

Advanced Planning

UNCOVER MIRRORED LOAN OPPORTUNITIES THROUGH POLICY REVIEW



Clients with an outstanding loan on their life insurance policy need your help managing their policy to prevent adverse effects. This ekit provides key resources for every step, from annual reviews to monitoring policy progress.

Step 1: Policy review

Start with a thorough policy review to understand the client's goals and how the policy loans align with them. If you then determine that no action is needed, jump to Step 4.

However, if the outstanding loan threatens the client's long-term financial strategy, discuss their available options:

Make changes to the existing policy: This can include paying down or repaying the loan using policy values or out-of-pocket funds*

Exchange to a new policy and mirror the loan: A new policy may provide higher death benefit coverage, lower loan interest changes, and new features

If the client would benefit from exchanging their policy, go to Step 2.

RESOURCES:

- ▶ [Client letter & email outreach](#)
- ▶ [Is Your Life Policy Keeping Up with Your Life \(Client flyer\)](#)

Step 2: Understanding the mirrored loan strategy and discussing with clients

As you prepare to discuss the mirrored loan strategy with clients and show them their customized proposal, use the resources provided to strengthen your understanding of the concept and have materials on hand for the conversation.

RESOURCES:

- ▶ [Your Options and Important Considerations Client Flyer](#)
- ▶ [Mirrored Loans Case Study Flyer](#)

Step 3: Completing the 1035 exchange

Review the 1035 exchange process and know the requirements to create a stressless client experience.

RESOURCES:

- ▶ [1035 Exchange Process](#)
- ▶ [1035 Exchange FAQs](#)

Step 4: Managing policies & tracking progress

Policies with outstanding loans need ongoing monitoring to stay on track and maintain long-term performance. Managing these policies in partnership with your clients helps ensure not only that they achieve their financial goals but also that they continue to have an excellent experience working with you.

RESOURCES:

- ▶ [Planning for Withdrawals & Managing Tax Consequences \(Client Flyer\)](#)
- ▶ [Stock Market Performance, Cash Rich Testing, and Life Insurance Withdrawals](#)
- ▶ [Managing Mirrored Loans Policies after the Sale](#)
- ▶ [Login to PruXpress to access LifeInsight to easily manage policy performance](#)



Let us help you

Prudential's Advanced Planning team is here to support your mirrored loan strategy and complex case needs. For help with a specific client scenario, call **(800) 800 2738, Option 4**.

*Where there is a reduction in benefits with an associated distribution on a non-MEC life insurance policy in the first 15 years, the recapture rules under Code Section 7702(f)(7) may be triggered. In those circumstances, the normal non-MEC tax rules do not apply, and the cash distributed may be taxable to the extent of gain. Clients should consult an independent tax advisor before making changes to a policy.

This material is being provided for informational or educational purposes only and does not consider 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 clients' retirement savings. Clients seeking information regarding their particular investment needs should contact a financial professional.

We do not provide tax, accounting, or legal advice. Clients should consult their own independent advisors as to any tax, accounting, or legal statements made herein.

Life insurance is issued by The Prudential Insurance Company of America, Newark, NJ, and its affiliates.

© 2026 Prudential Financial, Inc. and its related entities. Prudential, the Prudential logo, and the Rock symbol are service marks of Prudential Financial, Inc. and its related entities, registered in many jurisdictions worldwide.

FOR FINANCIAL PROFESSIONAL USE ONLY. NOT FOR CONSUMER USE.

ISG_MP_ILI128_01