



# 5.50%

## Premium Deposit Account Rate for the month of July

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All,

For the month of July, the rate on the New York Life Premium Deposit Account (PDA) is increasing to 5.50%.

PDA is used to fund a Custom Whole Life, Secure Wealth Plus, or Custom Survivorship Whole Life policy in a lump sum without creating a modified endowment contract. The PDA interest is applied to premiums to reduce the client's out-of-pocket costs.

For example, when using the Premium Deposit Account \$31,437.86 would fund a 10-pay policy for \$250,000 in coverage, a savings of over 20%!<sup>2</sup>

Scott

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<sup>1</sup>A Premium Deposit Account is designed to fund a Custom Whole Life policy in a lump sum and offers a guaranteed interest rate that is applied to the payment of premiums, reducing out-of-pocket costs. Premium Deposit Account rates are subject to change. Guarantees are based on the claims-paying ability of the issuer. A penalty may apply if the Premium Deposit Account is surrendered. Any interest earned on the PDA will be taxable and, subject to requirements, will be reported to you on IRS Form 1099-INT.

<sup>2</sup>On a \$250,000 lump-sum payment, the client makes a first-year premium payment of \$31,437.86 and deposits the remaining \$218,562.14 into the Premium Deposit Account. The money in the Premium Deposit Account earns 5.50% interest every year (The rate is set and locked in at the time of the deposit into the Premium Deposit Account). Each subsequent year, the \$31,437.86 is deducted from the Premium Deposit Account to pay the premium.  $\$31,437.86 \times 10 = \$314,378.60$ .  $\$314,378.60 - \$250,000 = \$64,378.60$ .  $\$64,378.60 / \$314,378.60 = 20.47\%$  savings on total outlay vs. funding without a Premium Deposit Account.