insurability

Another disadvantage of term insurance is when the term is up, things have likely changed in your life since the time you first chose the policy. You're older and your health may have changed. Since your risk of death increases as you age, life insurance costs more as you get older. If you live long enough, say past age 70 or so, term insurance premiums get very expensive. But whole life allows you to have level premiums for life (or shorter depending on the product you choose) and you never have to apply for coverage if the policy stays in force.



Guarantees and more

Let's review the guarantees you *won't* get with term.

- Your annual premium is guaranteed to never go up with whole life.
- Your death benefit is guaranteed for life.
- Your policy's guaranteed cash value grows each year.

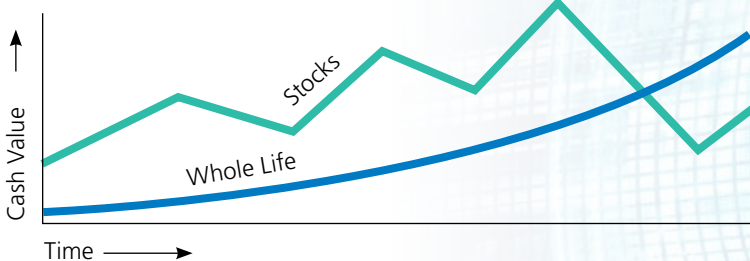
On top of these guarantees, participating whole life can pay annual dividends based on the insurance company's investment performance, claims experience and expense controls. While not guaranteed, dividends can grow every year and even surpass your premium in later years. You have options with your dividends that can substantially increase your policy's cash value and death benefit.

Reason 2:

Whole life lets you consistently build value without market volatility

Up to this point, you may have heard from certain news and media personalities that whole life cash values are a poor investment. If you look at it for the short-term, they may be right. But life insurance isn't an investment per se. Think of it as part of your long term strategy to accumulate value without the exposure to investment (or market) risk.

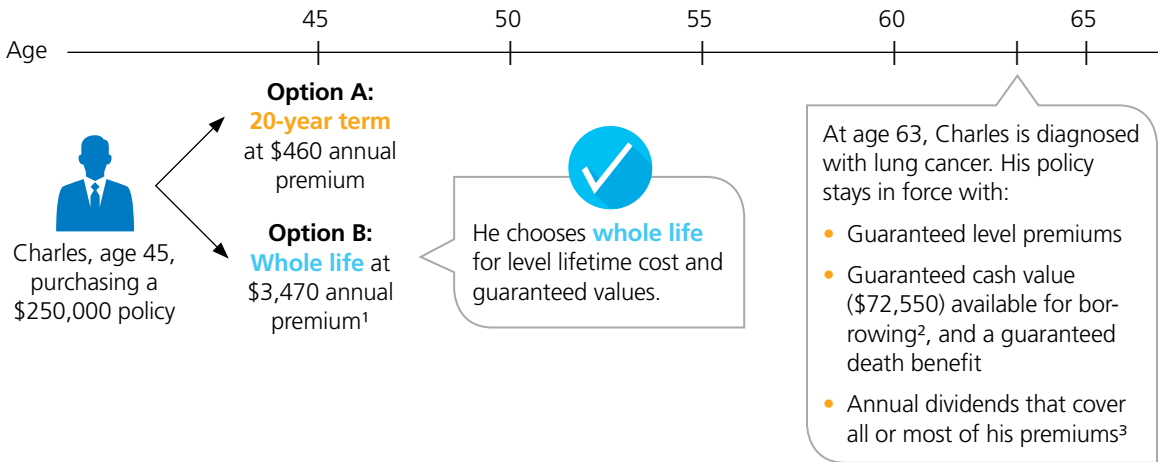
Market volatility is more than fluctuating values of your investments. There are the emotional ups and downs to consider, too. Consider the recent financial environment. Interest rates had been on the decline for the past 27 years and, until recently, were near zero. Real estate plunged off a cliff in 2008 and took the economy – and many stock and retirement portfolio values – along with it. For the 15 years ending 12/31/2015 the S&P® 500 averaged only 4.24 percent.



Wouldn't you like to know that some of your hard earned cash is guaranteed to grow no matter what the market is doing? No participating whole life policyholder lost a dollar of cash value or death benefit protection in recent market fluctuations. In fact, guaranteed cash values went up. Another recent development that makes whole life cash value more valuable is the tighter market for credit. Many households and businesses are finding it much more difficult to finance major purchases. Your whole life policy builds a cash value that you can use to take policy loans for any purpose, even to pay premiums if necessary.

Whole life: A long term example

Take a look at this scenario where whole life's level premiums and cash value become more valuable when the owner suffers a decline in health:



What if he had chosen term?

With lung cancer, Charles is medically disqualified for any new life insurance. Had he chosen 20-year term insurance, his policy would run out in two more years, at age 65, with no cash value. To keep that term coverage beyond year 20, he would have to pay an increasingly expensive annual renewal premium:

| Year | Age | Annual Term Premium |
|------|-----|---------------------|
| 21 | 66 | \$ 7,800 |
| 22 | 67 | 8,570 |
| 23 | 68 | 9,350 |
| 24 | 69 | 10,190 |
| 25 | 70 | 11,060 |
| 26 | 71 | 12,115 |
| 27 | 72 | 13,295 |
| 28 | 73 | 14,845 |
| 29 | 74 | 16,480 |
| 30 | 75 | 18,200 |

¹ The premium and cash value figures in this example are based on using Ohio National 20-Year Term and Prestige Value III whole life insurance, preferred non-smoker rates. Rates effective 06/01/16. See back for further disclosure.

² Any outstanding policy loan amounts are subtracted from the policy death benefit, or from the cash value payable at surrender of the policy.

³ The annual dividend, based on the current dividend scale, exceeds the annual premium starting in the 28th policy year, when Charles is age 73. Dividends are not guaranteed.

Reason 3:

Whole life offers flexibility in ways other financial solutions can't

Whole life offers you plenty of flexibility over time (especially when you consider policy loans and dividend options), but you can design your whole life policy to have additional flexibility by selecting riders.



Lower costs

Design your plan for a lower overall premium by selecting riders that let you blend in term insurance (such as Ohio National's Plus Rider) for a lower overall premium. The term insurance gradually is replaced by increasing paid-up insurance purchased by any dividends.



Adjust premiums

Add more coverage (and cash value) through our Additional Paid-Up Insurance Rider (API). With the API, you can raise or lower premium payments from year to year, as necessary.



Add coverage

Buy additional insurance at specified intervals with the Guaranteed Insurability Option (GIO) rider. The additional insurance can be added this way without any additional underwriting because your insurability is guaranteed.



Living benefits

Consider an Accelerated Benefit Rider (ABR) that allows you to tap into your policy's death benefit in the event of expenses from a chronic or terminal illness.

As you can see, riders give you the flexibility to do more with a whole life policy.



A financial foundation for peace of mind

You're looking for safety, security and proven results. Many people just like you have found all three with whole life insurance, which has delivered value and peace of mind to Americans for decades. It has been, and continues to be, a foundational asset in many financial portfolios.

Think of it this way. The guarantees of whole life insurance provide you with financial certainty in a time of uncertainty, giving you permission to invest in potentially riskier yet higher yielding assets with your other money. Certain riders you choose can give you flexibility to meet your changing needs in the years ahead. You have a solid foundation with protection and potential.

Finding the ideal form of coverage for you should start with a conversation with a financial professional. They can take a look at your unique individual needs and circumstances to find the right product for you.

Consider Ohio National

Ohio National has maintained an impressive track record in helping individuals with whole life insurance. Since 1924, dividends have been paid on our whole life policies through every financial crisis, including the great depression and great recession. Compared to other less certain assets, that's an enviable record.

Life changes. We'll be there.®

Our mission is to make a difference in your life by helping you achieve financial security and independence today – and for generations to come.

¹ Premiums shown are for Prestige Value III, a participating whole life insurance policy. The premiums quoted are based on the age of the insured at nearest birthday and specified underwriting classification and are subject to change without notice.

Premiums for issued policies may be different than the premiums shown based upon actual underwriting classification. Generally, in the absence of fraud, after an amount of insurance has been in effect for two years during your lifetime, we cannot contest that amount due to a false statement made in the application.

In the event of death during the first two policy years by suicide or self-destruction while insane, only the premiums paid, less any loans and/or partial surrenders, will be returned as death proceeds.

Prestige Value III policies (05-PW-1/1U and any state variations) are underwritten and issued by The Ohio National Life Insurance Company, Cincinnati, Ohio.

The optional Accelerated Benefit Rider provides for a partial acceleration of the policy death benefit in the event that the base policy insured is certified by a licensed physician as being chronically ill or terminally ill. By taking an accelerated death benefit payment, a lien is created against the policy death benefit. The lien accrues carrying charges at an adjustable rate we declare. The lien, including the lien carrying charges, will be deducted from the total death benefit otherwise payable to the policy beneficiary(ies) and will reduce the cash value available for policy loans, surrenders, or the exercise of any non-forfeiture option. The required premium for the policy must still be paid even if an accelerated death benefit is taken. If an accelerated benefit is taken and the policy lapses or otherwise terminates, a taxable event may occur. Any death benefit provided by an optional Accidental Death Benefit Rider is not available for acceleration under this rider.

Any accelerated benefit taken under this rider may be taxable. Clients should consult their tax advisor on all tax matters. Adding the rider to a life insurance policy or the taking of rider benefits may affect eligibility for certain public assistance programs and government benefits.

The Accelerated Benefit Rider is not designed to be a substitute for long-term care insurance, health insurance, or nursing home insurance. Rider benefits and features may vary by state. If tax-free loans are taken and the policy lapses, a taxable event may occur.

Loans and withdrawals from life insurance policies that are classified as modified endowment contracts may be subject to tax at the time that the loan or withdrawal is taken and, if taken prior to age 59½, a 10 percent federal tax penalty may apply. Withdrawals and loans reduce the death benefit and cash surrender value.

Whole life insurance is issued by The Ohio National Life Insurance Company. Guarantees are based on the claims-paying ability of the issuer. Dividends are not guaranteed. Products, product features and rider availability vary by state. The issuer is not licensed to conduct business in New York.

The Ohio National Life Insurance Company

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