

# myths **vs** facts about Life Insurance



## MYTH 1

*I think life insurance costs too much.*



## FACT: LIFE INSURANCE IS AFFORDABLE.

- **It could cost less than a dollar a day.**  
Term life insurance is a cost-effective way to have the death benefit protection you need for a period of time and can be a perfect starting point.
- **You can get more from it than what you pay for it.**  
The value in these types of policies goes beyond what your heirs receive when you die. In addition to the death benefit, permanent life insurance can have the ability to grow cash value, an optional chronic illness benefit, and more.
- **Your price today could be lower than it was on your existing policy.**  
You may be able to get more for your money with a newer policy. Your financial professional can review a current policy and evaluate your needs to see if they've changed, or if other policies might have better options at a better price.



## MYTH 2

*I think it's too much of a hassle to buy it.*



## FACT: NOW IT CAN BE VERY QUICK AND EASY TO BUY.

- **Applications are electronic and easy to fill out.**  
Today, most applications are done electronically with a financial professional, and in some cases you can do it yourself online!
- **The underwriting interview is as simple and quick as you make it.**  
Many times, a link to the interview can be sent to you when your application is received. You can complete the interview at your own pace on a laptop, tablet, or phone.
- **The medical review may not be needed. That's hassle-free!**  
If you are healthy, detailed medical questions or screenings may not be necessary. If additional medical information is needed, it can often be obtained electronically. If you've ever been turned down for life insurance for a health condition, it's worth trying again, as more people are insurable than ever before!

*Issuance of the policy may depend upon the answers to the health questions set forth in the application.*

### INVESTMENT AND INSURANCE PRODUCTS ARE:

- NOT FDIC INSURED
- NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY
- NOT A DEPOSIT OR OTHER OBLIGATION OF, OR GUARANTEED BY, ANY BANK OR ITS AFFILIATES



### MYTH 3

*Life insurance benefits are ONLY for after I die.* 

### FACT: THERE ARE BENEFITS FOR YOU WHILE YOU ARE ALIVE.

- **Potential extra source of cash YOU can use and it's tax-free.**

You can buy policies that have potential to grow tax-deferred cash value. You can then take tax-free loans and withdrawals<sup>2</sup> and use the money any way you choose. You could pay for things like college, a wedding, a down payment on a home, etc.

- **Supplement YOUR retirement income using cash value in the policy.**

There are times when you might choose to use cash value from a life insurance policy as income. The advantage is that you will generally pay no income taxes or penalties on what you withdraw, there are no age requirements, and there are no required minimum distributions.<sup>2</sup>

- **Use the death benefit for YOURSELF if you're chronically ill.**

This can be an added feature on a life insurance policy where you can "accelerate" (or use) part of the death benefit for yourself if you become chronically or terminally ill.<sup>3</sup>



### MYTH 4

*I don't need to make my family rich when I die.* 

### FACT: IT IS FINANCIAL PROTECTION FOR YOUR LOVED ONES.

- **You can help maintain your family's lifestyle and dreams.**

If you were to die unexpectedly, the livelihood of your family could be at risk. There are expenses around housing, food, clothing, college, etc. that will not die with you.

- **It can help reduce estate taxes for you and your beneficiaries.**

Your estate tax burden may not seem problematic today with a federal estate tax threshold of \$13.99 million (for 2025), but if your assets are positioned well, they will grow and your future estate could have a tax problem. Tax laws can change at any time. Under current law, the exemption will return to \$5 million (adjusted for inflation) in 2026. Life insurance can also be a great way to protect and potentially enhance your legacy.

- **It can give your surviving spouse or other dependents income when you're gone.**

When you die, your surviving spouse or other dependents might still need income, and a tax-free death benefit could provide that. It's as simple as that. If you have a dependent with special needs, the need for support may never end.

### SHORTCOMINGS of a policy through work.

The median life insurance coverage offered at the workplace is a flat sum of

**\$20,000**

OR ONE YEAR'S SALARY.<sup>4</sup>

What will your family do in year two?

**TALK TO YOUR  
FINANCIAL PROFESSIONAL**

about how to customize  
a policy for your needs.

**ACT**

<sup>1</sup> \$100,000 death benefit, preferred non-tobacco, EssentialTerm Value 20 year. If you continue the policy beyond the initial level-premium period (in this case, 20 years), premiums will then increase annually through age 95 but will never be more than the maximum stated in the contract. Availability by state may vary. Availability and actual rates will vary based on how you satisfy our underwriting and eligibility criteria. Rates as of 7/8/24.

<sup>2</sup> Outstanding loans and withdrawals will reduce policy cash values and the death benefit and may have tax consequences.

<sup>3</sup> Receiving benefits under the terms of this feature (rider) will reduce and may eliminate the death benefit for your beneficiaries. It is not Long-Term Care (LTC) insurance, and it is not intended to replace LTC. Additional premiums, underwriting requirements, and limits may also apply.

<sup>4</sup> Top Misconceptions About Life Insurance ([limra.com](https://limra.com)), 2022

EssentialTerm Plus is issued by Pruco Life Insurance Company except in New York, where it is issued by Pruco Life Insurance Company of New Jersey. Both are Prudential Financial companies located in Newark, NJ. Each is solely responsible for its own financial condition and contractual obligations. The policy form number is PLTIC-2019 or ICC19 PLTIC-2019.

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