

CASE STUDY

EXPLORE THE BENEFITS OF COMBINING TWO STRUCTURED SETTLEMENT OPTIONS

Traditional and indexed combination



About "Sarah"

- **Age:** 40
- **Family:** Married, mother of two
- **Structured Portion of Settlement:** \$500,000
- **Financial Goal:** Approximately \$29,000 annually to cover expenses over 30 years, and concerned about the impact of inflation over time

Sarah considers two structured settlement options: traditional or a combination of traditional and indexed.

Traditional – A claimant receives a settlement in a series of guaranteed, income tax-free, periodic payments fixed from inception.

Indexed – Many of the same benefits of a traditional structured settlement, but with the opportunity to benefit from market-based growth linked to the S&P 500®.

Option 1: Traditional structured settlement¹

Premium: \$500,000 for a 30-year period certain traditional structured settlement

Annual Payment: \$28,833 over 30 years

Total Payments: \$864,999

Sarah will receive level, pre-determined payments for 30 years, but is concerned that potential increases in future expenses may erode purchasing power.

Option 2: Combination of traditional and indexed structured settlements²

This strategy provides the income Sarah needs, with the potential for increased payments after 10 years from a market-based approach.

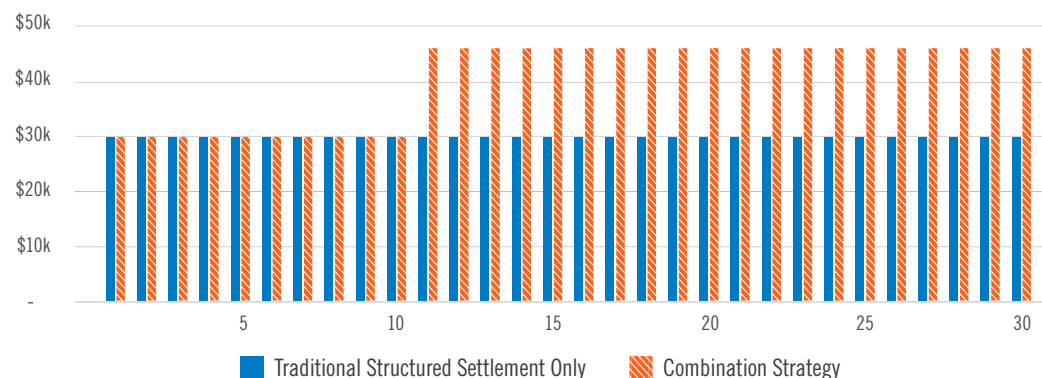
Traditional Structured Settlement

\$250,000 allocated to a traditional structured settlement for immediate needs, providing \$29,238 annually for 10 years



Income Advantage Indexed Structured Settlement®

\$250,000 allocated to Income Advantage, providing \$45,504 annually for 20 years, based on an initial 10-year deferral period and an accumulation amount of \$584,885 based on the application of past S&P 500 returns



After 10 years of index-linked growth during the deferral period, Sarah achieved a 56% increase in her annual payments.

Income Advantage: Projected Growth

After 10 years, assuming 5-year index terms and aggregate cap rates of 72.5%, the tax-deferred accumulation amount grew \$250,000 at inception to **\$584,885**, based on the most recent S&P 500® Index values (2014 – 2023). Actual results may be higher or lower, but can never be less than the initial premium.

Internal Rate of Return

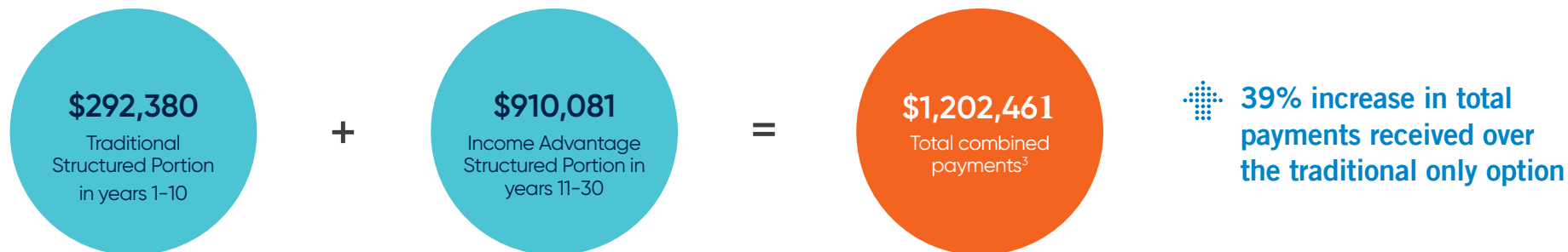
7.30% from Income Advantage



Prudential

Total Payments

The **combination strategy** provides Sarah with a robust approach for the next 30 years, balancing immediate needs with the potential for growth. It secures her current financial requirements and helps protect her against future economic uncertainties, with the goal of keeping her purchasing power intact.



Benefits of adding Income Advantage for a combined approach

- **Guaranteed Income:** Income tax-free guaranteed income ... now and in the future.
- **Growth:** Opportunity to benefit from market-based growth linked to the S&P 500®.
- **Protection:** 100% protection from market downturns, safeguarding the original premium and accumulated gains from all prior index terms.
- **Security:** Payments are guaranteed by Prudential, a highly recognized and rated insurer.



Watch this short video to see how Income Advantage may be appropriate for your circumstances.

If you have any questions, please reach out to your structured settlement consultant or attorney.



¹ Option 1: Hypothetical values are based on a \$500,000 allocation to a Prudential 30-year period certain (guaranteed for 30 years) traditional structured settlement with payments beginning in year 1. Allocation amount does not include assignment fees and is based on Rate Series PR080624.

² Option 2: Hypothetical values are based on a \$250,000 allocation to a Prudential 10-year period certain traditional structured settlement with payments beginning in year one. Hypothetical values based on a \$250,000 allocation to a Prudential Income Advantage Index structured settlement with payments beginning in year 10 and based on Rate Series PR080624. Hypothetical example of interest credited and accumulation amounts based on the most recent 10 years of the S&P 500 index values (from 2014 to 2023) using assumed cap rates and 0% floor. Your actual results may be higher or lower. For minimum guaranteed values, please refer to the full illustration, which will be provided upon request and in advance of any purchase of an Income Advantage Indexed Structured Settlement. Allocation amount does not include assignment fees.

³ Depending on the performance of the S&P 500 during the deferral period, annuity payments under Option 2 may be lower than annuity payments under Option 1. In this example, a final accumulation amount of \$380,205 or lower would result in lower total combined payments than Option 1.

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