



ADVANCED INSURANCE BROKERAGE · WHOLE LIFE REFERENCE

The AIB Whole Life Index

Two views of whole life dividend history. The long view follows one mutual carrier for 155 years, through a depression, two world wars, double-digit inflation and 2008. The current view averages four of the oldest mutual carriers, 2001 to 2026. Together they show why we use 5% as a hypothetical cash value rate.

01

The long view, 1872–2026

02

The AIB WL Index, 2001–2026

03

What the rate means for a policy

04

What the insurance cost buys

155 yrs

of published dividend rates at Northwestern Mutual, 1872–2026

6.44%

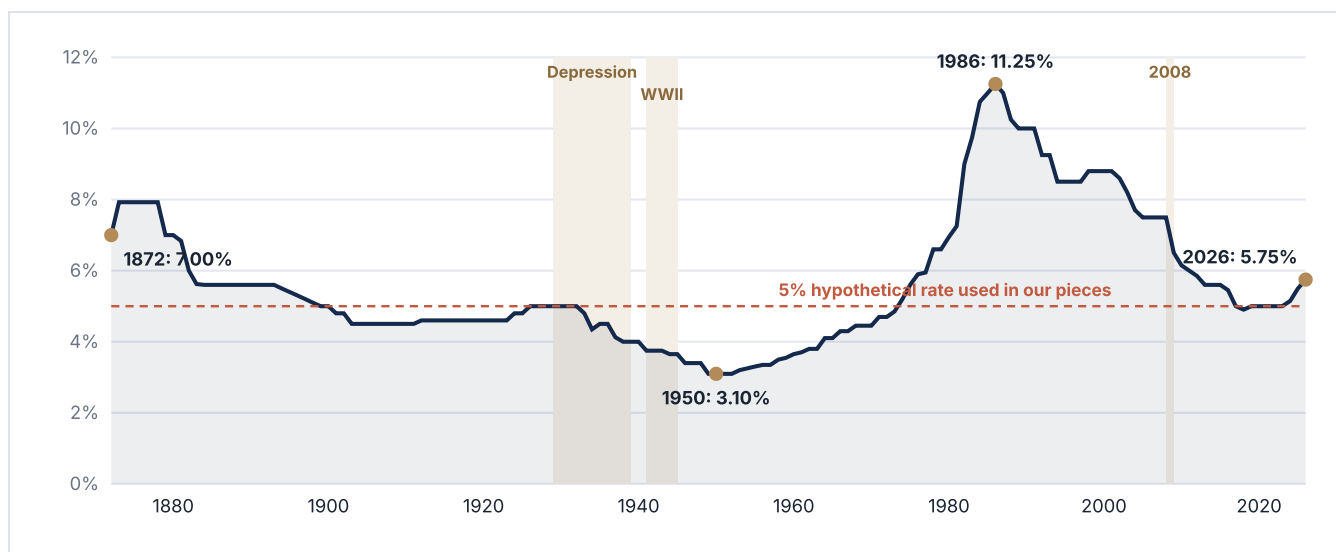
AIB WL Index average, 2001–2026, across four mutual carriers

0

negative years in either history. The lowest rate in 155 years was 3.10%.

01 PERIOD ONE · THE LONG VIEW 155 years of one carrier's dividend rate

Northwestern Mutual has published its dividend interest rate every year since 1872. It is the longest continuous record we have found for any of the four carriers in the index. The rate moves slowly, following long-term interest rates by years rather than months, and it never went below zero.



Northwestern Mutual dividend interest rate for cash value policies in its general account. 1872–2010 from the carrier's published history; 2011–2026 from annual declarations.

The same rate, era by era

Years	Era	Average	Low	High
1872–1899	Post-Civil War	6.23%	5.00%	7.93%
1900–1929	Into the 1920s	4.66%	4.50%	5.00%
1930–1949	Depression and WWII	4.06%	3.10%	5.00%
1950–1979	Postwar and inflation	4.27%	3.10%	6.60%
1980–1999	High-rate era	9.37%	6.95%	11.25%
2000–2026	Low-rate era	6.30%	4.90%	8.80%
1872–2026	All 155 years	5.68%	3.10%	11.25%

5.00%

Held every year from 1926 through 1932, including the 1929 crash and the worst of the Depression

3.10%

The low, 1949–1952, when long-term interest rates were near their 20th-century lows

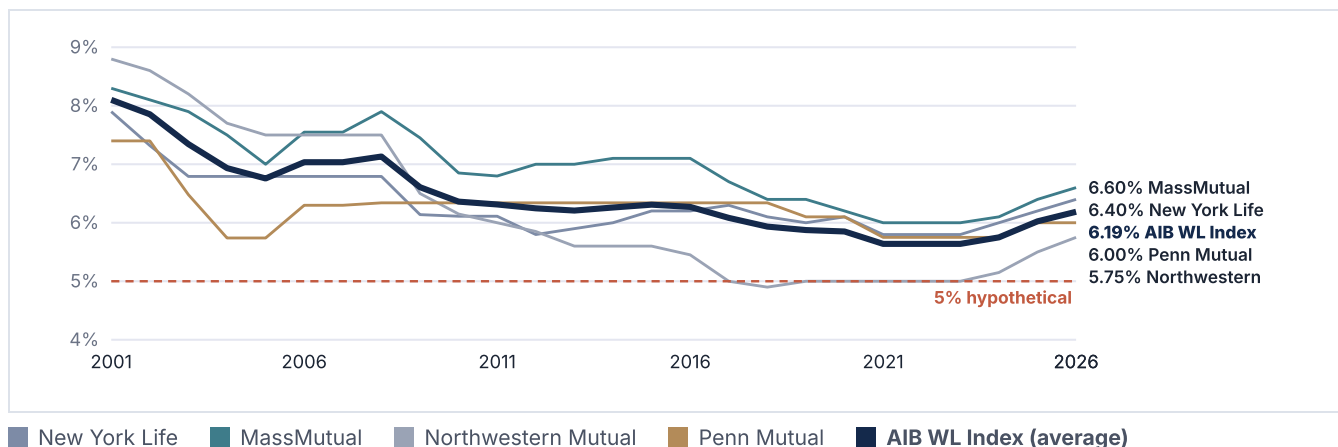
11.25%

The peak, 1986, after the high interest rates of the early 1980s

02 PERIOD TWO · THE AIB WL INDEX

Four mutual carriers, 2001–2026

The AIB Whole Life Index averages the declared dividend interest rates of New York Life, MassMutual, Northwestern Mutual and Penn Mutual. Each is owned by its policyholders and has paid dividends for well over a century.



Year	New York Life	MassMutual	Northwestern	Penn Mutual	AIB WL Index
2026	6.40%	6.60%	5.75%	6.00%	6.19%
2025	6.20%	6.40%	5.50%	6.00%	6.03%
2024	6.00%	6.10%	5.15%	5.75%	5.75%
2023	5.80%	6.00%	5.00%	5.75%	5.64%
2022	5.80%	6.00%	5.00%	5.75%	5.64%
2021	5.80%	6.00%	5.00%	5.75%	5.64%
2020	6.10%	6.20%	5.00%	6.10%	5.85%
2019	6.00%	6.40%	5.00%	6.10%	5.88%
2018	6.10%	6.40%	4.90%	6.34%	5.94%
2017	6.30%	6.70%	5.00%	6.34%	6.08%
2016	6.20%	7.10%	5.45%	6.34%	6.27%
2015	6.20%	7.10%	5.60%	6.34%	6.31%
2014	6.00%	7.10%	5.60%	6.34%	6.26%
2013	5.90%	7.00%	5.60%	6.34%	6.21%
2012	5.80%	7.00%	5.85%	6.34%	6.25%
2011	6.11%	6.80%	6.00%	6.34%	6.31%
2010	6.11%	6.85%	6.15%	6.34%	6.36%
2009	6.14%	7.45%	6.50%	6.34%	6.61%
2008	6.79%	7.90%	7.50%	6.34%	7.13%
2007	6.79%	7.55%	7.50%	6.30%	7.04%
2006	6.79%	7.55%	7.50%	6.30%	7.04%
2005	6.79%	7.00%	7.50%	5.74%	6.76%
2004	6.79%	7.50%	7.70%	5.74%	6.93%
2003	6.79%	7.90%	8.20%	6.48%	7.34%
2002	7.32%	8.10%	8.60%	7.40%	7.86%
2001	7.90%	8.30%	8.80%	7.40%	8.10%
Average	6.34%	6.96%	6.21%	6.24%	6.44%

Declared dividend interest rate for each calendar year; MassMutual 2001–2025 from its published study. Carriers apply their rates differently, so rates are not directly comparable. The index never fell below 5.64%.

03 FROM THE INDEX TO A POLICY What the rate means for your cash value

A dividend interest rate is a gross figure. Cash value grows at that rate less the cost of insurance and expenses, which depend on the insured's age, health class and policy design. MassMutual's own 30-year study shows the gap in real policies.

6.44%

AIB WL Index average dividend rate, 2001–2026 (gross)

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Your cost

Cost of insurance and expenses, set by age, health class and design

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Net growth

Cash value growth. We use 5% as a hypothetical net rate.

Actual results: MassMutual policies issued in 1995, held 30 years

Policy (\$250,000 face, best class available)	Annual premium	Cash value 2025	Death benefit 2025	Cash value IRR	Death benefit IRR
Convertible Life, male 45, nonsmoker	\$4,625	\$300,736	\$466,917	4.61%	6.99%
Life Paid-Up at 65, female 35, nonsmoker	\$3,450	\$236,090	\$442,937	4.89%	8.25%
10-Pay Whole Life, male 50, preferred nonsmoker	\$13,718	\$508,868	\$639,113	5.23%	6.16%

MassMutual, Historical Dividend Studies (1995–2025). Dividends used to buy paid-up additions; no loans. Actual company experience, not a projection.

7.21%

MassMutual's average dividend interest rate over the same 30 years, 1996–2025

4.61–5.23%

What the cash value actually earned, after all insurance costs and expenses

6.16–8.25%

What the income-tax-free death benefit earned on the same premiums

Why 5% is a reasonable net rate. Over 30 years the cash value earned roughly 2 to 2.6 points less than the dividend rate, and still landed near 5%. Our Series No. 1 example, an 11-pay Penn Mutual design at a 6% dividend rate, projects 5.47% on cash value and 6.20% on the death benefit.

About the 5% rate. Hypothetical 5% rate for illustration. Whole life dividends are not guaranteed. From 2001 to 2026, dividend interest rates at four major mutual insurers averaged about 6.2% to 7.0%. Cash value growth after policy costs is lower than the dividend rate. Each insured's actual health class, age and policy design determine the insurance cost deducted from these gross figures. In exchange for that cost, the insured gains an income-tax-free, guaranteed death benefit, rather than the lost opportunity cost (LOC) drag of fees and taxes.

04 COST VS. DRAG What the insurance cost buys

Every plan carries a cost. The question is what the cost buys. In whole life, the gap between the dividend rate and the cash value growth pays for a death benefit. In a market account, fees and taxes pay for nothing the family keeps.

WHOLE LIFE

A cost that buys something

For the cost of insurance, the insured gains a guaranteed death benefit, generally paid income-tax free, guaranteed cash values that do not fall with the market, and tax-free access through policy loans when structured properly.

MARKET ACCOUNTS

A drag that buys nothing

Fees and taxes are lost opportunity cost (LOC): the dollar and everything it would have earned. In Series No. 1, fees and taxes took about 2.6% to 2.7% a year of return in a typical 20-year period, with no death benefit in return.

	Dividend-paying whole life	Market account in a 401(k)/IRA
Annual cost	Cost of insurance, set by age and health class	Fees of 0.14% to 3%+ on the full balance
Tax at the end	Death benefit generally income-tax free; loans and withdrawals up to basis tax free*	Ordinary income tax on every dollar withdrawn
Market losses	None. Cash values are guaranteed	Fully exposed (–37% in 2008)
What the family receives	A death benefit larger than the cash value	The account balance, less tax

Historical rates, not returns. All rates shown are dividend interest rates declared by each insurer. They are not the rate of return on any policy and cannot be invested in. Carriers quote and apply their rates differently; MassMutual quotes its rate net of investment expenses, and Northwestern Mutual notes that cash value growth will be lower than its rate.

Dividends are not guaranteed. Each insurer's board declares dividends annually. A long history of dividends does not guarantee future dividends. Guarantees are based on the claims-paying ability of the issuing insurer.

AIB WL Index. A proprietary index created by Advanced Insurance Brokerage (AIB), Chicago, IL, an Advanced Group company. It is the simple average of the four carriers' declared dividend interest rates, beginning in 2001. The index cannot be purchased.

Sources. Northwestern Mutual published dividend history (1872–2010); MassMutual, Historical Dividend Studies (1995–2025); carrier dividend announcements and industry compilations (2001–2026). *When the policy is not a Modified Endowment Contract; loans reduce cash value and death benefit. AIB does not provide tax or legal advice.



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