

# Whole Life Insurance: 'The Investment Bomb Shelter for Scary Times'

Monday January 28, 1:18 pm ET

WASHINGTON, Jan. 28 /PRNewswire/ -- During one of the most unsettled periods in recent financial history, author and investment guru John E. Girouard (<http://www.johngirouard.com>) is warning people to think twice before moving their money into bank CDs and money market funds.

He says the ultimate bomb shelter during scary financial times is your grandparents' life insurance, called participating or mutual whole life, which dominated the industry until falling out of favor in the late 1970s, but is now coming back into style.

"Few people know that the life insurance industry was one of the few economic sectors to survive the Great Depression intact. It was one investment that kept its promises," says Girouard.

Buying a policy from a mutually-owned company, you become an owner instead of a customer. "It's like becoming your own bank," notes Girouard. Mutual life premiums accumulate cash value that earns untaxed interest, and policyholders can borrow against it, no questions asked. Mutual whole life policies have recently been earning around 6 percent and carry ironclad guarantees: your cash value and the death benefit are secure. Some policies even include disability benefits.

Girouard observes that corporations for years have been buying mutual insurance policies on their employees' lives as a way of stashing corporate cash in an untaxed vehicle they can draw down on a moment's notice.

"My phone and those of America's nearly 300,000 investment advisors are ringing off the hook. The question on everyone's lips: 'Where do I stash my money when nothing looks good?'" Girouard says. Bank CDs help people sleep better, "but low interest rates, inflation and taxes steadily erode buying power so people actually lose money instead of protecting it."

"Investing is a three legged stool," Girouard says. "One leg is the money you need to live on, one leg is the money you invest for growth, and one leg is the bomb shelter you can retreat to when you can't sleep because the rest of the world seems to be falling apart."

He says most investment advisers don't understand how mutual whole life policies work, and don't offer them to clients "because they aren't sexy or new."

John E. Girouard is author of "The Ten Truths of Wealth Creation" and founder of the Institute for Financial Independence (<http://www.independenceinstitute.com>).

Source: John E. Girouard