



LIFE INSURANCE

RETHINKING LIFE INSURANCE AS A LIVING ASSET

Prudential's Salene Hitchcock-Gear firmly believes life insurance belongs in your clients' investment portfolio, not just in their estate plan. And now digital tools are making it easier than ever to get started.



Life insurance has long gotten a bad rap. People either think the subject is boring, or they misunderstand it. But to Salene Hitchcock-Gear, President of Individual Life Insurance at Prudential Financial, in Newark, NJ, it's quite fascinating.

"It's actually pretty exciting when you get under the hood and you understand how some of these things work," she says.

A lawyer by training who uses her legal background daily to problem solve, she has spent her career helping people understand how life insurance can help protect their financial lives—and not just after they're gone. Financial advisors can do the same by helping clients think about life insurance as an asset class that they should treat as part of their overall portfolio.

"It isn't just death protection," she says. "It's a way to think about how you actually set yourself up against your broader portfolio and all the other things that you might be doing. In real terms, it's part of risk mitigation and risk protection."

THE POWER OF STARTING EARLY

One myth around life insurance is "that you have to do big planning and you have to have large sums of money," she says. That's incorrect, and advisors have a massive opportunity to help change the narrative when speaking with younger clients, in particular.

Hitchcock-Gear understands why these sorts of myths exist. "Life insurance is a discretionary purchase," she says. "You're taking budget dollars and sort of shifting them into a different way to think about risk management or retirement or other things."

In her ideal world, financial advisors encourage customers to buy life insurance when they're younger—say, between 25 and 35. The pluses of purchasing it earlier in life are manifold: Costs are lower at this time, and there's greater flexibility for the type of policy you can buy.

Life insurance also empowers clients of all ages. Permanent life insurance products, such as indexed universal life insurance, can help policyholders build cash value over time that they can leverage during big milestones without having to tap into their savings or derail retirement plans.

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Financial advisors can also instruct clients to view life insurance the same way they would a retirement plan, 401(k) or investment account.

"Stress to them that the younger they are, the better the price they get for their premium and the more benefits they'll accrue if they inject cash into these policies over time," she says.

Almost everyone worries about the cost of healthcare and what will happen to them as they get older. Let clients know that life insurance can help alleviate that stress, too, by providing supplemental income that can be used to help prevent major financial disruption. "There are very favorable loan features to take money out of a policy so that you actually continue your tax benefits," she says.

For example, if a client has a chronic illness or other significant health challenge, they can often get the death benefit amounts accelerated so they can use those cash accumulation features.

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LEVERAGING THE LIVING BENEFITS OF LIFE INSURANCE

Life insurance can be a foundational part of any financial plan, but many people think that the benefits only kick in upon death.

Hitchcock-Gear is on a mission to change this misperception and highlights that several policies offer living benefits to the policyholder while they're alive and well—and she has firsthand experience with lifetime assets.

A friend of hers was able to leverage her life insurance policy to cover the cost of child adoption fees. At her parents' suggestion, the friend had purchased life insurance when she was younger. Later in life, she had the chance to adopt a child. She was excited but worried about the expenses, a concern that she shared in a conversation.

"As we talked through it all, she stumbled upon her life insurance as an asset concept," Hitchcock-Gear recalls. "She suddenly said, 'Well, wait, I have this life insurance policy. Is there something I can do with that?' It was a real a-ha moment."



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The friend took out a loan on her life insurance policy, which helped cover her adoption costs without having to tap into either her savings or retirement funds, the latter of which would have come with heavy penalties. After bringing the baby home, she put together a plan for repaying that loan. And she designated the baby as the policy beneficiary.

“If something happened to her, she automatically had a way to make sure that child was protected and this new person that she brought into her family could get cared for,” she says.

Hitchcock-Gear encourages financial advisors to reframe life insurance as a supplemental source of income and communicate how these living benefits can help protect against life’s curveballs or support clients during exciting milestones.

WHY EXPANDING ACCESS TO LIFE INSURANCE IS SO IMPORTANT

Diverse communities are equally focused on building generational wealth and securing their financial futures. Prudential is committed to meeting people where they are, partnering with organizations such as dFree, GreenPath and a growing network of financial advisors. Through these partnerships, Prudential is helping individuals realize their aspirations and provide tailored life insurance solutions that empower them to achieve their financial goals.

Prudential’s [“Blueprints to Black Wealth”](#) initiative helps Black consumers identify their aspirations, goals and challenges they’ve experienced trying to create generational wealth. It also helps equip them with the tools, resources and human expertise needed to turn their aspirations into reality and protect their financial futures.

“We want all our advisors to make sure that they’re well equipped to understand not just the aspirations and goals, but some of the challenges that may have made it harder to really engage with people on how to put their dollars to work with a company that is very trustworthy,” she says.

Expanding access to life insurance in diverse communities is important to Hitchcock-Gear on a personal level, and it’s one of the reasons she loves working at Prudential.

“Prudential really leans into its values,” she says. “There’s such an opportunity for people to live better. It’s been really exciting for me over these years. I feel

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ENGAGING WITH DIGITAL TOOLS

Financial advisors and clients often believe that applying for life insurance takes too long and is too invasive. In years past, people have been uncomfortable with doing this online, but digital tools have caused those fears to diminish.

"Prudential's Simplified Solutions is one example of how we're using digital products that integrate seamlessly into electronic tools to make the buying process easier," Hitchcock-Gear says. "With just four to six quick questions, customers can enter minimal information and, by our use of advanced algorithms, receive results in minutes. These experiences are helping us create tools that make life insurance more accessible for our consumers and helpful for advisors.

"We feel really good about where we are today in terms of getting your information to us so we can properly assess the risk and then turn that into the right information we need to get credible underwriting to issue back a policy. We are very excited about where this can take us."



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