



# LIFE INSURANCE

A Foundation of Protection for Future Generations

**INVESTMENT AND INSURANCE PRODUCTS ARE:**

- NOT FDIC INSURED
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- NOT A DEPOSIT OR OTHER OBLIGATION OF, OR GUARANTEED BY, ANY BANK OR ITS AFFILIATES
- SUBJECT TO INVESTMENT RISKS INCLUDING POSSIBLE LOSS OF THE PRINCIPAL AMOUNT INVESTED

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**BLUEPRINTS**  
**TO BLACK WEALTH®**

# ABOUT THIS BROCHURE

Your financial professional can provide you with a detailed illustration that includes additional information and important considerations about this strategy. In fact, the best way to understand how this life insurance strategy works is with the help of a financial professional and a policy illustration. An illustration can show you the effects of various interest crediting rates on your policy and the strategy, and a financial professional can explain solutions and help assess what strategy best meets your needs.

# ARE YOU **PROTECTING** THE FINANCIAL FUTURE OF YOUR LOVED ONES ... AND YOUR LEGACY?

## Helping to make sure your loved ones are protected even after you're gone

Every day, you work hard to provide for your loved ones, building a foundation for their secure future. But have you considered what would happen if you were no longer there to support them? How would they afford their home, educational expenses, and realize their future dreams and aspirations? Life insurance can help.

## Understanding the benefit of life insurance

The main benefit of life insurance is to provide a death benefit that is generally tax free (as per IRC§101(a)) to your family when you pass away. That benefit can help ensure your loved ones will be able to maintain their current standard of living. It can be used to help pay for things such as the rent or mortgage, college tuition, or medical bills. Beyond that, life insurance can ensure your hard work and sacrifices have a lasting impact by giving your family a foundation to help them fulfill their future plans and help build generational wealth.



To fully understand the value of life insurance, determine the financial support that you provide your loved ones over time.

# WHAT FINANCIAL VALUE CAN YOU PLACE ON YOUR LIFE?

Your salary ... What is its true value to your family?

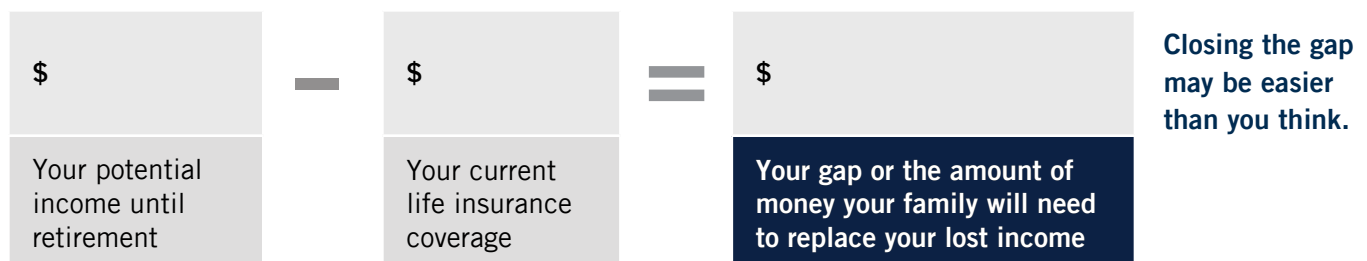
Your ability to earn a living is one of the biggest assets your family has.

Current Annual Income	Your Salary Earned Until Retirement (Years to provide income)			
	40	30	20	15
\$200,000	\$3,619,145	\$3,060,162	\$2,315,284	\$1,854,548
\$150,000	\$2,714,359	\$2,295,121	\$1,736,463	\$1,390,911
\$100,000	\$1,809,573	\$1,530,081	\$1,157,642	\$927,274
\$80,000	\$1,477,658	\$1,224,065	\$926,114	\$741,819
\$65,000	\$1,176,222	\$994,553	\$752,467	\$602,728
\$50,000	\$904,786	\$765,041	\$578,821	\$463,637

These present value calculations assume annual paychecks at the beginning of the year, increased by 3% inflation, reduced by taxes of 25% (federal, state, and Social Security), and discounted at 6% after tax. For example, to provide \$100,000 a year for 40 years, assuming a 3% increase in salary, an overall tax rate of 25%, and an investment rate of 6% after taxes, would require a cash account today of \$1,809,573.

## If you're not here, how will your family replace this lost income?

Have you considered the difference between your future earnings and your current life insurance coverage? This difference is the amount your family may need to maintain their lifestyle if you're no longer there to provide for them.



PROTECT WHAT MATTERS MOST

# LIFE INSURANCE CAN HELP



If you're no longer there to provide for your family, the money they receive from your life insurance policy may help them:

- Stay in their home and within the community
- Pay for education costs
- Keep retirement goals in place
- Maintain their current standard of living
- Provide a foundation for them to help build wealth that can be passed onto future generations.

**49%**

of Black Americans say they need life insurance or need more coverage.\*

## Find affordable life insurance protection for your family

If you're eager to secure life insurance protection for your family but are unsure about the details or costs, consider talking to a financial professional. They can guide you through the different types of insurance and help you find the policy or policies that fit your needs and budget.



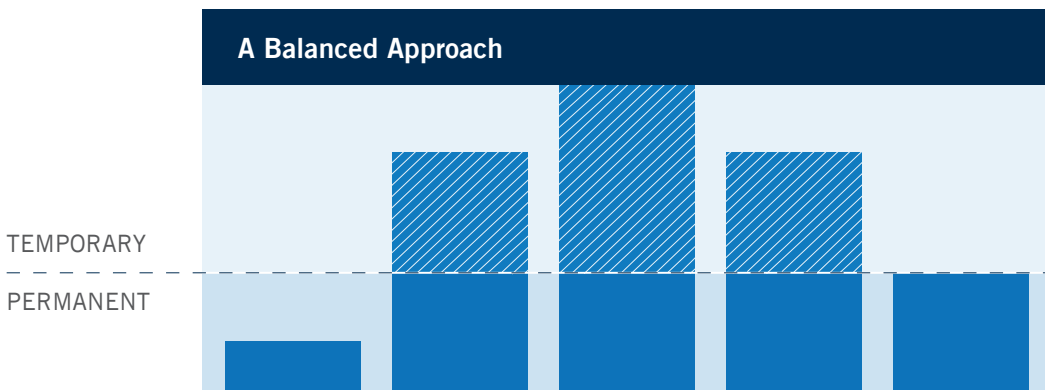
Take a look at the balanced solution on the next page. It shows how you can easily blend types of insurance to address your needs.

## A balanced solution

# BLEND TERM AND PERMANENT INSURANCE

## The benefit of balancing term and permanent insurance

Permanent life insurance provides coverage that lasts your entire life, while term life insurance is an affordable way to cover your temporary needs. By including a combination of both term and permanent life insurance, you can make sure that you have the right amount of coverage at every stage of life in a cost-effective way.



## Advantages of a balanced approach

- **Combining term and permanent policies can be less expensive:** It can be more affordable to purchase a combination of term and permanent insurance policies now than to buy a permanent policy later in life. Plus, both types of insurance are usually less expensive the younger and healthier you are when you purchase them.
- **Securing coverage:** By having a permanent policy in place, you can lock in coverage regardless of future health changes, which could otherwise make obtaining new insurance difficult or costly.
- **Ease of conversion:** You may be able to convert all or part of your term policy to a permanent policy without having to take another medical exam.
- **Supplement your income:** Some permanent policies have the potential to grow cash value which you can use to supplement your retirement income, make a down payment on a new home, or anything else you like. It can also help when life throws you a curveball, such as unexpected car and home repairs, braces for your kids, or medical bills. Please note that outstanding loans and withdrawals will reduce policy cash values and the death benefit and may have tax consequences.<sup>1</sup>



Work with your financial professional to complete the Quick Estimator on the next page. Together you can find the right type and amount of life insurance for your needs.

# Life Insurance QUICK ESTIMATOR

## How much life insurance is enough?



This calculator only provides an estimate of insurance needs and is based on the information provided. Your actual needs may be more or less than the estimate provided. For a more thorough determination of your needs, schedule a personalized needs analysis with a financial professional.

**Client Name** \_\_\_\_\_ **Spouse Name** \_\_\_\_\_

### EXPENSES

- Funeral<sup>1</sup> and other final expenses:**
- Mortgage:**
- Other outstanding debts:**
- College costs<sup>2</sup>:** 2022 – 2023 average annual “total” cost of four-year public and private colleges: public in-state: \$27,940; public out of state: \$45,240; private college: \$57,570

\$ \_\_\_\_\_ \$ \_\_\_\_\_  
 \$ \_\_\_\_\_ \$ \_\_\_\_\_  
 \$ \_\_\_\_\_ \$ \_\_\_\_\_

	Annual Amount	X	Number of Years in College =	Total Cost
Child 1		X		
Child 2		X		
Child 3		X		
Child 4		X		
Child 5		X		
<b>Total capital needed for college</b>				

\$ \_\_\_\_\_ \$ \_\_\_\_\_

### INCOME

- Annual before-tax income your family would need if you died today:** Typically between 60% and 80% of total income. Include all salaries, dividends, interest, and any other sources of income.
- Annual income available to your family from other sources:** Include dividends, interest, and spouse’s earnings. (Social Security may be available.)
- Annual income to be replaced** (Subtract line 6 from line 5):
- Capital needed for income:** Multiply line 7 by the appropriate factor below.

\$ \_\_\_\_\_ \$ \_\_\_\_\_  
 \$ \_\_\_\_\_ \$ \_\_\_\_\_  
 \$ \_\_\_\_\_ \$ \_\_\_\_\_  
 \$ \_\_\_\_\_ \$ \_\_\_\_\_

Years Income Needed	10	15	20	25	30	35	40	45	50
Factor <sup>3</sup>	9.4	13.6	17.5	21.1	24.5	27.7	30.6	33.3	35.9

- Total capital required** (Add lines 1, 2, 3, 4, 8.):

\$ \_\_\_\_\_ \$ \_\_\_\_\_

### ASSETS

- Savings and investments:**
- Retirement savings:** Include retirement assets if projection is to include retirement period.
- Present amount of life insurance:**
- Total of all assets** (Add lines 10, 11, 12.):
- Estimated amount of additional life insurance needed** (Subtract line 13 from line 9.):

\$ \_\_\_\_\_ \$ \_\_\_\_\_  
 \$ \_\_\_\_\_ \$ \_\_\_\_\_  
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<sup>1</sup> The national median cost of a funeral with a viewing and burial in 2021 was approximately \$7,848. National Funerals Directors’ Association (NFDA), April 2022.

<sup>2</sup> Source: The College Board, Trends in College Pricing and Student Aid 2022, Figure CP-1. Costs include tuition, room and board, books and supplies, transportation, and other expenses. The College Costs numbers are the 2022 - 2023 national average for a four-year college or university. College costs are not inflated.

<sup>3</sup> Inflation is assumed to be 3%, and income is assumed paid at the end of the year. The rate of return on investments is assumed to be 4.5% after tax

<sup>1</sup> Life insurance policy cash values are accessed through withdrawals and policy loans. Interest is charged on loans. In general, loans are not taxable, but withdrawals are taxable to the extent they exceed basis in the policy. Loans outstanding at policy lapse or surrender before the insured's death will cause immediate taxation to the extent of the gain in the policy. Unpaid loans and withdrawals reduce cash values and policy benefits and negate any guarantee against lapse. For policies that are Modified Endowment Contracts (MECs), distributions (including loans) are taxable to the extent of income in the policy; a 10% additional tax may apply to extent their is gain in the policy for distributions prior to age 59½. Consult your tax advisor for advice about your own situation.

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