



Unlocking the Living Benefits of Life Insurance

Modern policies can offer more than only death benefit protection — they can provide flexible protection while you're living.

Life insurance is well known for the benefits it provides in legacy planning. Yet, many people don't realize how flexible today's life insurance policies are — or the many ways they can protect assets and be a valuable financial resource during someone's lifetime.

Salene Hitchcock-Gear, president of Prudential Individual Life Insurance, says it's important for financial advisors to educate their clients about the full value of having permanent life insurance in their financial plans. In this interview, she explains the "living benefits" of

life insurance and how financial advisors can relay them to their clients.

Q: What are common misperceptions around life insurance, and why should people view it differently?

Salene Hitchcock-Gear: For the most part, people think of life insurance as being only about death. So they don't want to think about it. In reality, modern permanent life insurance is very flexible in terms of how it can be used in addition to the traditional legacy-planning aspect. People

can accumulate cash value and use it to pay for all kinds of things, expected or unexpected.

Another common misperception is that life insurance is too expensive. We have policies designed for people at different ages, life stages and financial means, so everyone from people in their 20s through their 70s can get a life insurance policy that works within their budget.

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Q: What are some of the “living benefits” people should know about?

Hitchcock-Gear: This is very important. When you pay your premium for permanent life insurance, part goes toward the death benefit protection while the rest accumulates and grows over time, tax-deferred. This means that gains from any interest or investment earnings are not subject to annual income tax. That cash value is there for whenever costs come up — like planning for a child, covering medical bills or even supplementing a major home improvement. There are no restrictions on how you can use it.

And unlike a 401(k) or other qualified plan, you don't pay a penalty for tapping into the funds before a certain age.

I know someone who adopted a child, which can be extraordinarily expensive. She was thinking about taking out a bank loan to help pay for some of the costs but then realized she had a permanent life insurance policy with a significant amount of accumulated cash value. So she ended

up taking a loan from that policy, which fully supported the travel and other costs involved with the adoption. You never know where life will take you, so that's just one great example of how life insurance can meet life's unexpected needs.

Q: How does life insurance fit into a secure, well-rounded retirement strategy?

Hitchcock-Gear: Most people today are responsible for funding their own retirement, as few employers offer pensions anymore. In fact, Prudential's 2024 Pulse of the American Retiree Survey found that having enough income to last in retirement is a top financial priority and weighs on people's minds. Permanent life insurance can be used as a source of additional income for your retirement needs. As you accumulate cash value in these policies, it grows tax-deferred — similar to traditional qualified retirement plans — and can be tapped for whatever needs arise. At the same time, the policy continues to provide death benefit protection, so it's really a multipurpose tool that can be used during someone's lifetime while still providing for beneficiaries.

I find that advisors who use financial planning as the foundation of their client relationships naturally incorporate life insurance as part of their overall planning strategies. Direct market investments like stocks and bonds carry different risk profiles and typically are used for asset accumulation. Life insurance offers unique planning benefits to solve various client needs and fundamentally provides risk management to financial plans. This can help advisors better serve their clients. When you talk about life insurance, you find out what matters most to people and what they want to protect — everything from their dreams to their legacy to the life they've worked hard to build.

Q: How should financial advisors reframe conversations with clients around life insurance?

Hitchcock-Gear: Insurance agents and financial advisors have long been at the heart of life insurance discussions, so we really rely on them to deliver meaningful information about the value of life insurance in an overall financial plan. The first thing is that life insurance is about risk management, and the foundation of every good financial plan is risk mitigation. The second thing is that life insurance policies are flexible and can be used across a variety of real-life moments to help clients mitigate financial disruption. Life insurance is about protecting what matters most. With all of the benefits life insurance provides, it shouldn't be a difficult or scary discussion. It can be well situated as an effective financial asset.

Permanent life insurance should also be seen as a way to accumulate cash tax-deferred and provide financial support if you have unexpected needs or costs, such as an illness. In fact, there are riders and benefits where if something catastrophic happens, you can advance the death benefit and use it during your life to help maintain resilience in difficult times.

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And if you want to use it for retirement planning, advisors can help their clients map out the amount of premiums they will pay and project how much retirement income they can generate

based on individual assumptions. Life insurance needs to be positioned as a flexible asset class that serves multiple goals in financial planning.

Q: How is Prudential expanding access to life insurance and helping families create generational wealth?

Hitchcock-Gear: We’ve really focused on reaching new audiences, whether using digital products to help engage younger adults or building education and outreach within specific communities and demographics that traditionally have less access to life insurance products. For example, we have a current initiative called [“Blueprints to Black Wealth.”](#) We know through our research that Black consumers have long distrusted financial services companies and thus haven't always gotten the guidance they need. So we designed a program to educate advisors on the unique concerns of Black families so they can help bridge this trust gap and provide them with relevant financial planning to create generational wealth.

We also know the power of storytelling — and we have all these stories of how life insurance has helped people pay off a mortgage or kept a small family-owned business alive. We’re sharing these stories and helping people understand how life insurance can protect their financial status during their lifetime while also creating wealth for future generations.

[Find out how Prudential offers life insurance policies that provide your clients with the flexibility to protect them during their lifetime and beyond.](#)

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