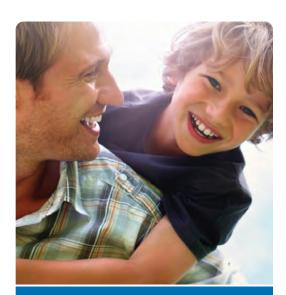
PREMIUM DEPOSIT ACCOUNT PDA 1.0 HIGHLIGHTER

A Single Deposit Solution That Pays Premiums Over Time



WHEN HAVING THE PDA CLIENT CONVERSATION ...

It's important to be clear that the PDA:

- Is not a bank account and, therefore, not insured by the Federal Deposit Insurance Corporation (FDIC).
- Is an agreement outside of the policy.
- Credits interest that is reportable annually as income.
- Pays no additional compensation.
 Commissions are paid when premiums are applied into the policy.
- May be cancelled at any time.
 The policyowner will then receive the current balance of the PDA (no withdrawals or loans may be processed against the PDA).

 If it's cancelled, any remaining premiums due may need to be paid out of pocket or from other sources.

Affluent clients with life insurance protection needs may be excited to discover the availability of the new **Premium Deposit Account**. It may be the solution that helps you **close more PruLife Index Advantage UL® cases.**

AN ATTRACTIVE OPTION

The Premium Deposit Account (PDA) is an optional account, separate from the policy, in which a client makes a one-time deposit. This deposit earns fixed interest, and the PDA automatically makes annual premiums into the policy. It provides a client with:

• A tax-efficient strategy.

The PDA gives clients a way to make a single deposit without the policy being declared a Modified Endowment Contract (MEC). A MEC policy will experience negative tax consequences when distributions are taken.

· Convenience.

The policy's premiums are automatically paid annually from the PDA, simplifying policy management.

· Predictability.

The PDA earns fixed interest. As part of the illustration, the PDA report will be generated. It will show you the discounted lump sum needed, based on the current interest rate. The interest rate is determined and locked in for the life of the PDA once the money is received by Prudential. The PDA account is currently crediting 1%.

· Choice.

A client can choose the duration of the PDA ranging from 2 to 10 years, in amounts between \$10,000 and \$10,000,000.

CLIENTS WHO WILL FIND THIS OPTION ATTRACTIVE

Typically, PDA clients are affluent and have one or both of these specific goals:

- They want to make a large, single deposit to pay their policy premiums without the policy becoming a MEC. These clients need death benefit protection for their loved ones and also want potential growth in cash value to supplement their incomes in retirement.
- They have an interest in a premium financing strategy.

Note: The Premium Deposit Account is not available if the owner is a Non-Resident Alien. It is currently not available in IL, IN, KS, MI, PA, TN, TX, and WA.



GETTING STARTED

- 1. At the time of application ...
- Indicate the anticipated annual premium on the application. On paper applications or PruXpress worksheets, indicate a request for the Premium Deposit Account in "Special Requests." If using eLife, select "yes" when asked if the client would like PDA.
- Include a copy of the illustration with the PDA account report.
- 2. At delivery ...
- Complete the required Premium Deposit Account Agreement Form (ORD 115304) and return it with other delivery paperwork. Remember that the interest rate will be based on the rate that is in effect on the Home Office receipt date of the single-sum deposit or on the policy date, whichever is later. Consider this interest rate when calculating the single-sum amount for the intended number of years. A reminder of this appears on the Agent Delivery Letter: "Please confirm the PDA interest rate has not changed since illustrated because it may impact the PDA deposit amount."
- It may take several days from receipt of the PDA money until the policy is active with commissions
 paid. This is due to the multiple processing steps needed to record the single-sum amount in the
 PDA account and the application of the first-year premium to the policy.
- 3. After delivery ...
- Annual premiums will automatically be paid into the policy. No bills will be sent while the PDA is active.
- The PDA account cannot be added during the 90-day new business change period. If the policy
 was placed with a PDA, benefit or face amount changes normally allowed during the 90-day new
 business change period will cancel the PDA.

DISCOVER MORE ABOUT THE PDA

Review the PDA Agreement

REFRESH YOUR MEC KNOWLEDGE

FAQ – What Is a MEC and How Is It Taxed?

YOUR LIFE WHOLESALER CAN HELP YOU CLOSE MORE ADVANTAGE UL CASES

Contact them to help identify clients in your book for whom Advantage UL can be an effective policy and who may benefit from using the PDA. Call today to explore more about how to successfully talk to them and prospects about this exciting new feature.

This material is being provided for informational or educational purposes only and does not take into account the investment objectives or financial situation of any clients or prospective clients. The information is not intended as investment advice and is not a recommendation about managing or investing a client's retirement savings. Clients seeking information regarding their particular investment needs should contact a financial professional.

PruLife Index Advantage UL is issued by Pruco Life Insurance Company in all states except in New York, where, if available, they are issued by Pruco Life Insurance Company of New Jersey. Both are Prudential Financial companies located at 213 Washington Street, Newark, NJ 07102-2992.

For Advantage UL: The potential to build cash value in the Indexed Accounts is based on the performance of the S&P 500® Index (using an Index Growth Cap, and Spread as applicable, and Floor) on an annual point-to-point basis based on a 100% participation rate (subject to change). Money that is placed in the Indexed Accounts is not a direct investment in the S&P 500 Index. The Index Growth Cap and Spread are generally stated as a percentage. The Growth Cap is the maximum rate of interest that may be credited at the end of the one-year Index Segment Duration, regardless of changes to the S&P 500 Index for the Indexed Account. The Spread is the percentage that will be deducted from the earned rate on the Uncapped Indexed Account subject to the Floor.

The Index Growth Cap and Spread are declared for each Index Segment and Indexed Account option as applicable in advance of each Index Segment Duration. The Index Growth Cap and Spread are subject to change at our discretion, both up and down, but are guaranteed never to be less than 3.00% for the Cap on the Indexed Account or more than 30% for the Spread. Changes to the Index Growth Cap and Spread could result in different values than shown here. Changes are not tied to the performance of the S&P 500 Index and may be based on interest rates, market volatility, and other factors. Once an Index Segment is created, its Index Growth Cap and/or Spread will not change. Index Growth Caps, Spreads, and Floors may be different in certain states. If amounts in an index segment are withdrawn during the segment duration, they can still earn index interest at segment maturity, pro-rated based on the amount of time they were in the segment.

The Index Growth Cap is generally stated as a percentage, which is the maximum rate of interest that will be credited at the end of the one-year Indexed Account Segment duration, regardless of changes to the designated index. The Index Growth Cap may be raised or lowered at our discretion before the segment is created, but will not be lower than the guaranteed minimum index growth cap stated in the policy (currently, 3% in all states). Once an Indexed Account Segment is created, its Index Growth Cap will not change. Changes to the Index Growth Cap could result in different values than shown here. Changes are not tied to the performance of the underlying index and may be based on interest rates, market volatility, and other factors. Index Growth Caps and Floors may be different in selected states.

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