



Cash Value Life Insurance

Protection for them. Possibilities for you.

[Presented by:]

[Joe Sample,][Designations per field stationery guidelines]

[Company Approved Title]

[Phone [123-123-1234]]

[joe.sample@prudential.com]



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Poll Question

What can my life insurance be used for?

- Provide for my family when I'm gone
- Supplemental retirement income
- Access funds for chronic illness
- Pay for large expenses
- Wealth transfer
- [Business continuation planning]



Session Objectives

- Learn about the different types of life insurance
- How to take advantage of the tax advantages and living benefits of life insurance
- Understand how you can grow and access cash value to support a financial strategy





Types of Life Insurance

Term Insurance

- Provides guaranteed death benefit for a short-term period (10 – 30 years)
- Option to convert to a permanent policy

Permanent Insurance

- Coverage designed to last a lifetime
- May accumulate cash value on a tax-deferred basis





Tax Advantages of Life Insurance

GIVE



IRC §101(a)

Provides a generally income tax-free death benefit

GROW



IRC §7702

Your policy cash value may grow tax-deferred

ACCESS



IRC §72

Allows access to policy cash values income tax-free

ACCELERATE



IRC §101(g)

Allows acceleration of the death benefit for chronic/terminal illness

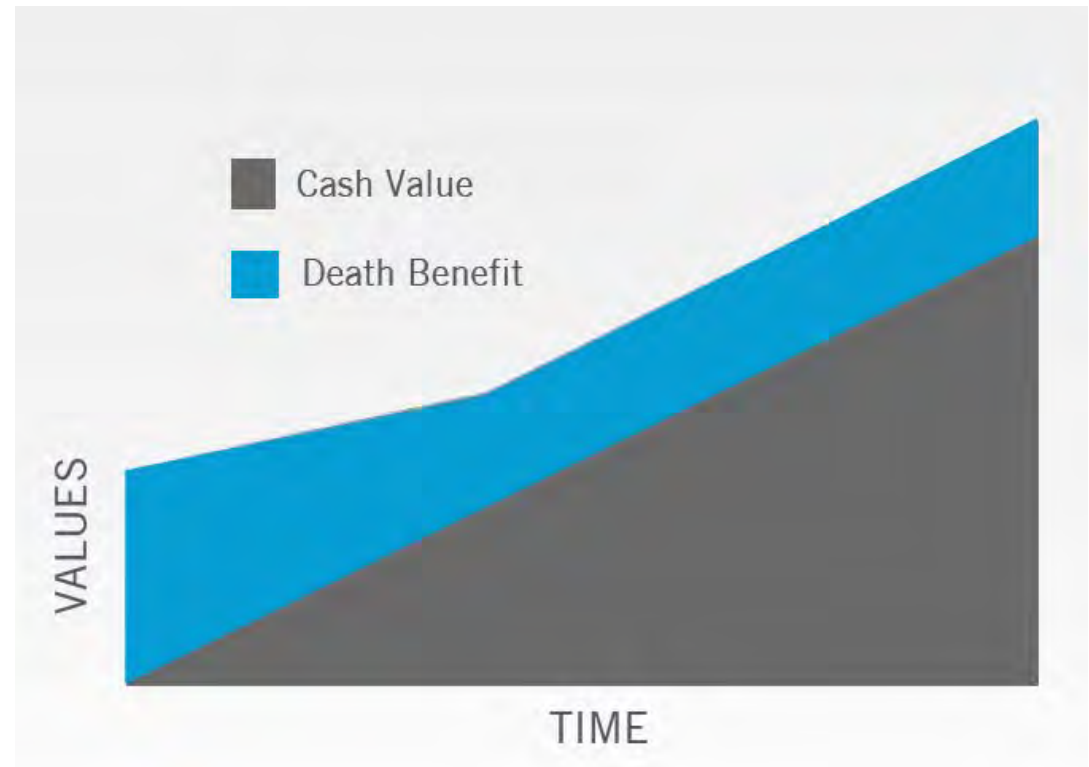
Cash values are accessed through withdrawals and policy loans. Withdrawals are generally taxable to the extent they exceed premiums paid into the policy. Any loans that remain unpaid when the policy lapses or is surrendered while the insured is alive will be taxed immediately to the extent of gain in the policy. Unpaid loans and withdrawals will reduce cash values and death benefits. Receiving accelerated death benefits will reduce and may eliminate the net death benefit your beneficiaries will receive.



Tax-Free Growth Potential

Grow your cash value¹ and death benefit

- Cash value can accumulate when underlying investments perform well or interest is credited
- Cash value growth will generally be tax-deferred as long as the policy is in force
- Can be designed to allow death benefit to increase if the cash value rises



1. Life insurance policy cash values grow tax-deferred and are potentially income tax-free. Cash values are accessed through withdrawals and policy loans. Withdrawals are generally taxable to the extent they exceed premiums paid into the policy. Any loans that remain unpaid when the policy lapses or is surrendered while the insured is alive will be taxed immediately to the extent of gain in the policy. Unpaid loans and withdrawals will reduce cash values and death benefits.



How You Can Use Cash Value

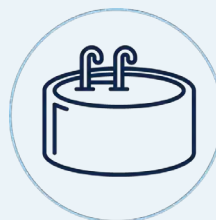
Access to funds for a range of possibilities



Death benefit to beneficiaries



Supplement retirement income



Discretionary pool of funds



Help during an illness or injury



[Protect business interests]

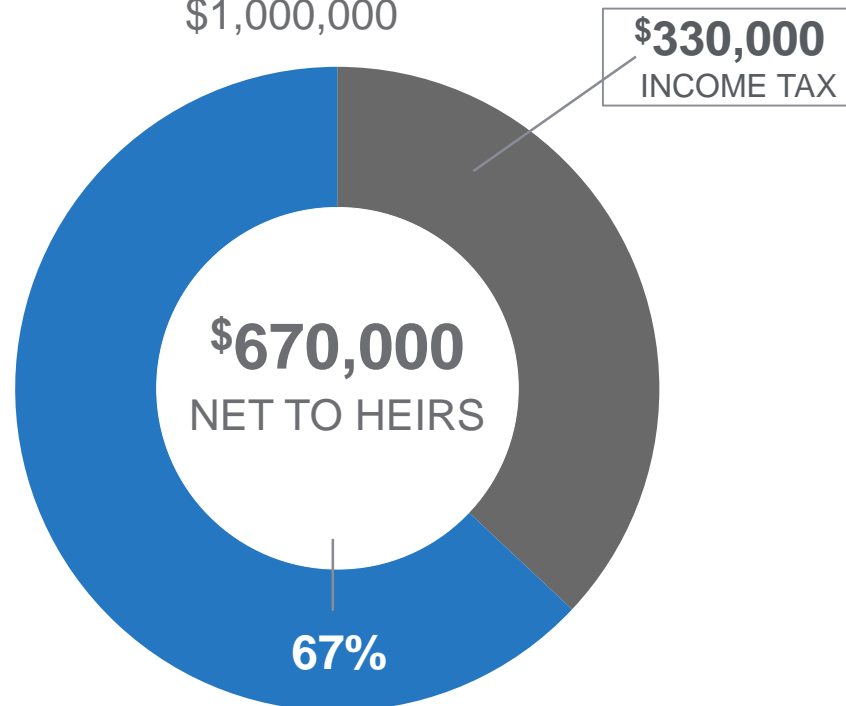
You can access your cash value through loans and withdrawals. In general, loans are charged interest; they are usually not taxable. If a policy lapses or is surrendered, the loan becomes immediately taxable to the extent of gain in your policy. Withdrawals are taxable only when you take more money out of the policy than you've paid in premiums. If your policy becomes a Modified Endowment Contract (MEC), different, less advantageous tax provisions apply. Loans and withdrawals may reduce or eliminate the death benefit payable to your beneficiaries.



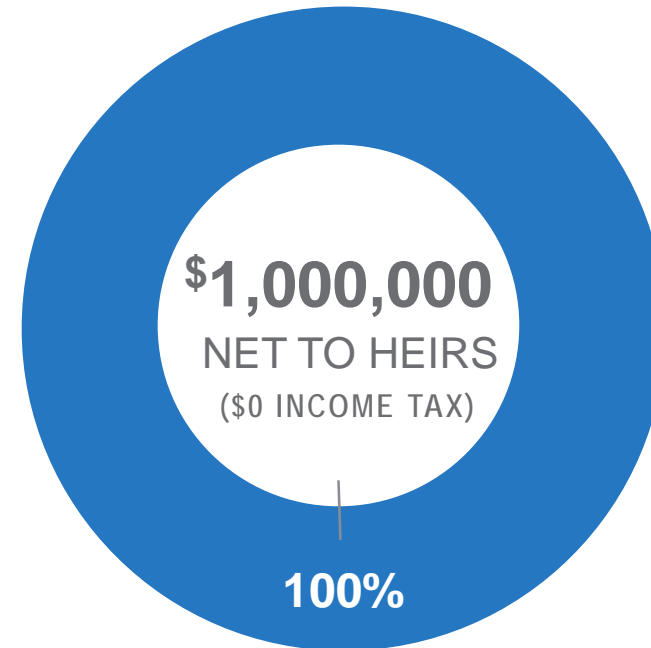
Leave a Lasting Legacy

Give more to your beneficiaries

Qualified Tax-Deferred Asset
Death Benefit:
\$1,000,000



LIFE INSURANCE
Death Benefit:*
\$1,000,000



*Life insurance policies are purchased with after-tax dollars.



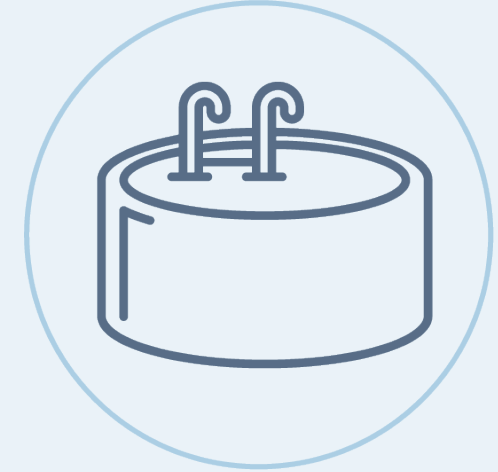
Supplement Retirement Income



Retirement income stream



Income bridge



Pool of funds

You can access your cash value through loans and withdrawals. In general, loans are charged interest; they are usually not taxable. If a policy lapses or is surrendered, the loan becomes immediately taxable to the extent of gain in your policy. Withdrawals are taxable only when you take more money out of the policy than you've paid in premiums. If your policy becomes a Modified Endowment Contract (MEC), different, less advantageous tax provisions apply. Loans and withdrawals may reduce or eliminate the death benefit payable to your beneficiaries.



Help Pay for Large Expenses



Wedding



**Unexpected
Expense**



**New or Improved
Home**



College



**Business
Opportunity**



Boat



Access to Funds for Chronic or Terminal Illness

Accelerate death benefit for chronic or terminal illness



70%

of people over the age of 65 will experience a chronic illness or disability¹



\$108,405

the national annual median cost of a private room in a nursing home²



35.7

the average amount of hours per week worked by unpaid caregivers who also have jobs³

NOTE: Riders for chronic illness typically are available for an additional cost to the policy.

1: [Alliance for Aging Research, The Growing Older Population, Accessed 03/2018.](#)

2: [Genworth Cost of Care Survey, 2021.](#)

3: [National Alliance for Caregiving and AARP. Caregiving in the U.S., 2020.](#)



[Business Continuation Planning]

Protect the Future of Your Business

Your business can use the funds to:

- Help with business continuation if a partner or key employee dies
- Assist the exchange of business ownership in the event of your or a partner's retirement, disability, or death
- Fund nonqualified retirement plans



35%

have worked with a financial planner to prepare for succession¹



Summary

Cash value life insurance offers possibilities for you and your loved ones



Provides death benefit to beneficiaries



Offers one of the most favorable tax treatments of any financial asset



Helps solidify an overall financial strategy



Can accelerate death benefit for chronic or terminal illness

[Essential and flexible ingredient for business owners]



Consult a financial professional

Schedule time to discuss:

- Do you have the appropriate amount of insurance?
- Do you have any current coverage that can build cash?
- Do you have any coverage that can provide benefits for chronic illness or injury?
- Is your life insurance coordinated with the rest of your financial plan?



Protection for them.
Possibilities for you.

Who's Your Rock?





Important Information

Life insurance is issued by Pruco Life Insurance Company (except in NY), and Pruco Life Insurance Company of New Jersey (in NY). Both are Prudential Financial companies located in Newark, NJ. Securities products and services offered through Pruco Securities, LLC, a Prudential Financial company, 751 Broad Street, Newark, NJ 07102-3777.

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