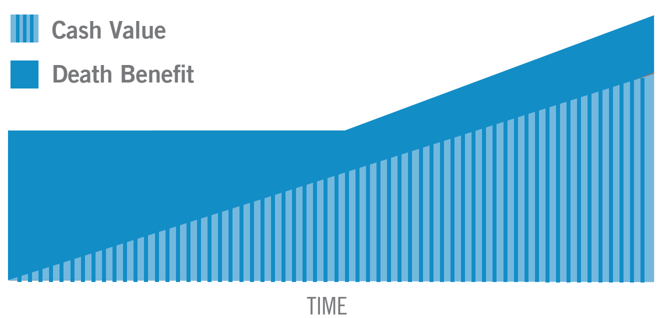
Cash value life insurance – reimagine the possibilities

Positive performance can result in a death benefit increase if the corridor is reached.

Cash value life insurance can offer clients important features such as death benefit protection, cash value accumulation potential, access to chronic illness riders, and unique tax advantages.

To qualify as life insurance and maintain its tax advantages, a policy must meet specific criteria.

- Policies must maintain a minimum amount of risk, which is often measured by the difference—the corridor—between the death benefit and the cash surrender value.
- If a life insurance policy performs well over time, and its cash value enters the corridor space and gets too close to the death benefit value, then the policy will increase the death benefit value to maintain the specified corridor.



Hypothetical example for illustrative purposes only.

Benefits of the policy reaching the corridor:

- More death benefit value for no additional cost to the client
- A higher death benefit value means access to more chronic illness protection for clients who add on our Benefit Access Rider or Survivorship BenefitAccess Rider
- More choice and flexibility as clients' needs change

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How the corridor can increase the death benefit value

Here's a hypothetical example showing three scenarios using Prudential's SVUL Protector. In each scenario, the cash value increases over time, resulting in larger death benefit values because of the corridor. The example uses a 55 year-old male, Non-Smoker Plus; 50 year-old female, Preferred Best Non-Tobacco; $1 million death benefit; 8% gross rate of return with a 0.60 subaccount fee for a 7.40% net rate of return; solving for premium in single pay, 10 pay, and all pay scenarios, all using CVAT solving for a no-lapse guarantee to 121.

Single Pay			
Policy Year	Premium	Surrender Value	Death Benefit
1	**$190,357**	$137,318	$1,000,000
10		$248,920	$1,000,000
20		$496,169	$1,000,000
30		$1,000,014	**$1,290,018**
36		$1,503,119	**$1,758,649**
40		$1,950,398	**$2,184,445**
50		$3,718,291	**$3,792,657**
60		$7,496,918	**$7,571,887**
66		$11,485,470	**$11,600,324**
Total	**$190,357**		

10 Pay			
Policy Year	Premium	Surrender Value	Death Benefit
1	$21,118	$9,048	$1,000,000
10	$21,118	$231,546	$1,000,000
20		$460,581	$1,000,000
30		$927,066	**$1,195,915**
36		$1,393,422	**$1,630,303**
40		$1,808,028	**$2,024,992**
50		$3,446,781	**$3,515,717**
60		$6,949,397	**$7,018,891**
66		$10,646,604	**$10,753,070**
Total	**$211,180**		

All Pay			
Policy Year	Premium	Surrender Value	Death Benefit
1	$8,435	0	$1,000,000
10	$8,435	$80,185	$1,000,000
20	$8,435	$259,948	$1,000,000
30	$8,435	$618,651	$1,000,000
36	$8,435	$979,012	**$1,145,444**
40	$8,435	$1,304,235	**$1,460,743**
50	$8,435	$2,591,201	**$2,643,025**
60	$8,435	$5,332,558	**$5,385,883**
66	$8,435	$8,225,375	**$8,307,629**
Total	**$598,885**		

On the table above:

- In the single-pay scenario in policy year 36, when the clients would be 85 and 90, the death benefit grew to over 1.75 million—imagine the impact more death benefit would have on a client's loved ones. The tax equivalent Internal Rate of Return on the death benefit is 9.68%!

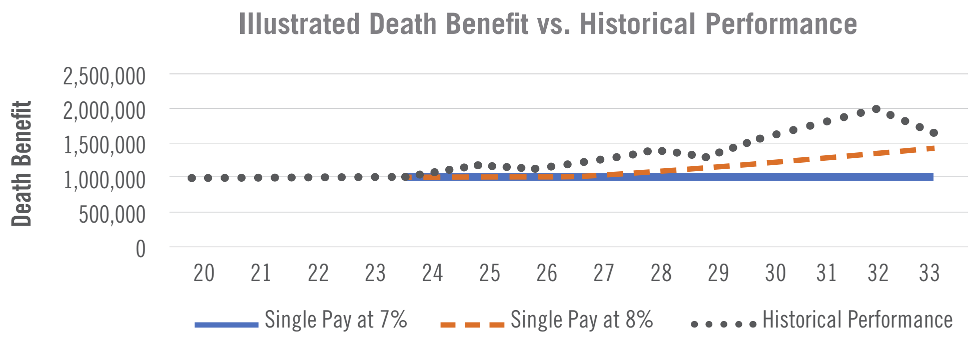
Please note that in a 0% rate of return scenario the cash values would not grow as much and death benefit growth due to corridor would be negatively impacted.

A historical look back at the impact of the corridor

Using the same chart assumptions as above, let's see how the **single-pay scenario** would have looked at both 7% and 8% versus historical values.

- The historical values are from 1990 – 2022, using 60% PSF Stock and Index Fund and 40% Total Return Bond Fund.
- The policies' death benefit in all scenarios was $1 million until 2023, where, in the historical example, the death benefit begins to grow as it hits the corridor.

You can see actual performance in these years would have outpaced even an 8% illustration.



Ways to help maximize the impact of the corridor for clients

- Short pays, overfunded cases, and scenarios with strong performances will help the policy to hit the corridor faster.
- In the single-pay scenario in the hypothetical example, if the client had rounded up and paid $200,000, the policy would have hit the corridor one year sooner.

Prudential's product design and pricing can make a difference

- Our SVUL Protector offers industry-leading product design and pricing that provides clients with even more upside potential and opportunity to take advantage of the benefits of hitting the corridor.
- Our Guaranteed Variable Universal Life options include the ability to dial the No-Lapse Guarantee up to lifetime with no investment restrictions.

Talk to clients about the potential for larger death benefit values over time with a cash value life insurance policy.

To discuss an immediate opportunity, call the National Sales Desk at 800-800-2738, option 1.

Product Portfolio Overview

PruLife® SVUL Protector is issued by Pruco Life Insurance Company except in New York, where it is issued by Pruco Life Insurance Company of New Jersey and offered through Pruco Securities, LLC (member SIPC). All are Prudential Financial companies located in Newark, NJ.

Clients should consider the investment objectives, risks, and charges and expenses carefully before investing in the contract and/or underlying portfolios. The initial summary prospectus for the contract and the prospectus or summary prospectus for the underlying portfolios (collectively, the "prospectuses"), contain this information as well as other important information which may be obtained by contacting your Prudential Life Wholesaler or from prudential.com. Clients should read the prospectuses carefully before investing.

It is possible to lose money by investing in securities.

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