



Life Insurance with BenefitAccess Rider

A CHRONIC AND TERMINAL ILLNESS RIDER THAT
GIVES YOU FREEDOM, CHOICE, AND CONTROL



Life Insurance

This brochure must be accompanied or preceded
by a product brochure.

Issued by Pruco Life Insurance Company or
Pruco Life Insurance Company of New Jersey, Newark, NJ

NOT FOR USE IN CALIFORNIA.

0260644 Ed. 09/2016



Prudential
Bring Your Challenges®

0260644-00005-00 Exp. 09/10/2017

WHAT IS LIFE INSURANCE AND WHY DO YOU NEED IT?

It's often said that life insurance is not for those who die—it's for those who live. And it is. If you die while you have life insurance in place, the people you've chosen (your beneficiaries) will receive a sum of money (the death benefit) from your life insurance policy. They can use this money for anything, but its main purpose is usually to help make up for the loss of your income.

Why do you need life insurance?

Life insurance can help protect your family or business from financial loss if you should die while you have obligations. The death benefit proceeds, which your beneficiary receives generally free of federal income tax (IRC §101(a)), can replace some of the money you would have earned and can help your family members:

- Remain in their home.
- Remain in their schools.
- Continue their college education.
- Fulfill retirement dreams.

Life insurance can have living benefits for you, too.

But sometimes things happen and you might need the financial protection when you're alive. Riders that offer a living benefit provide a practical and convenient way to help meet those needs.

The BenefitAccess Rider featured in this brochure is an accelerated death benefit rider attached to a permanent life insurance policy. If you, as the insured, qualify under the terms and conditions of the rider, you can access your death benefit if you become chronically or terminally ill. This rider is available for an additional cost, additional underwriting requirements and limits apply, and it is secondary to the need for death benefit protection.

Please refer to your policy illustration for policy details.

Living longer means you need protection for more than just your family. You need it for yourself.

People are living longer than ever before. While there are many benefits to a longer life, you need to prepare yourself financially. It also means that you are more likely to be impacted by a chronic or terminal illness.

In fact, there is a very good chance that you will become chronically or terminally ill. **5 in 10 people who are age 65 will deal with a chronic illness or disability later in life¹** like Alzheimer's disease, a serious stroke, or crippling arthritis.



It's a hard reality to face because it's not simply the thought of being ill; it's all the additional hardships and arrangements that come with it.

REALITY CHECK



80% of care at home is provided by unpaid caregivers, like **FAMILY AND FRIENDS.**²

If you were to become chronically ill:

- **Who would care for you?** A member of your family?
- **Where would you live?** In your home that may need to be modified for your comfort?
- **How would you continue to participate in family life?** Would you be forced to miss daily life events like soccer games, neighborhood walks, and family celebrations?

¹ Favreault M, et al. Long-term Services and Supports for Older Americans: Risks and Financing. ASPE Issue Brief. Department of Health and Human Services. July 2015, p.3, 9.

² U.S. Department of Health and Human Services. Who Will Provide Your Care? <http://longtermcare.gov/the-basics/will-provide-your-care/>. Accessed February 22, 2016.



Consider your financial and emotional well-being when planning for chronic and terminal illness to help protect yourself and your family.

A chronic or terminal illness can cost thousands of dollars each year, that can really take its toll if you haven't prepared for it. Not everyone will become chronically or terminally ill, but if you do, does your current strategy provide you with the income you will need to protect yourself and your family?

The [BenefitAccess Rider](#) can help you prepare for the financial impact of chronic or terminal illness so the emotional one is a little easier.

REALITY CHECK



The 20-year out-of-pocket medical expenses for an average 65-year-old couple retiring in 2013 will be

\$292,800.

If they live till age 90, that couple will need

\$441,200.³





4

The BenefitAccess Rider lets you choose— your care, your finances, your life.

BenefitAccess gives you a means to live your life the way you want. There are no restrictions on how the benefits can be used and are limited only by the amount of your policy's death benefit. You can get the help you need in the way you want, by advancing up to 100% of your policy's death benefit once you qualify.⁵ You can do this if you are certified as being chronically ill by a licensed health care practitioner, or terminally ill by a licensed physician, and if you otherwise meet the terms and conditions of the rider.

This gives you options to help live life on your terms—maintaining your independence and freedom. You can help pay for expenses related to your illness, preserve it for all the other reasons you bought life insurance, or use a combination of both. **With options like this, you'll know that your money is going to good use.**

Some examples may be:

- Pay a family member to take care of you.
- Modify your home, in whatever way you need (i.e. installing ramps, expanding doorways to accommodate a mobility device, etc.)
- Take loved ones on a trip or fly them in to visit.
- Pay for transportation if you are unable to drive.
- Or anything else you'd like.



No receipts are required and there's no waiting period.

Once your claim is approved, you begin receiving income immediately.

You should consult with your personal tax advisors regarding the implications of receiving accelerated death benefit payments. There are instances where the rider proceeds are taxable as income.⁵

This depends on:

- If additional benefits are being received under similar contracts
- Whether qualified expenses (e.g. Costs associated with preventative, therapeutic, curing, treating, rehabilitative services, etc.) are incurred



**BenefitAccess Rider—
two components for
protection.**

1. Chronic illness
2. Terminal illness

Each works differently from the other, but combined they give you protection should you suffer a chronic or terminal illness.

CHRONIC

TERMINAL

The flexibility of BenefitAccess

These two hypothetical examples show the flexibility of how the rider can be used by a chronically ill person with a \$300,000 life insurance policy:⁶



You stay at home and receive \$6,000 per month for over 4 years. You use the monthly income to help improve your quality of life by paying a loved one to stay home with you, or by hiring a professional assistant to help you with day-to-day chores. With this monthly income stream from BenefitAccess, you adjust your lifestyle to help you cope with a chronic illness and have the quality of life you want.



You take an annual lump sum of \$70,568 per year for 4 years, and the remaining \$11,761 in the 5th year. On an annual basis, you take advantage of the larger lump sum benefit to use for any reason you desire. You spend it on air fare for your children and grandchildren to come visit you; or, splurge on an extended family vacation. With help from BenefitAccess, you afford yourself the extra amenities needed to make yourself comfortable and enjoy precious time with your loved ones.

Actual results may vary based on your individual circumstances.

Consider all of your needs when purchasing a life insurance policy—including those for chronic or terminal illness expenses.

You might be interested in the BenefitAccess Rider if you:

- ☐ Are in your mid-40s to mid-60s
- ☐ Have a family history of longevity or chronic disease
- ☐ Are concerned about outliving your spouse
- ☐ Need income for medical or non-medical expenses if you were to become chronically ill
- ☐ Would prefer to stay at home if chronically ill
- ☐ Do not wish to become a financial burden to your loved ones if you become chronically ill
- ☐ Are interested in having access to your death benefit if you face a terminal illness
- ☐ Would like to be prepared today but make decisions tomorrow about how you'll be cared for should you become chronically ill



Life Insurance with the BenefitAccess Rider is there when you need it.

This rider gives you access to the policy's death benefit if the insured is chronically or terminally ill and meets the terms of the rider.

Typically, for chronic illness, a licensed health care practitioner would certify that the insured:

- Cannot perform at least two Activities of Daily Living without substantial assistance and will likely need assistance for the rest of his or her life; OR
- Requires substantial supervision and protection from threats to health and safety due to a severe cognitive impairment, and will likely require supervision for the rest of his or her life.

Activities of Daily Living (ADLs)

- Bathing
- Eating
- Toileting
- Dressing
- Continence
- Transferring

For terminal illness, a licensed physician would provide the certification.

While you are receiving benefits for chronic illness, your policy will not lapse.

During the time that you are receiving rider benefits, we will ensure that your policy does not lapse. Policy charges will be waived, so you will not have to worry about paying premiums.

If you stop receiving benefits within 25 months of going on claim, you may need to resume paying premiums to keep your policy from lapsing. However, once you've been on claim for 25 months or longer, policy charges will be permanently waived, so you'll never have to resume paying premiums or worry about your policy lapsing.

Using your chronic illness benefit.

Depending on your life insurance policy type, some changes occur in your policy if you use your chronic illness benefit. If you have:

A life insurance policy with a Variable Death Benefit (Type B)	At the time you submit a claim, the death benefit option will be automatically changed to a Fixed Death Benefit (Type A) and cannot be changed. The death benefit at the time of claim will be fixed as well.
A life insurance policy with variable investment options	At the time you submit a claim, you will need to authorize the transfer of any policy values from variable investment options into the fixed-rate option. While your claim is reviewed and while you are receiving Benefit Payments, policy values must remain in the Fixed Rate Option, and you must allocate future premiums or loan repayments to the Fixed Rate Option. If you stop receiving chronic illness benefits and are no longer on claim, this restriction no longer applies and you may request that policy values and future premium payments be allocated to variable investment options.

No matter what type of policy you have, if you choose to use the BenefitAccess Rider, benefit payments will reduce the death benefit on a dollar-for-dollar basis and may eliminate it altogether, depending on how much you use.⁷

DOLLAR-FOR-DOLLAR BASIS



Your financial professional can provide you with an illustration that includes additional information about how your policy values and death benefit are affected by using the BenefitAccess Rider.



The advantages of BenefitAccess – Terminal Illness

If you select the Terminal Illness option and your claim is approved, here's how it works:

- Funds from your policy's death benefit will be accelerated and paid to you. The amount you receive will be reduced by a discount factor. This means the amount paid to you is less than the death benefit of the policy.
- You may take a benefit payment in either a partial or full lump sum. You may only take one partial acceleration.*
- If you choose to take the one-time partial amount of the death benefit instead of the full amount available for acceleration, your life insurance policy will continue and the death benefit will be reduced dollar-for-dollar by the amount of benefit that was accelerated.
 - If you only accelerate part of the death benefit, future premium payments and contract values will be adjusted accordingly to the new death benefit amount.
- Full acceleration will eliminate the death benefit available for your policy's beneficiaries and your policy will terminate.
- Once you receive the terminal illness benefit, continuous evidence of terminal illness isn't required.

When the Terminal Illness option is being used, you will no longer qualify for the Chronic Illness option.

*Accelerated benefits paid under the terms of the Terminal Illness portion of the rider are subject to a \$150 processing fee (\$100 in Florida).



THE PROTECTION COMPANY FOR OVER 140 YEARS

Prudential Financial is a worldwide financial leader with a long tradition of serving the public interest. Prudential Financial has approximately 50 million customers. The well-known Rock symbol is an icon of strength, stability, expertise, and innovation that has stood the test of time.



⁴ BenefitAccess is covered by U.S. Patent No. 7,958,035, which was issued on the insurance product management system for an accelerated benefit provided in response to a medical condition, where the benefit is paid to the policyowner without restriction on use of proceeds.

⁵ The chronic illness benefit may be paid on a monthly or annual basis, subject to IRS per diem limits. If you receive chronic illness benefits from multiple policies, the aggregate amount you receive from all policies will be considered to determine tax treatment. Receipt of benefits may affect eligibility for public assistance programs such as Medicaid. See your policy illustration for further details.

⁶ When the insured and policyowner are not the same (e.g., a policy owned by an irrevocable life insurance trust (ILIT)), the policyowners should consult with a qualified tax advisor to ensure there are no unintended consequences of the unavailability of funds to the insured or unintended tax consequences related to the availability of funds to the insured. In addition, if the policyowner has an insurable interest in the insured's life based on certain business or financial relationships, the rider's benefits may be subject to income tax.

⁷ If at the time of claim your policy is in default, but not past the grace period, the benefit payment will be reduced by the amount needed to bring your policy out of default. If at the time of claim there is a loan on your policy, a portion of each benefit payment will be used to reduce the loan on a pro-rata basis. The benefit you receive will be reduced by the amount of the loan repayment. Interest will continue to accrue on any outstanding loan and a policy can lapse due to excess policy debt.

The BenefitAccess Rider is not long-term care insurance (LTC) and it is not intended to replace LTC. The rider may not cover all of the costs associated with chronic or terminal illness. The rider is a life insurance accelerated death benefit product, is generally not subject to health insurance requirements, and may not be available in all states. Benefits paid under the BenefitAccess Rider are intended to be treated for federal tax purposes as accelerated life insurance death benefits under IRC §101(g)(1)(b).

Access to policy withdrawals is restricted during periods in which BenefitAccess Chronic Illness benefit payments are being made.

For Connecticut contracts: Please note that eligibility for chronic illness benefits also requires at least 6 months of previous illness related confinement in a home or institution and the confinement must be expected to continue for life.

Like most insurance policies, our policies contain exclusions, limitations, reductions of benefits, and terms for keeping them in force. Your financial professional can provide you with costs and complete details.

The rider form number for the BenefitAccess Rider varies by underlying insurance product and is either VL 145 B-2013, ICC13 VL 145 B-2013, VL 145 B2-2013, ICC13 VL 145 B2-2013, VL 145 B3-2014, or ICC14 VL 145 B3-2014. Some rider form numbers may be followed by a state code.

Variable universal life insurance products are offered through Pruco Securities, LLC (member SIPC), Newark, NJ.

Investment and Insurance Products:

Not Insured by FDIC, NCUSIF, or Any Federal Government Agency. May Lose Value. Not a Deposit of or Guaranteed by Any Bank, Credit Union, Bank Affiliate, or Credit Union Affiliate.

Prudential, the Prudential logo, and the Rock symbol are service marks of Prudential Financial, Inc. and its related entities.

NOT FOR USE IN CA.

© 2016 Prudential Financial, Inc. and its related entities.

0260644 Ed. 09/2016

0260644-00005-00 Exp. 09/10/2017