



SAFEGUARDING THE MOST IMPORTANT THING TO  
YOUR LOVED ONES.

**Protect What Matters Most**



# Life Insurance

The Prudential Insurance Company of America  
0160864-00008-00 Ed. 07/2017



**Prudential**  
Bring Your Challenges®



## **ABOUT THIS BROCHURE**

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Your financial professional can provide you with a detailed illustration that includes additional information and important considerations about this strategy. In fact, the best way to understand how this life insurance strategy works is with the help of a financial professional and a policy illustration. An illustration can show you the effects of various interest crediting rates on your policy and the strategy, and a financial professional can explain solutions and help assess what strategy best meets your needs.

You have insurance to protect your house, your health, and your car.



#### ARE YOU PROTECTING WHAT MATTERS MOST TO YOUR LOVED ONES ... YOU?

Earning a living to provide for your loved ones is why you get up and go to work every day. What would happen if you were not around to do all the things you do and make sure they could still afford their home, school costs, and future dreams and goals?

#### THE IMPORTANCE OF LIFE INSURANCE

Life insurance can help. Only life insurance can provide a generally income tax-free death benefit (according to IRC §101(a))—money that can help ensure your loved ones will be able to maintain their current standard of living and fulfill plans for the future.



To fully understand the value of life insurance, first determine the financial support that you provide your loved ones over time.

# What financial value can you place on your life?

**YOUR ABILITY TO EARN A LIVING IS ONE OF THE BIGGEST ASSETS YOUR FAMILY HAS.**

## YOUR SALARY ... WHAT IS ITS TRUE VALUE TO YOUR FAMILY?

CURRENT ANNUAL INCOME	YOUR SALARY EARNED UNTIL RETIREMENT (YEARS TO PROVIDE INCOME)			
	40	30	20	15
\$200,000	\$3,619,145	\$3,060,162	\$2,315,284	\$1,854,548
\$150,000	\$2,714,359	\$2,295,121	\$1,736,463	\$1,390,911
\$100,000	\$1,809,573	\$1,530,081	\$1,157,642	\$927,274
\$80,000	\$1,477,658	\$1,224,065	\$926,114	\$741,819
\$65,000	\$1,176,222	\$994,553	\$752,467	\$602,728
\$50,000	\$904,786	\$765,041	\$578,821	\$463,637

These present value calculations assume annual paychecks at the beginning of the year, increased by 3% inflation, reduced by taxes of 25% (federal, state, and Social Security), and discounted at 6% after tax. For example, to provide \$100,000 a year for 40 years, assuming a 3% increase in salary, an overall tax rate of 25%, and an investment rate of 6% after taxes, would require a cash account today of \$1,809,573.

## IF YOU'RE NOT HERE, HOW WILL YOUR FAMILY REPLACE THIS LOST INCOME?

Is there a gap between your lifetime salary and the amount of insurance coverage you have? The gap is the amount of money your family will miss if you're not around to earn a living to provide for them.



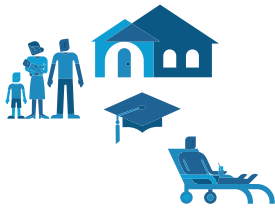
**CLOSING THE GAP MAY BE EASIER THAN YOU THINK.**



PROTECT WHAT MATTERS MOST

## Life insurance can help.

### LIFE INSURANCE CAN HELP REDUCE THE FINANCIAL BURDEN TO YOUR FAMILY BY:



- ▶ Providing the means to help them stay in their home, school district, and community.
- ▶ Enabling education and retirement goals to stay in place.
- ▶ Making it possible to maintain their current standard of living.

### Is fear holding you back?

Most people know they need life insurance.

In fact, **half of all U.S. households** readily admit they don't have adequate life insurance coverage\*—yet they often fail to act.

If fear of the discussion or of the costs is holding you back from getting the life insurance protection your family needs, talk to a financial professional. He or she can explain the types of insurance and help you find the policy or policies that fit your budget.

Take a look at the balanced solution on the next page. It shows how you can easily blend types of insurance to address your needs.

\*Source: LIMRA, *Facts About Life 2013* (latest available).



A BALANCED SOLUTION

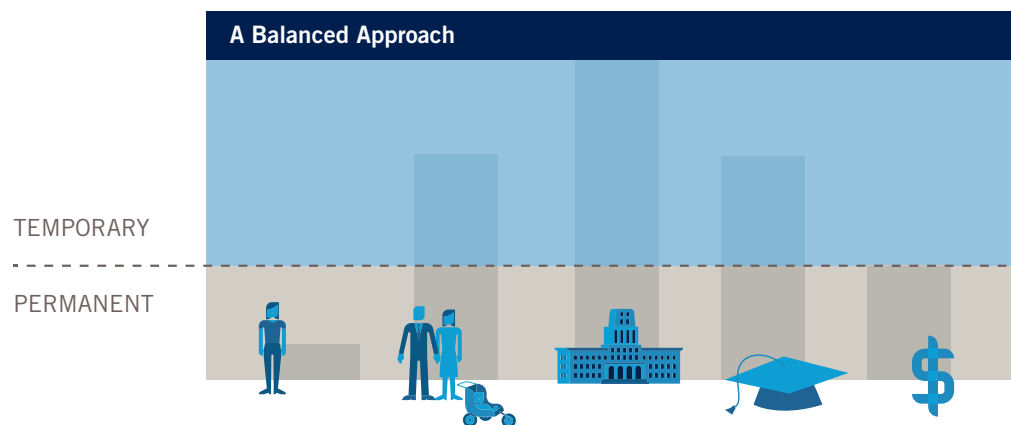
## Blend Term and Permanent Insurance.

### THE BENEFIT OF BALANCING TEMPORARY AND PERMANENT INSURANCE

Using both types of policies can address challenges concerning coverage and budget:

- ▶ You have greater protection only while you need it.
- ▶ You're not paying for what you don't need.

Permanent insurance can provide a base of protection, while term insurance acts as a supplement during times of greater need. A balanced solution lets you address your immediate and future needs without delaying your purchase of permanent insurance.



### ADVANTAGES OF A BALANCED APPROACH

- ▶ **Combining term and permanent policies can be less expensive:** It generally costs less to blend term and permanent coverage than to buy a permanent policy alone for the same amount of coverage or to buy a new term policy later in life when it will be more expensive. Plus, both types of insurance are usually less expensive the younger and healthier you are when you purchase them.
- ▶ **Securing coverage:** Your insurability is "locked in" with the permanent coverage. If your health declines, you'll still have valuable life insurance protection in place at a time when the cost of a new policy may be prohibitive or you could be unable to qualify for a new policy.
- ▶ **Ease of conversion:** If you need more permanent insurance at a later time, you may be able to convert part or all of your term coverage to permanent, without another medical exam.
- ▶ **Supplement your income:** In addition to the death benefit, some permanent policies potentially accumulate cash value, which can be used to supplement your income.<sup>1</sup> (Accessing your policy's cash values can have consequences. See endnote 1 on the back cover for important information.)

**Work with your financial professional to find the right type and amount of life insurance for your needs. Together, you can find the right balance for your life.**

# LIFE INSURANCE QUICK ESTIMATOR

HOW MUCH LIFE INSURANCE IS ENOUGH?

This calculator only provides an estimate of insurance needs and is based on the information the client provides. The client's actual needs may be more or less than the estimate provided. For a more thorough determination of the client's needs, the client should undergo a personalized needs analysis.

Client Name \_\_\_\_\_

Agent Name \_\_\_\_\_

Date \_\_\_\_\_

## INCOME

**1. Annual before-tax income your family would need if you died today**

Typically between 60% and 80% of total income. Include all salaries, dividends, interest, and any other sources of income.

\$ \_\_\_\_\_

**2. Annual income available to your family from other sources**

Include dividends, interest, and spouse's earnings (Social Security may be available).

\$ \_\_\_\_\_

**3. Annual income to be replaced** (Subtract line 2 from line 1.)

\$ \_\_\_\_\_

**4. Capital needed for income**

Multiply line 3 by the appropriate factor below.

\$ \_\_\_\_\_

Years Income Needed	10	15	20	25	30	35	40	45	50
Factor <sup>1</sup>	9.4	13.6	17.5	21.1	24.5	27.7	30.6	33.3	35.9

## EXPENSES

**5. Funeral<sup>2</sup> and other final expenses**

Typically the greater of \$15,000 or 4% of your estate

\$ \_\_\_\_\_

**6. Mortgage and other outstanding debts**

Include mortgage balance, credit card debt, car loans, home equity loans, etc.

\$ \_\_\_\_\_

**7. College costs<sup>3</sup>**

2015-2016 average annual "total" cost of four-year public and private colleges:  
public in-state: \$24,061; public out-of-state: \$38,544; private college: \$47,831

	Annual Amount	X	Number of Years in College =	Total Cost (\$)
Child 1		X		
Child 2		X		
Child 3		X		
Child 4		X		
Child 5		X		
Total capital needed for college				

\$ \_\_\_\_\_

**8. Total capital required** (Add lines 4, 5, 6, and 7.)

\$ \_\_\_\_\_

## ASSETS

**9. Savings and investments**

Bank accounts, CDs, stocks, bonds, mutual funds, real estate/rental property, etc.

\$ \_\_\_\_\_

**10. Retirement savings**

IRAs, 401(k) plans, SEPs, pension and profit sharing plans

\$ \_\_\_\_\_

**11. Present amount of life insurance**

Include group insurance and personal insurance purchased on your own.

\$ \_\_\_\_\_

**12. Total of all assets** (Add lines 9, 10, and 11.)

\$ \_\_\_\_\_

**13. Estimated amount of additional life insurance needed** (Subtract line 12 from line 8.)

\$ \_\_\_\_\_

<sup>1</sup> Inflation is assumed to be 3%. The rate of return on investments is assumed to be 4.5% after tax. College costs are indexed at 4.5%.

<sup>2</sup> The national median cost of a funeral with burial for calendar year 2014 is \$7,181. Retrieved on 3/1/2016 from <http://nfda.org/about-funeral-service-trends-and-statistics.html>.

<sup>3</sup> Source: The College Board, Trends in College Pricing 2015, Figure 1. Costs include tuition, room, board, books and supplies, transportation, and other expenses for a resident. The College Costs numbers are the 2015-2016 national average for a four-year college or university.

## A FINANCIAL LEADER FOR OVER 140 YEARS

Prudential Financial is a worldwide financial leader with a long tradition of serving the public interest. Prudential Financial has approximately 50 million customers. The well-known Rock symbol is an icon of strength, stability, expertise, and innovation that has stood the test of time.



*Produced with the  
environment in mind*



*Printed on Recycled Paper  
With 10% Post-Consumer Waste*

<sup>1</sup>Life insurance policy cash values are accessed through withdrawals and policy loans. Interest is charged on loans. In general, loans are not taxable, but withdrawals are taxable to the extent they exceed basis in the policy. Loans outstanding at policy lapse or surrender before the insured's death will cause immediate taxation to the extent of the gain in the policy. Unpaid loans and withdrawals reduce cash values and policy benefits and negate any guarantee against lapse. For policies that are Modified Endowment Contracts (MECs), distributions (including loans) are taxable to the extent of income in the policy; an additional 10% federal income-tax penalty may apply. Consult your tax advisor for advice about your own situation.

All guarantees and benefits of the insurance policy are backed by the claims-paying ability of the issuing insurance company. Policy guarantees and benefits are not backed by the broker/dealer and/or insurance agency selling the policy, nor by any of their affiliates, and none of them make any representations or guarantees regarding the claims-paying ability of the issuing insurance company.

Life insurance is issued by The Prudential Insurance Company of America, Pruco Life Insurance Company (except in NY and/or NJ), and Pruco Life Insurance Company of New Jersey (in NY and/or NJ). All are Prudential Financial companies located in Newark, NJ, and each is solely responsible for its own financial condition and contractual obligations. Life insurance policies contain exclusions, limitations, reductions of benefits, and terms for keeping them in force. Your financial professional can provide you with costs and complete details.

We do not provide tax, accounting, or legal advice. Please consult your personal advisors.

### **Investment and Insurance Products:**

Not Insured by FDIC, NCUSIF, or Any Federal Government Agency. May Lose Value. Not a Deposit of or Guaranteed by Any Bank, Credit Union, Bank Affiliate, or Credit Union Affiliate.