



Asset Protection+

PRESERVING A LEGACY OF RETIREMENT ASSETS
USING LIFE INSURANCE



Life Insurance

Bring Your Challenges®

Are you someone who:

- Is age 59½+ and family oriented.
- Has a minimum net worth of \$1 million and sufficient liquid assets to support this strategy.
- Has assets that you do not intend to use during your lifetime and are not needed for support in retirement.
- Has a financial plan that you have developed in conjunction with your financial advisor which indicates that you have sufficient income from other sources to meet current and future retirement income needs and expenses including long-term care, chronic illness, and medical expenses.
- Wants to provide for and leave more to children or grandchildren.
- Wants to potentially enhance their legacy.
- Wants to counter potential losses to their legacy assets.

If this describes you, read on to learn how *Asset Protection+*, a life insurance strategy, could benefit you and your family and help to preserve your legacy assets.

Can you
afford the cost
of a chronic
or terminal
illness



ARE YOU PREPARED FOR A CHRONIC OR TERMINAL ILLNESS?

A chronic or terminal illness can be just as emotionally and financially devastating to your family as your untimely death.

QUESTIONS TO CONSIDER

- Are you adequately positioned to handle the financial and emotional impact that your chronic or terminal illness could have on your family?
- Have you considered the effects of inflation on the cost of care?
- If you were ever to become chronically or terminally ill, which assets would you sell first to cover any related costs of care?
- Have you considered the impact a chronic or terminal illness could have on your succession plan (i.e. financial legacy)?

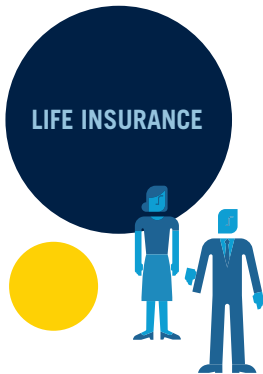
THE COST OF CHRONIC ILLNESS

Unless you plan accordingly, the cost of receiving care after a chronic illness could be financially devastating to your retirement plans.

AVERAGE COSTS⁵ FOR RECEIVING CARE IN THE U.S. FOR 2010

Semi-private room in a nursing home	\$205/day	\$74,825/year
Private room in a nursing home	\$229/day	\$83,585/year
One bedroom unit in an Assisted Living Facility	\$3,293/month	\$39,516/year
Home Health Aide	\$21/hour	\$30,660/year (at 4 hours/day)
Homemaker Service	\$19/hour	\$27,740/year (at 4 hours/day)
Adult Day Health Care Center	\$67/day	\$24,455/year

⁵ www.longtermcare.gov, U.S. Department of Health and Human Services, January 2014



Prudential offers a variety of life insurance products and riders that can effectively help to protect or enhance your legacy.

TALK TO YOUR FINANCIAL PROFESSIONAL

If you want to leave legacy assets to your loved ones or a favorite charity, here are some questions to discuss with your financial professional to determine whether this strategy is right for you.

QUESTIONS TO CONSIDER

- Would you like to leave a financial legacy to your children, grandchildren or favorite charity?
- What is your monthly income need?
- What are you using to meet this need?
- If you die, will your spouse have sufficient income replacement?
- If you outlive your spouse, will you have sufficient income replacement?
- If you're currently taking income from an IRA or an annuity, do you need it for your lifestyle needs today or possibly in the future?

If not:

- Do you see yourself ever needing it?
- What do you plan to do with these assets and/or income?

If you plan to leave these assets to your loved ones or a favorite charity:

- Have you considered the effects of inflation?
- Have you considered the effects of market volatility?
- Have you considered the impact of income taxes?
- If you could potentially leave them more would you want to learn more about it?

Important Considerations

BEFORE IMPLEMENTING THE ASSET PROTECTION+ STRATEGY

- Any investment purchased during retirement involves the planning and use of your income or other assets. You should be certain to have sufficient liquid assets other than the asset or income you may be repositioning to support your current and future income and expenses before considering the purchase of a life insurance policy. Equity in the home should not be considered a liquid asset.
- You should consider developing a comprehensive financial plan to take into account current and future income & expenses in conjunction with implementing the strategy discussed here.
- We recommend that you consult your tax and legal advisor to discuss your situation before implementing the strategy discussed here.

ABOUT ASSET PROTECTION+

This concept is only intended to be used for assets that will not be needed for living expenses for the expected lifetime of the insured. It is your responsibility to estimate these needs and expenses and it is recommended that you consider developing a comprehensive financial plan in conjunction with implementing the strategy being considered. The accuracy of determining future needs and expenses is more critical for individuals at older ages who have less opportunity to replace assets used for the strategy.

IF YOUR FINANCIAL OR LEGACY PLANNING SITUATION CHANGES

- If you need to use the assets or income being repositioned for current or future income needs and you can no longer make premium payments, the life insurance policy may lapse and the results illustrated may not be achieved.
- If the asset or income being repositioned becomes fully exhausted, premiums may have to be paid using other assets or income to keep the life insurance policy in force.

WHEN ASSET PROTECTION+ MAY NOT BE IN YOUR BEST INTEREST

Depending on your life span, it is possible that your beneficiary may receive more by just inheriting the assets being repositioned, rather than by receiving the death benefit of the life insurance policy that was purchased.

TAX AND OTHER FINANCIAL IMPLICATIONS

- There may be tax and other financial implications as a result of liquidating assets within an investment portfolio. If contemplating such a strategy, it is important to understand that life insurance is a long-term strategy to meeting particular needs.
- The sale or liquidation of any stock, bond, IRA, certificate of deposit, mutual fund, annuity, or other asset to fund the purchase of a life insurance product may have tax consequences, early withdrawal penalties, and/or other costs or penalties as a result of the sale or liquidation.

ABOUT LIFE INSURANCE

- The death benefit protection offered by a life insurance policy can be a key component of a sound financial plan.
- It is important to fully understand the terms and conditions of any financial product before purchasing it.

OTHER NOTES

- You should consider that life insurance policies contain fees and expenses, including cost of insurance, administrative fees, premium loads, surrender charges, and other charges or fees that will impact policy values.
- If premiums and/or performance are insufficient over time, the policy could lapse, which would require additional out-of-pocket premiums to keep it in force.



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