



# Cash Value Life Insurance

Protection for them. Possibilities for you.

Issued by Pruco Life Insurance Company or  
Pruco Life Insurance Company of New Jersey.

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# FINANCIAL PROTECTION FOR THE PEOPLE WHO RELY ON YOU. POSSIBILITIES THAT FLEXIBILITY CAN OFFER FOR YOU.<sup>1</sup>

## Cash Value Life Insurance Can Provide Both.

Your family is important to you. That's why you work so hard to see to it that they have what they need—a place to live, food on the table, and, sometimes, the little extras that make them smile.

But if there's one thing in life that's certain, it's uncertainty. Without warning, life may drastically change. When that happens, life insurance can help ensure that those who depend on you can carry on without you. The death benefit from a life insurance policy can help them to continue living the life you envisioned for them. But life insurance can also offer options for you.

### CASH VALUE LIFE INSURANCE CAN HELP

Cash value life insurance provides financial protection for those who depend on your income. **It also offers the potential to accumulate cash value on a tax-deferred basis.** Such a policy will remain in force for as long as you have enough cash value to cover the policy's charges. It is this cash value that can offer possibilities for you.

## HOW YOU CAN USE YOUR LIFE INSURANCE POLICY'S CASH VALUE<sup>1</sup>

### Cash value

Cash value is the amount available if you access your policy before its maturity date or your death. In the early years, your policy may have a small cash value. But it may accumulate over time.

**You could use this cash value to:**



PAY FOR AN  
UNEXPECTED EXPENSE<sup>1</sup>



RENOVATE YOUR HOME<sup>1</sup>



SUPPLEMENT YOUR RETIREMENT  
INCOME<sup>1</sup>



PAY OFF YOUR HOME<sup>1</sup>



HELP DURING AN  
ILLNESS OR INJURY<sup>1</sup>



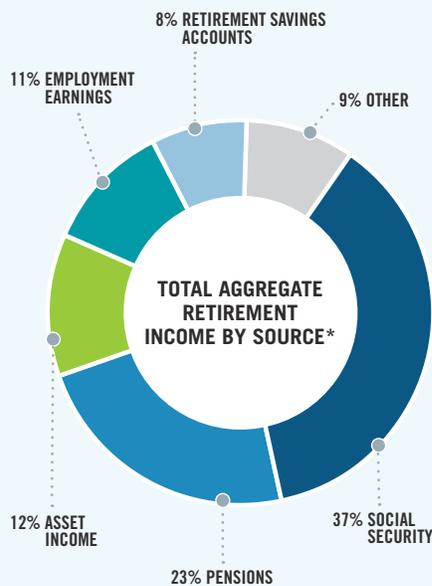
FUND A BUSINESS OR  
INVESTMENT OPPORTUNITY<sup>1</sup>

### Flexibility

How you use the cash value in your cash value life insurance policy is up to you.<sup>1</sup>

## WHERE WILL YOUR RETIREMENT INCOME COME FROM?

Your retirement income can come from several sources. The chart below shows the total income sources of those age 65 and over. Consider whether you have access to all of these forms of retirement income or adequate balances. If you have a gap, life insurance may be able to help you close it.<sup>1</sup>



\*Source: Secure Retirement Institute analysis of the U.S. Census Bureau's Current Population Survey, March 2020 Supplement.

## LIFE INSURANCE CAN PROVIDE FLEXIBILITY

Your life insurance policy has the potential to accumulate cash value over time. This cash value offers you flexibility and can be used for any purpose you wish, and you can access it through policy loans or withdrawals. For example, you can borrow cash value<sup>1</sup> from your policy to:

- ▶ Put toward a down payment on a home or pay off a mortgage later on.
- ▶ Help pay for a child's wedding.
- ▶ Use as a resource for emergencies—or opportunities.
- ▶ Delay Social Security payments to increase your Social Security benefits later on.
- ▶ Provide supplemental income when you retire.

**How you use your cash value life insurance policy's cash value is up to you.** And, unlike loans from many financial institutions, when you borrow money from your permanent insurance policy, the loan is not dependent on credit checks or other restrictions. It's important to understand that, if you don't repay the loan, your beneficiaries will receive a reduced death benefit.

## LIFE INSURANCE CAN PROVIDE TAX-ADVANTAGED SUPPLEMENTAL RETIREMENT INCOME

As you prepare for the future, life insurance may offer options that can help when you retire:

- ▶ You have access to the policy's cash value, without a tax penalty, prior to age 59½.<sup>1,2</sup>
- ▶ You can pay additional policy premiums over time as your life changes and/or earned income increases.
- ▶ Your income level won't preclude you from applying for life insurance.

There is a limit to how much can be paid into a policy in relation to the death benefit for the policy to still be considered life insurance for tax purposes. If your premiums exceed certain limits, your policy will be classified as a modified endowment contract (MEC) (You will be notified and allowed to be refunded if the limit is exceeded).<sup>2</sup>

<sup>1</sup> You can access cash value 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.

<sup>2</sup> Distributions from MECs (such as loans, withdrawals, and collateral assignments) are taxed less favorably than distributions from policies that are not MECs if there is gain in the policy. For distributions from a MEC prior to age 59½, a federal income tax penalty may apply to the extent there is gain in the policy. However, death benefits are still generally received income tax-free pursuant to IRC §101(a). The death benefit will be reduced by any withdrawals or loans (plus unpaid interest).

### OPTIONAL POLICY RIDERS

Some types of life insurance offer an add-on to your policy, typically for an additional cost and called a policy rider, that accelerates the death benefit in the event of chronic or terminal illness.<sup>3</sup>



### PREMIUM PAYMENT FLEXIBILITY

If you need or want to stop paying premiums to free up cash for other expenses, you can use the cash value to continue your current insurance protection. This could be for a specified time or to provide a lesser amount of death benefit protection.

### THE VALUE OF PROFESSIONAL GUIDANCE

Your financial professional can help you make an informed decision about financially protecting your family with life insurance. It starts with a conversation—reach out to your financial professional today.

### A FINANCIAL LEADER FOR OVER 146 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.

<sup>3</sup>Accelerating the death benefit of a life insurance policy for chronic or terminal illness will reduce and may eliminate the death benefit.

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, and each is solely responsible for its own financial condition and contractual obligations.

Variable life insurance policies are offered through Pruco Securities, LLC, a Prudential Financial company, 751 Broad Street, Newark, NJ 07102-3777.

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