Life Insurance as an Asset Class

SALES KIT

In this kit:

Social media images | Conversation starters | Sales ideas | Producer guides | Client flyers

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Life Insurance as an Asset Class

Social Media Posts & Sharable Graphics

Text for Posts

Post this text with any of the images linked on the following 3 pages.

Want to find out how life insurance can be an asset that ensures your wealth gets transferred to your family after death? I can help.

Where's your safety net? Life can be unpredictable, but your financial future doesn't have to be. Contact me to find out how life insurance can add stability in a changing world.

Did you know? You can use the cash value in a permanent life insurance policy to help supplement your retirement income. Contact me today to get started.

Want to learn more about how you can benefit from the tax advantages of life insurance? I can help.

Want to diversify your portfolio? Contact me today to find out how life insurance can provide multiple solutions that provide for your future and your loved ones.

47% of Americans admit they struggle to have financial conversations with loved ones. Don't be part of this statistic – contact me today to ensure your family's future is protected with life insurance.

Did you know life insurance is an asset you can use to create wealth and leave a lasting legacy? Contact me today and I'll show you how.

Protecting those who depend on you may be easier than you think. Contact me today for a free life insurance quote!

Financial protection for your loved ones. Cash value access for you. Contact me today to find out how permanent life insurance can both of these things.

Secure the safety net you need to face retirement with confidence. Contact me today to find out how life insurance can help.

Do you know about the tax advantages of life insurance? Contact me to learn more and get a free quote today.

Social Media Images

Click any image to view in a browser, then right-click and save to your device.

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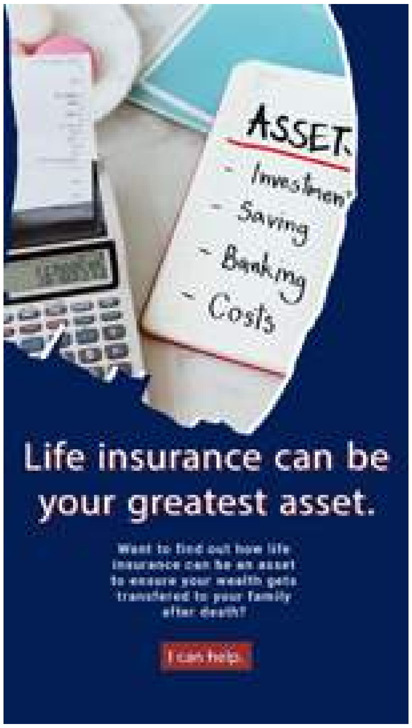

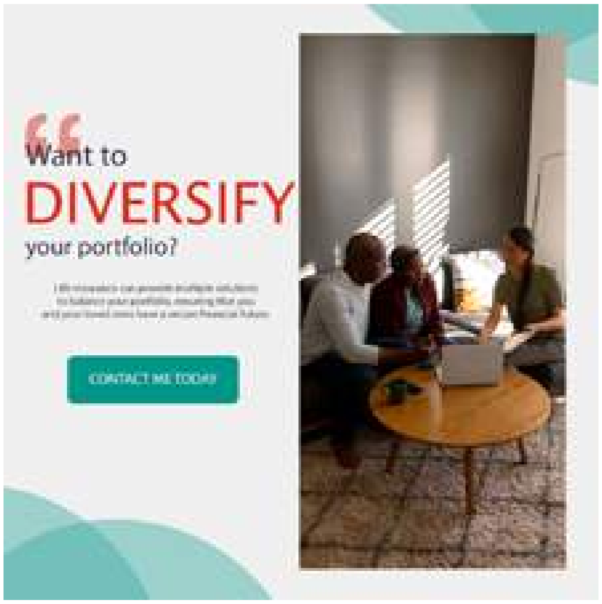

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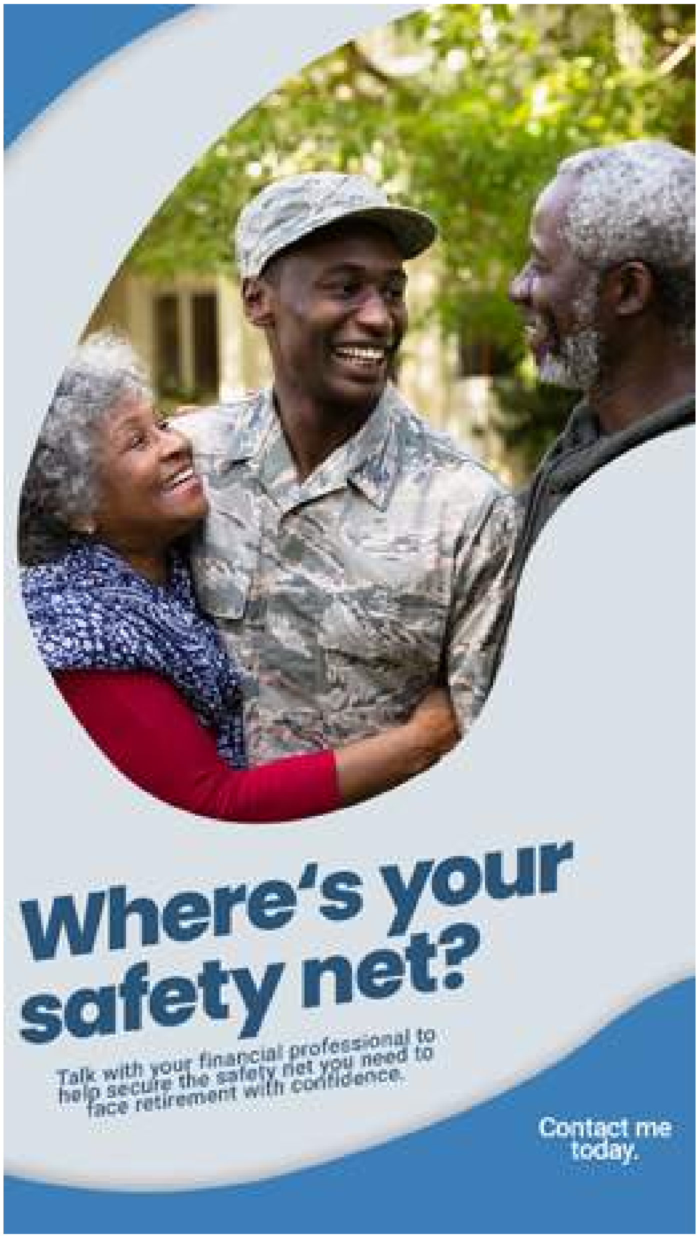

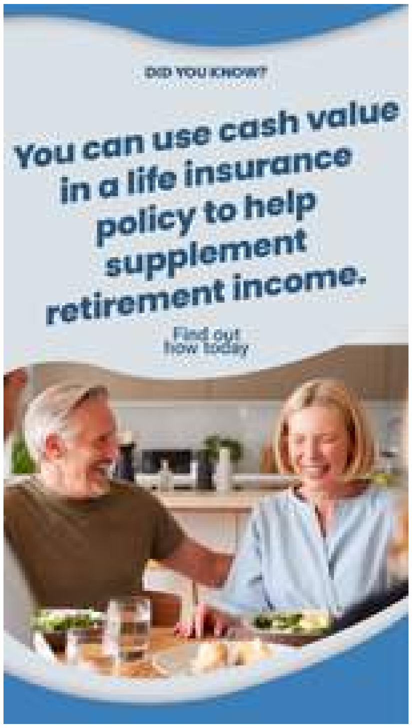

CLIENT MEETINGS IN A BEAR MARKET

By Steve Gresham
Senior Education Advisor, Alliance for Lifetime Income

Help your client help you right now—and reap the benefits.

The drop in stock prices is very unsettling to even the most experienced investors. No one knows what will happen with the coronavirus pandemic—or when. And you sure can't wait to be sure. Clients don't need you when everything is going well—they need you when the wheels come off the bus. And we now have a head on crash between the bull market train and the healthcare bus. And though no one could have predicted the violence and speed, these two forces of health and wealth have been on a collision course since the first Baby Boomer was born. Bear markets have a tendency to accelerate trends, and we already had a huge and rapidly aging clientele across the advice industry that is suddenly now in more acute need. And the bull market has had a historic run from March 6, 2009 when the Dow Jones was 6,469. We knew that market had to breathe at some point. Bear markets are created by bull markets, after all.

So what now? Don't wait for clarity—lean in. The history of bear markets confirms this is the very best time to solidify your best client relationships, consolidate assets of your more tentative clients, and outright earn brand new clients from advisors too timid to connect. And just like bear markets, these opportunities are not common, so the rewards go to the advisors willing to step up—and step in. Now.

Since we have no idea where and when the pandemic abates or when the market stabilizes, we have to engage clients about topics not dependent on either issue. The #1 reason advisors give for not contacting clients in a bear market is they don't know what will happen so they don't know what to say. Top advisors —especially those that have lived through a bear market—know that the contact itself is critical and often the contact and listening is all some clients wanted. Acknowledgement, empathy, concern.

And you can do more. Bear markets scream at clients and the clients hear, "I might not be able to do..." So the opportunity for top advisors is to walk toward the issue and engage. This is the best opportunity you will ever have to get clients focused on planning. Real planning. Even if it is a single problem you solve, it is a step in the right direction. We know most clients have all kinds of plans, but most are incomplete. I'm not saying everyone needs a full blown in-depth plan but nearly everyone could do better. With care, I would contrast our collective view of medical health. Just like bear markets can reveal the instability of your financial plan, a pandemic shines a harsh light on "healthy" and redefines both your actual condition and your ability to protect yourself. Crash courses about life taking place simultaneously right now. Give clients the gift of some control over their future.

Here are some important questions you should prepare to answer. Since many times clients don't know the right questions, you may have to prompt them to engage in proactive work to ensure a more solid future.

1) Have recent drops in the market affected my plan?

"First take stock in what exactly IS your plan? Do you have a formal financial plan that includes specific dates you are saving for, or when you will taking investment income? Do you have a budget for "retirement"? Do you know how much you will receive in Social Security? Any pension income from a job? Plan to stay in your home? For how long? How much will medical care cost? Not sure?"

If you don't have a formal plan, there has never been a better time to create one. Market corrections are like storms that hit your home. They are "stress tests" that can remind you to protect yourself. As unsettling as it is to see the stock market fall, the current level after a nearly 30% decline puts the market averages back to where they were just over a year ago. And not every investment has declined. Bond investors are pretty happy right now. Separate "investing" from "planning" and work with your advisor on a plan built around your life, your specific objectives—like where you want to live and how you will pay for health care.

I find that most clients don't have a complete plan. Kind of like when you ask someone if they are healthy, or if they play golf—"Yes, but it could be better". Use the current environment as a cue that you should tighten up your plan. Your advisor can help."

2) Will I still be able to generate enough income to maintain the lifestyle I want in retirement without outliving my money?

"This is your chance to review your priorities. Bull markets and strong economies like the conditions we've enjoyed over the past 11 years make everything sound possible. Look again. What's really important? It's way too early to tell any longer term impacts on the economy or the markets but you can give serious thought to YOUR world. Has anything changed in the past few years or since you last made a list of objectives? This should be a family discussion as well. Any changes in your responsibility for others, like aging parents or adult children?

Err on the side of specificity. What specific plans are critical and what is more optional? Make three lists—essential, nice to have, true luxuries. And compare those lists with your income and assets. A smaller home with lower taxes and less maintenance is a BIG decision. Compare smaller choices but also their cumulative effect—like eating in restaurants or taking vacations or supporting an adult child. Prepare and protect the essentials, budget for the "nice to haves" and save for the luxuries.

I need to know what's most important to you, and about any changes that should be made. Then we can have a real conversation about funding those dreams—and avoiding the pitfalls of poor planning. Don't be surprised if your plans change to be more realistic or just different. Let's stay practical and make trades for what you really want. Just don't rely on hope—hope is never a good strategy!"

3) Does my current plan provide enough protected income to meet my essential expenses?

"The two questions so far are really more about your preparation for the future and getting the right details for me, so more of the "what" of your financial life—what are you wanting to do and how important those objectives are relative to each other.

This question sets up a discussion of "how"—how are you going to pay for it. And it's important to know that you have potential sources of "protected income" as well as sources of variable income.

(Adjust for your experience and for the situation of the client) I've lived through 12 bear markets and been an advice industry professional for all of them since Black Monday 1987. The most common answer I've heard from clients who see a market decline? "I will just work longer." That's one choice if you are healthy enough to do it—and you enjoy it—and you can get a job! Another choice is to invest your savings, and draw income dependent on how you invest. As we are seeing today, there are no guarantees with stock prices, and bond investors have been glad to see their bonds hold strong as interest rates fell. But many bond holders have also been surprised to see their bonds and even CDs "called" because of the low rates. So careful effort is required no matter where you invest.

Protected income is like the foundation of a house—it should be the first level of funding for your retirement plans. There are only three sources of protected lifetime income available today:: Social Security, pensions and annuities. Having a plan with enough protected income each month to help cover your most basic expenses can help you feel more secure, regardless of market downturns. Think of a "MUG"—a reminder of the basics: mortgage, utilities, groceries. Double check that calculation now. And if you haven't yet aligned your expenses with that protected income, now is a great time to do that. First make sure your "MUG is full" and then utilization more complex strategies like investment income to finance more ambitious goals. Simple works."

4) Should we be looking at adjusting my goals for the future?

"This is your invitation push me harder to suggest other changes. The conversation so far and the questions you've asked have revealed how prepared you are and have likely identified some gaps in your plan. You may have covered a lot of this ground already, but it's really important to now tap your my experience and perspective. What should you do differently? What have we not talked about yet?"

(Ed note: Test for the ability to move forward and perhaps make another appointment. Make this part easier for both you and your client. For even the most experienced and purposeful advisors, it can be difficult to disappoint or outright disagree with the client. And you might actually ruffle a few who can't take the medicine and walk. As you know, they were never really clients. To get the best help from your professionals of any kind, you sometimes have to confront the clients that are wrong. "This is not the Four Seasons" a longtime advisor friend reminds me. While we have the planning "hood" open, here is the one more action step to take now.)

(Sort the planning issues by topic and refer specifically to each topic. Suggestions about possible changes or additions to a retirement investment portfolio should focus on keeping you on track to reach your goals. If you haven't discussed rebalancing assets or changing the risk profile of your investment strategy, this is the time.If a truly diversified portfolio was solid before a market downturn, it should still be solid, in theory. Any adjustments you might make should be an effort to enhance the portfolio and actually improve the future financial position. This is also the opportunity to talk about new products, including protected lifetime income. Clients that took money off the investment table might not want to go back in, and many should not. But there are products to leverage that cash to defray future expenses like health care and the risk of longevity.)

(Keep going. Other categories include your approach to planning—have you missed any subjects? List again the key life transitions—where they want to live, how they plan to pay for health care, how they will get around and who should be included in their financial decision making longer term. These are key life transitions that sneak up on you. And we're not talking markets, we're talking about their life.)

(Make sure these discussions focus on the most secure path to reach their goals, and not necessarily on the quickest path or the path with the most potential short-term gain. All investments carry risk, and with your help they can better weigh the potential risks and rewards of any investment opportunities or new product concepts. Or just more and better preparation.)

5) Should I be thinking about re-evaluating or adjusting my planned retirement date (or, for retirees, my post-career job status)? For some clients, there are the BIG retirement dates? When to leave my job, when do I start Social Security, how do I enroll for Medicare?

"All of these topics are critical and have big implications for your retirement plan. And they are all highly personal to YOU. No two people are alike and this entire dialogue is supposed to be part of process that continues on. The road to retirement is a journey and the road goes on far past any arbitrary date. There are no perfect answers and your peace of mind is the ultimate goal. This is obviously a hard discussion, but it's one we need to have. If you are still working, in light of the new market reality, let's explore your financial position if you proceed with your planned retirement date versus if you push it back. Let's review the implications for Social Security, which is estimated to cover about 40% of your pre-retirement income at best. For example, many people don't realize that those who wait until 70 to file for Social Security receive close to double what those who file at 62 receive. Are there other options to bridge the years between 62 and 70 so that you maximize your Social Security payments? Consider your goals and the most secure path to reach them. And don't pressure yourself—take your time!"

"Who else should we include in this work? You have friends, family and colleagues who are experiencing many of the same issues. You are certainly not alone! Talk to other folks about what they are doing. If you have an estate attorney or accountant, let's get those perspectives as well. And always remember there is never a bad time to plan, it is never too late to adjust, and everything must make sense and be right for YOU."

"And by the way—congratulations. This stuff is never easy and the work you are doing now will pay dividends in the future for you and your family. It takes courage to do it now given the backdrop of a bull market and a global pandemic. I'm so glad you trust me to help you!"

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White Paper

Investing in a highly politicized climate

Tune out political noise and focus on the fundamentals—the real driver of investment returns.

Key highlights

- Strong political views can influence your investment decisions.
- Election outcomes have a negligible effect on investment performance.
- Fundamentals have historically had a greater impact on stock market returns.

Investors contend with different emotional influences as they try to manage their portfolios and seek their long-term goals. One of the strongest influences – and potentially, most problematic – is politics.

An investor's political leanings can distort their perception of risk and reward in the decisions they make. Not all investors are politically inclined, but those who are may see the markets as less risky and more attractive when their preferred party is in power. In contrast, those whose party is out of power are likely to feel more pessimistic and see greater risk in the markets.

In this age of information abundance, can investors use the news for their benefit? Mostly no. Instead, tune out the noise if you're looking for prudent guidance and actionable insights on the financial markets. Also, pay attention to the fundamentals, which have a bigger influence on market value than the fickle winds of the political climate.

> Markets can turn volatile as investors shift their sentiments to align with their political inclinations. But like most external forces, these fluctuations have little long-term impact on the financial markets

Mark Twain once said,

"Never talk about politics or religion in polite company."

He could have added money to that list as well.

A combustible mix

People tend to have strong feelings about both politics and money. In many cases, these feelings are closely tied to their backgrounds and personalities. There's nothing inherently wrong if someone holds strong political beliefs, but it's important to recognize the influence strong political views can have on different decisions we make, including how we invest money for the future.

This is a critical topic for financial advisors and investors to discuss because political tribalism seems to be at a high point right now. Our country has been through highly politicized periods before, but many of today's investors may not have lived during those times or may not realize how strong the pull of political tribalism can be.

WHAT IS POLITICAL TRIBALISM?

People with strong political beliefs may self-segregate into tribes of like-minded individuals. Often, they develop a close identification and loyalty to the tribe. This can occur whether the preferred political party of the tribe is in or out of power.

Within tribes, trust is often given to information sources that reinforce existing political beliefs. Views from outside the tribes are usually rejected or ignored. Even established or well-regarded facts are judged for inherent biases. This contributes to confirmation bias among individuals that can affect decisions they make, including those related to money and investing.

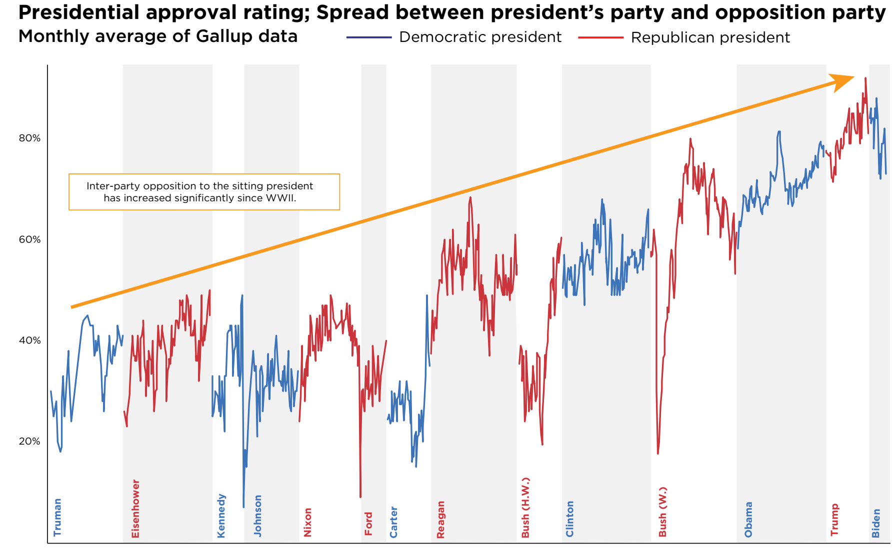
IS TRIBALISM STRONGER NOW?

It's hard to pinpoint the reasons why the gap between the two political parties has widened during this time, but several trends have occurred along with this rise in partisanship.

For one, the media landscape has become more fragmented in recent decades, coinciding with the proliferation of digital media through different channels including streaming video, podcasting and social media feeds. It's easier than ever for political partisans to tune into organizations and personalities that speak to like-minded views and confirm pre-existing biases.

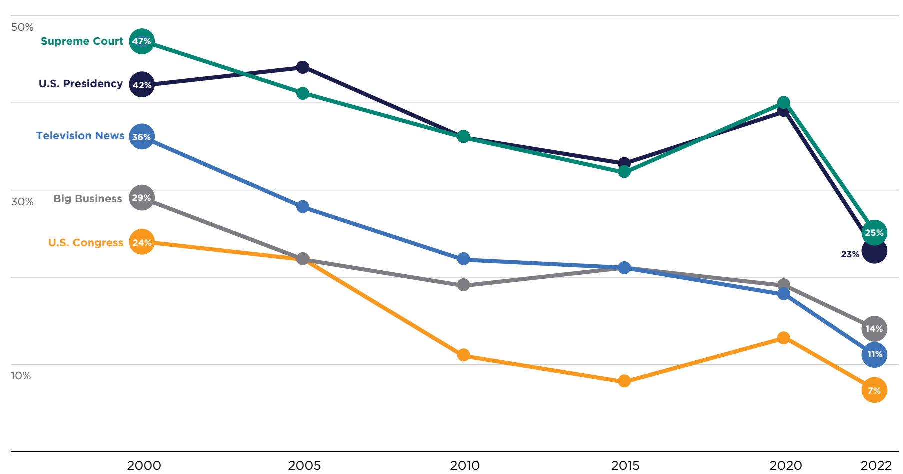
Two, trust in a wide range of traditional institutions has declined over this time, including the government, the media, the business community and higher education. In the past, the American public viewed these institutions as sources of expertise and authority. The erosion of trust has downgraded the value of expertise and increased awareness of institutional bias.

Presidential approval rating; Spread between president's party and opposition party
Monthly average of Gallup data



Source for chart: Strategas Research

Confidence in American institutions
% of U.S. citizen survey respondents who have "great deal" or "quite a lot" of trust

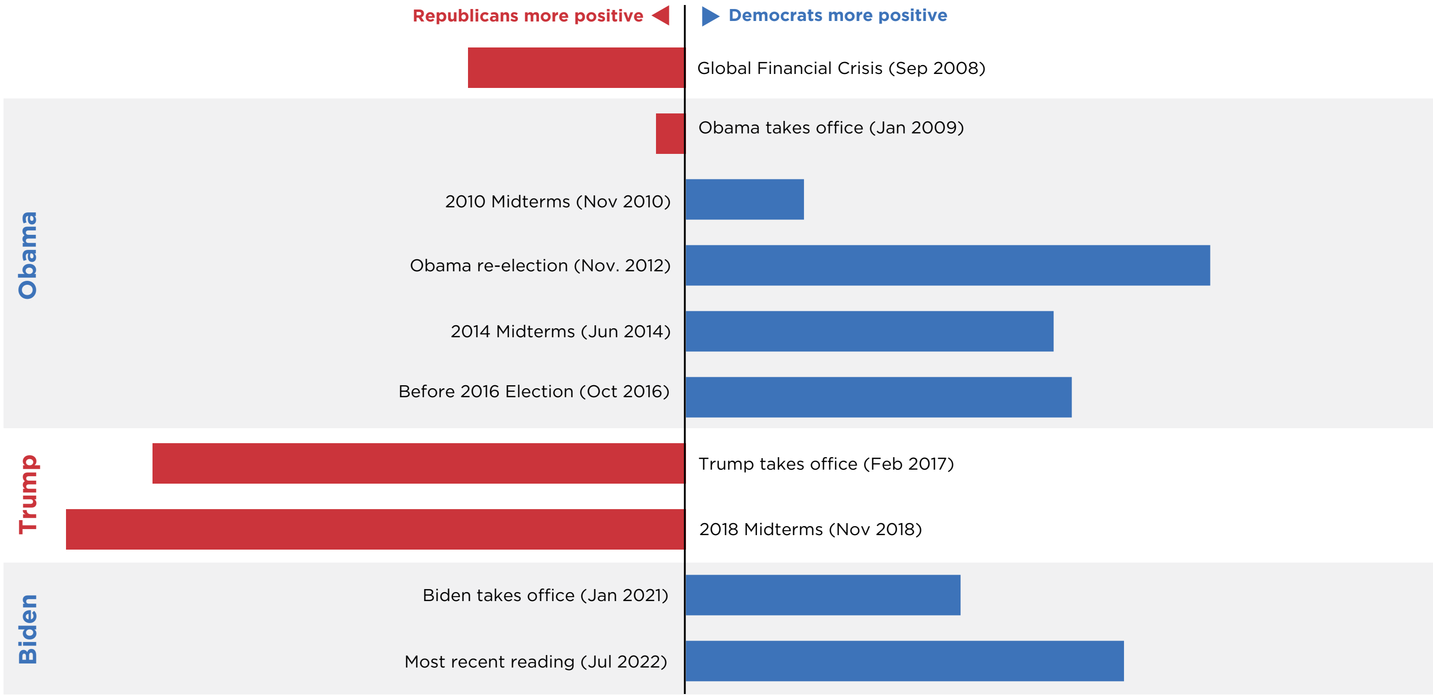


Source for chart data: Gallup "Confidence in Institutions" survey, July 2022

TRIBALISM EMERGES FOR ELECTIONS

Federal election years, especially when control of the White House is at stake, tends to enflame political tribalism. In recent election cycles, shifts in sentiment and confidence between Democrats and Republican have been astounding and consistent, in particular when control of the executive branch switches parties. Consider the shifts that have occurred after the most recent presidential election cycles. The chart below depicts the partisan gap in consumer sentiment as measured by the University of Michigan Consumer Sentiment Survey in presidential and midterm election years. After 2009, in the post-Global Financial Crisis era when Barack Obama took office, the swings in partisan consumer sentiment grew pronounced.

Partisan swings in consumer sentiment around federal elections
University of Michigan Index of Consumer Sentiment



Source for chart data: University of Michigan, Index of Consumer Sentiment

During the Obama administration, Democrats were broadly satisfied about the state of the economy, while Republicans were largely dissatisfied. These sentiments shifted almost immediately after Donald Trump's election victory in 2016; optimism surged among Republicans and Democrats became widely pessimistic.

A similar shift occurred after Joe Biden won the 2020 presidential election--Democrats were as optimistic among the economy as Republicans were despondent. In both cases, nothing else had essentially changed except control of the Executive Branch. In the most recent reading of this indicator (July 2022), consumer sentiment remained strong among Democrats, but has dropped to multi-year lows among Republicans.

Investing under the influence

The absence of diverse or challenging viewpoints can have an undue influence on investors who live inside these ideological bubbles. Loyalty to the "tribe" can distort their judgment and lead to emotional decisions that run counter to their personal investment objectives.

A research paper[1] on the role of the politics in investment decisions found that politically minded investors tend to be more optimistic about market opportunities when their preferred party is in power. As a result, they may take on more risk than they should and expose themselves to potential losses if the market falls.

Conversely, investors whose political party is out of power exhibit greater pessimism about the future. As a consequence, they may pull assets away from the market to lower their exposure to risk. But the greater risk these investors face is missing out on market gains.

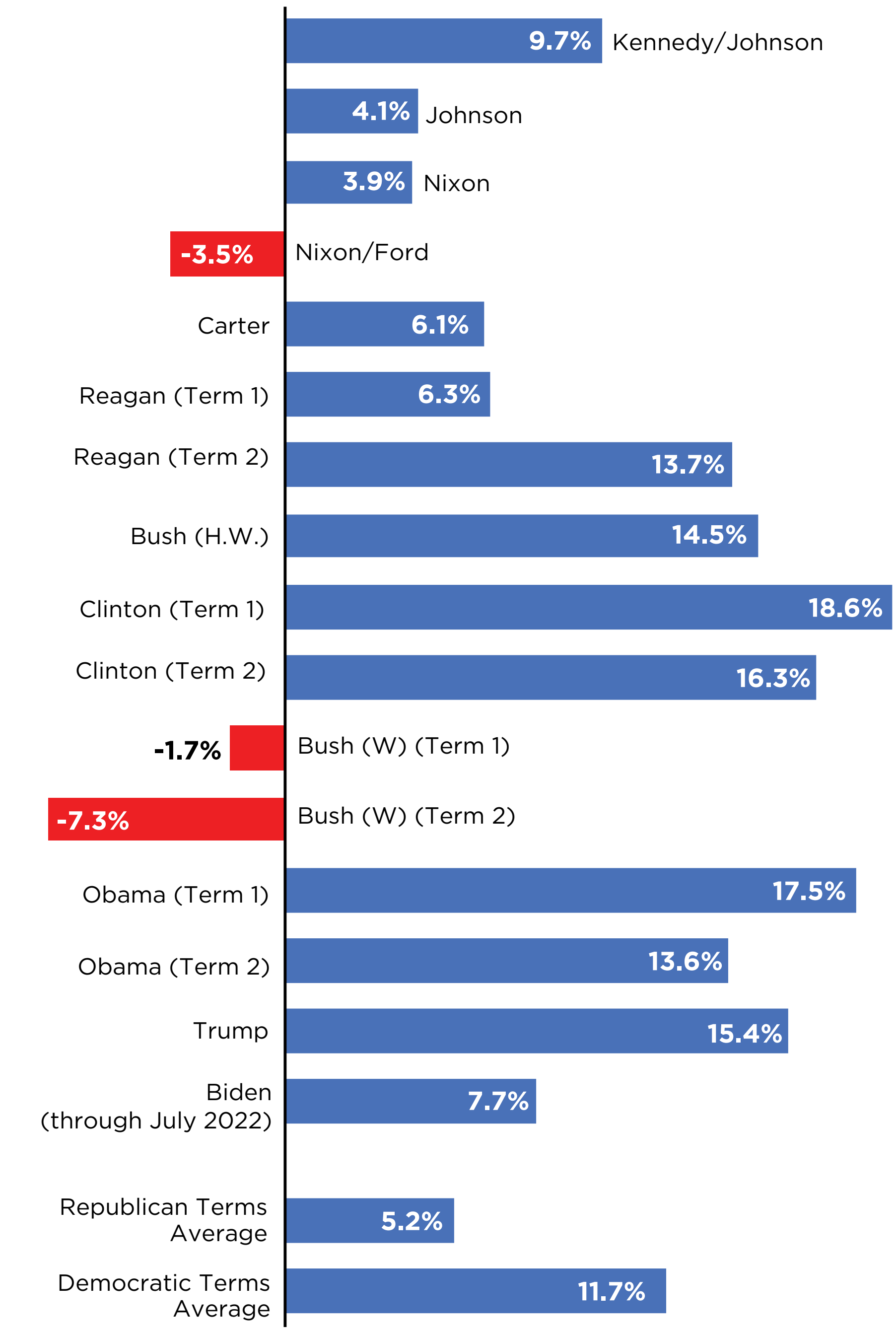
Investors under the sway of political tribalism may see a connection between politics and investment that in reality does not exist. Market history shows that stock returns have been good under both Democratic and Republican presidents. (See chart at right.) Even one-party legislative control has had no discernible effect on market returns.

When political partisanship leads investors connect electoral victories with market performance, confirmation bias is in full effect. For these investors, it can be affirming to believe their deeply held political views translate to financial gain. And politicians may try to link their policies with economic and financial success—it makes for rousing speeches, but doesn't do so much for achieving favorable investment outcomes.

The fact remains, government policy or political control of a particular branch of government has a negligible impact on the direction of the financial markets. What drives market performance most of all is economic and business fundamentals.

S&P 500® Index annualized return by presidential term

Four-year annualized total return, 1960 to July 2022



Source for chart data: Bloomberg, Plancorp

[1] Bonaparte, Yosef and Kumar, Alok and Page, Jeremy K., Political Climate, Optimism, and Investment Decisions (February 26, 2012). AFA 2012 Chicago Meetings Paper.

Focus on the fundamentals

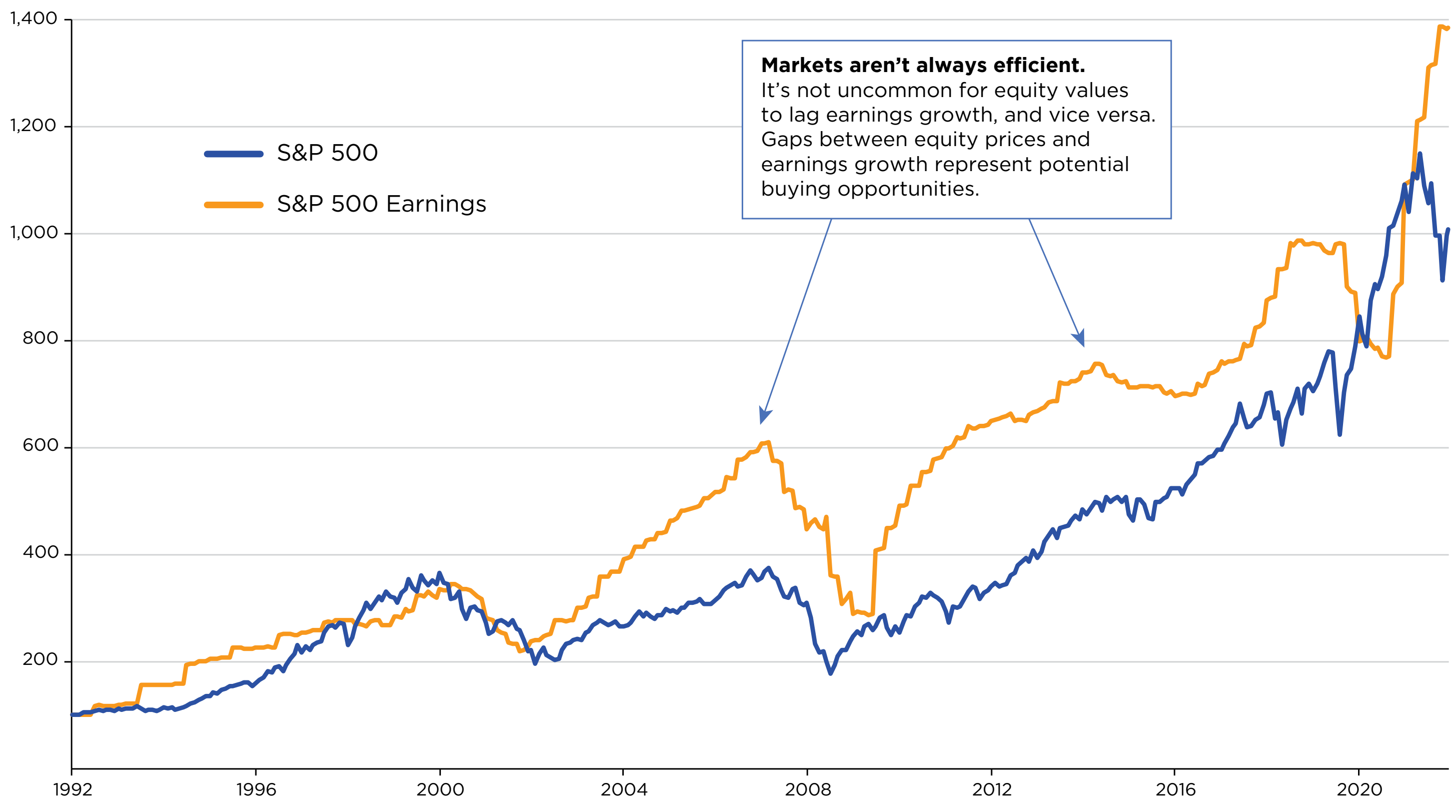
When investment firms talk about "fundamentals," they're referring to the results achieved by businesses and the overall economy. This is the hard data such as statistics or similar information that can be measured and compared so investors can judge the potential of a particular investment opportunity.

Fundamentals can include (but aren't limited to) sales, revenue, cash flows and debt ratios. Perhaps the most important business fundamental to consider is earnings, because company earnings are the primary driver of equity market returns. When a firm can grow earnings, share profits with investors and re-invest in their business, the value of its equity shares tends to increase.

Moreover, companies that deliver consistent earnings growth offer the best potential for long-term appreciation of their equity shares. You can see the link between earnings and equity growth in the long-term trends of both illustrated in the chart below. Over time the annualized growth rate for S&P 500 company earnings and the price index are just about equal.

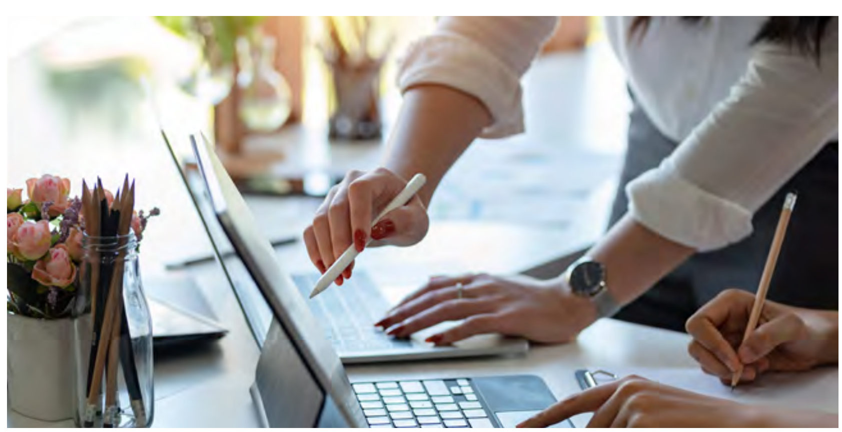
The chart also shows equity returns and earnings growth don't always move in sync. When gaps appear between equity prices and earnings, it reveals a market that's not fully efficient. In many cases, these periods of short-term equity volatility are event-driven — investors reacting emotionally to news headlines.

S&P 500® Index vs. earnings growth of S&P 500 companies
August 1992 to August 2022, indexed to 100



Source for chart data: FactSet Research

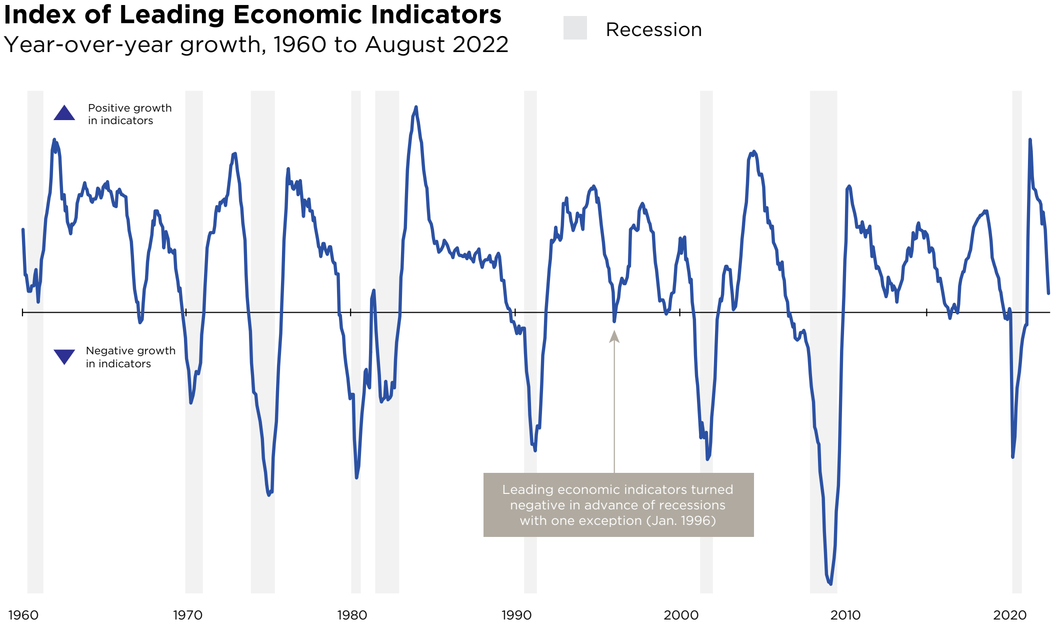
Investors can watch certain indicators for shifts in market or economic trends and prepare for the likelihood of a change in the cycle. For instance, the Index of Leading Economic Indicators (LEI) comprises several fundamental indicators (i.e., employment, wages, factory orders, building permits, etc.) that offers a one-look summary of economic performance. These indicators are important drivers of company performance—when these indicators show strength, the environment is likely to be favorable for corporate earnings, which are the primary drivers of stock market returns.



Similarly, when these leading economic indicators are declining, it may show potential for worsening business conditions, and therefore a tougher climate for stock market returns. In the past, when changes in the LEI Index have turned negative on a year-over-year basis, a recession has occurred in the majority of instances. (The only exception in this trend occurred during the long expansion of the 1990s.)

As the chart to the right shows, the LEI turned negative at the outset of the COVID-19 pandemic. This corresponded to the end of the previous phase of expansion. Investors should pay attention to this index for signs of change in the economic cycle.

Index of Leading Economic Indicators
Year-over-year growth, 1960 to August 2022



Source for chart data: FactSet Research, The Conference Board

Be a savvy investor during election seasons

It's not unreasonable to say investors have too much information at their fingertips these days. While some is valuable, a great deal of it is designed to provoke emotional reactions, especially when for people with strong political inclinations.

Investors must rely on their own judgment to extract valuable insights from the information glut. That requires some degree of trust in providers of information, such as news outlets, market analysts and research firms. A healthy amount of self-awareness is also necessary to recognize internal biases and to challenge existing beliefs.

Tips to help temper the influence of political bias in investment decisions:

1

Be conscious of shifts in emotion after election results are announced and check your behavioral biases when making investment or financial decisions.

2

Apply a strong filter to election news coverage to maintain an objective understanding of the events shaping our world.

3

Remember that election results in either party's favor have historically had little impact on future investment returns.

4

Stay focused on the fundamental drivers of investment performance (e.g., company earnings, revenue growth, profit margins, etc.) and leading indicators of economic conditions.

Help your investors know when to tune out the "noise" of political headlines and tune in to their long-term financial goals. Turn to Nationwide for timely insights on the markets and economy that can help your clients make informed investing decisions. **Visit Blog.nationwidefinancial.com**

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This material is not a recommendation to buy or sell a financial product or to adopt an investment strategy. Investors should discuss their specific situation with their financial professional.

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S&P 500® Index: An unmanaged, market capitalization-weighted index of 500 stocks of leading large-cap U.S. companies in leading industries; gives a broad look at the U.S. equities market and those companies' stock price performance.

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Have better client conversations

Lincoln Life Insurance lives alongside your clients, giving them clear and flexible options for protection and growth as their lives change and priorities shift.

Start the conversation

Your clients may not be thinking about life insurance as a solution, and they may not realize the vital role it can play in a diversified financial plan.

Help them articulate what matters most so that you can help them meet their goals:

- Have you protected what matters most to you and your family?
- Are you thinking about using life insurance to plan for your future?
- Have you considered life insurance as a way to build wealth and supplement your retirement income?
- Are you thinking about how life insurance can protect your business and key employees now and in the future?

You have the opportunity to help your clients plan to get the protection and growth they want. It all starts with a simple conversation personalized to their needs. Who's your client?

Protectors

Help clients protect what matters most

Planners

Help clients plan with confidence

Investors

Help clients use their life insurance during their lifetime

Protectors

Nothing beats feeling secure. Your clients want to be able to protect what matters most in a way that fits their evolving needs. Our products offer them even more.

Who are these clients?

These clients are interested in securing their family's future and reducing their loved ones' financial worries. They are thinking about their children, household expenses and/or their spouse's lifestyle.

- These clients may be paying off student loans or credit card debt.
- They may be at the start of their career and building a family.
- They may be thinking about the future of their business.
- They may be looking to add more protection than just their emergency fund.

Questions to start the conversation

1. Would your family be able to maintain their standard of living without your income or business?
2. Without your income, would your plan for your family's education change?
3. Are you looking to grow your savings while providing protection for your family?

Solutions to consider

For temporary protection

Explore *Lincoln TermAccel®* Level Term (2019) for competitive premiums, a streamlined purchase process, fully automated underwriting with the opportunity to waive labs for qualifying clients and the ability to convert to a Lincoln permanent life policy.[1]

Lincoln LifeElements® Level Term (2019) offers competitive premiums, faster turnaround times with the *LincXpress®* process, concierge underwriting with the opportunity to waive labs for qualifying clients and the ability to convert to a Lincoln permanent life policy.[1]

For permanent protection

For clients looking for guaranteed lifetime protection with growth opportunity, *Lincoln VUL^ONE* (2021) or *Lincoln SVUL^ONE* (2021)[2] provides market-driven growth potential and a choice of more than 75 investment options.

For clients looking for market participation through an index account with extended guaranteed protection, *Lincoln WealthPreserve*® 2 IUL (2020) offers them market-loss protection and the flexibility to meet their changing needs. Add optional riders for additional protection, including long-term care expense protection.

Planners

Whether your clients want to transfer wealth to the next generation, make a gift to charity, or create liquidity to pay state or federal estate taxes, life insurance may be an ideal solution.

Who are these clients?

These clients have a handle on the present and are thinking about the future. They have a career plan and direction in their personal and family lives. They understand the value of saving and fund their 401(k), IRA, or other plans.

- They may be thinking about doing a little more for a loved one with special needs or rewarding a beloved organization.
- They are actively planning for their future.
- They are concerned about taxes in retirement.

Questions to start the conversation

1. I know you're maxing out your retirement savings plans, but have you explored adding life insurance to your existing plan since it can offer a death benefit and potential cash value growth you can access?
2. What is your plan to cover long-term care expenses? Do you know what options you have?
3. Do you currently donate to your favorite cause or foundation? Did you know you could give them a larger contribution using life insurance?
4. Have you explored how life insurance can help minimize your tax exposure?

Solutions to consider

For clients looking for:

- Guaranteed lifetime protection with growth opportunity, *Lincoln VUL^{ONE}* (2021)* or *Lincoln SVUL^{ONE}* (2021) provides market-driven growth potential and a choice of more than 75 investment options
- Growth opportunity with flexibility to choose investment options, *Lincoln AssetEdge*® VUL (2020) provides tax-efficient growth potential and opportunity for an income tax-free financial resource
- Growth opportunity with market-loss protection, *Lincoln WealthAccumulate*® 2 IUL (2020) provides significant wealth accumulation and distribution potential, as well as the flexibility to meet your clients' evolving needs throughout their lives

Add optional riders for additional protection, including long-term care expense protection.

Investors

Life insurance can be an important tool for clients looking to build cash value for their future. In addition to providing protection, life insurance is a tax-advantaged resource that can provide growth opportunities and access to their potential cash value throughout their lives.

Who are these clients?

These clients fulfilled many goals and may now be thinking about how to maintain their lifestyle in retirement. They have established careers, significant disposable income and a vision for what they want the future to look like.

- These clients are concerned about protecting their loved ones and finances and reducing taxes now and during retirement.
- They may have maxed out their other savings vehicles and are looking for tax-advantaged ways to grow their savings.
- They may be professionals with significant disposable income who are also looking for financial protection for their family.
- They may have recently inherited a significant amount of wealth.

Questions to start the conversation

1. Did you know that in addition to a death benefit, life insurance can be an income tax-free resource to supplement your retirement?
2. Are you looking for a more flexible policy that would allow you to change your options as your priorities shift through life?
3. If you could leave a much larger benefit to your favorite charity than planned, would you explore that opportunity?
4. Is your portfolio diversified to maximize tax advantages?

Solutions to consider

For clients looking for protection and:

- Growth opportunity with the flexibility to choose investment options, *Lincoln AssetEdge*® VUL (2020) provides tax-efficient growth potential and opportunity for an income tax-free financial resource
- Significant growth opportunity and distribution potential with market-loss protection, *Lincoln WealthAccumulate*® 2 IUL (2020) provides the flexibility to meet your clients' evolving needs throughout their lives

Add optional riders for additional protection, including long-term care expense protection.

EQUITABLE

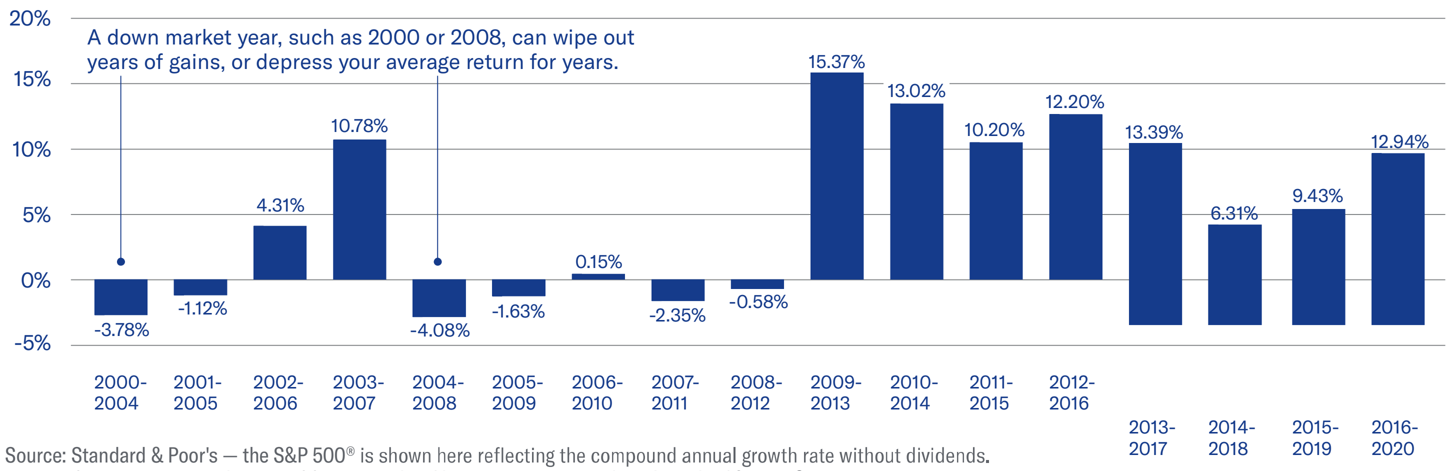
Life insurance as an asset to stabilize wealth transfer

Use life insurance to stabilize wealth transfer

Whether the market is currently up or down, clients who want to transfer their wealth to their families often remain uneasy when committing dollars to the market. Clients who want to transfer their wealth also want to be certain their beneficiaries receive everything that's intended to go to them. But, what if they die in a down market? Even the best asset management can't entirely guard against market drops or extended down markets. For clients planning to transfer their wealth to their next generation, this can be a major concern. Over the past several years, the results for the S&P 5-year average has been mixed. Take a look at the S&P 500® — 5-year average return chart below.

> "I think I could achieve a 7% rate of return on my investments over the next 25 years, but I'm worried my children won't receive much of the legacy if the market doesn't perform as planned."

S&P 500® — 5-year average return[1]



Source: Standard & Poor's — the S&P 500® is shown here reflecting the compound annual growth rate without dividends. Past performance is not indicative of future results. Clients cannot invest directly in the S&P 500®.

Ensure your client's wealth transfer will happen.
Taking a small amount of client assets, or the annual growth, can purchase a life insurance policy with a death benefit that assures a basic amount of wealth will transfer to a client's beneficiaries, regardless of when a client dies.

Financial professionals can:

- Help your client assure a wealth transfer through the death benefit.
- Help your clients manage their assets with more flexibility, knowing a fixed amount will pass to their beneficiaries.

This is a hypothetical example intended to demonstrate conceptually how this approach would work and does not represent any specific product. For hypothetical results using a specific life insurance product, please refer to a life insurance illustration from Equitable Financial or Equitable America.

How the strategy works

By directing a small amount of their net worth, or income, each year to life insurance, clients can leverage their dollars and benefit. For example, John Wilson is a 65-year-old male. He has a $6,000,000 net worth that he wants to direct to his children. For just $50,000 per year (or 0.83% of his net worth), he can use the leverage provided by life insurance,[2] as long as he qualifies both medically and financially for the insurance. This gives him some peace of mind that his family will receive at least a $2,180,000 legacy from him as long as he pays the required premiums.

Year	Premium	Cumulative premium	Death benefit	Before-tax equivalent on IRR on net death benefit[3]	Probability of death
1	$50,000	$50,000	$2,180,000	7,100%	0.40%
5	$50,000	$250,000	$2,180,000	139.3%	3.79%
10	$50,000	$500,000	$2,180,000	43.05%	12.26%
15	$50,000	$750,000	$2,180,000	20.81%	28.46%
22[4]	$50,000	$950,000	$2,180,000	9.31%	62.81%
25	$50,000	$1,250,000	$2,180,000	6.74%	77.34%
30	$50,000	$1,500,000	$2,180,000	3.85%	93.31%

The policy premium and life insurance death benefit amounts used in this case are based off a $2,180,000 death benefit on a VUL Legacy℠ flexible premium variable universal life insurance policy. The $50,000 premium assumes a gross interest rate of 6%, which is not guaranteed, and current charges. If a 0% interest rate was used with guaranteed charges, the policy would fail in year 12, at which point $550,000 worth of premium would have been paid into the policy. There is risk involved with VUL Legacy℠ including the possible loss on principal invested. For hypothetical results using a specific life insurance product, please refer to a life insurance illustration from Equitable Financial or Equitable America.

A VUL Legacy℠ policy is a variable universal life insurance contract with the primary purpose of providing a death benefit. It is also a long-term financial investment that can also allow potential accumulation of assets through customized, professionally managed investment portfolios. These portfolios are closely managed in order to satisfy stated investment objectives. There are fees and charges associated with variable life insurance contracts, including mortality and risk charges, administrative fees, investment management fees, front-end load, surrender charges and charges for optional riders. Additionally, there is investment risk, including the possible loss of principal invested.

To learn more, call your financial professional or visit equitable.com.

1 Standard & Poor's — the S&P 500® is shown here reflecting the compounded annual growth rate without dividends. Past performance is not indicative of future results. Clients cannot invest directly in the S&P 500®.

2 Assumes policyowner is subject to 40% in federal, state and local income taxes.

3 IRR stands for internal rate of return.

4 Client life expectancy based on the 2008 VBT table rates.

VUL Legacy℠ is issued in New York and Puerto Rico by Equitable Financial Life Insurance Company, NY, NY; and in all other jurisdictions by Equitable Financial Life Insurance Company of America, an Arizona stock corporation with its main administrative office in Jersey City, NJ. Distributed by Equitable Advisors, LLC (member FINRA, SIPC) (Equitable Financial Advisors in MI & TN) and Equitable Distributors, LLC (NY, NY). When sold by New York state-based (i.e., domiciled) financial professionals, VUL Legacy℠ is issued by Equitable Financial Life Insurance Company, 1290 Avenue of the Americas, NY, NY 10104.

This piece is not a complete description of the VUL Optimizer℠ variable life policy. The prospectus contain more complete information about the product, including investment objectives, risks, charges, expenses, limitations and restrictions. Please read the product prospectus and consider the information carefully before purchasing a policy or sending money. You should contact your representative for a copy of the current prospectus.

A life insurance policy is backed solely by the claims-paying ability of the issuing life insurance company. It is not backed by the broker/dealer or insurance agency through which the life insurance policy is purchased or by any affiliates of those entities, and none makes any representations or guarantees regarding the claims-paying ability of the issuing life insurance company.

Equitable is the brand name of the retirement and protection subsidiaries of Equitable Holdings, Inc., including Equitable Financial Life Insurance Company (NY, NY); Equitable Financial Life Insurance Company of America, an AZ stock company with main administrative headquarters in Jersey City, NJ; and Equitable Distributors, LLC. Equitable Advisors is the brand name of Equitable Advisors, LLC (member FINRA, SIPC) (Equitable Financial Advisors in MI & TN). The obligations of Equitable Financial and Equitable America are backed solely by their claims-paying abilities.

EQUITABLE

Income Advantage[SM] IUL

The Potential of Index Loans

In addition to offering a death benefit, one of the things that draws a client to an indexed universal life (IUL) insurance policy is the potential for greater cash value. Even more attractive is the opportunity to access the cash value* to provide supplemental income during retirement.

When selecting an IUL, it's important to look at the loan provisions since they could significantly impact the policy's performance – and the income potential – once the client starts taking loans.

With Income Advantage[SM] IUL, we offer two types of loans:

- Standard loans
- Index loans

The Advantage of Index Loans

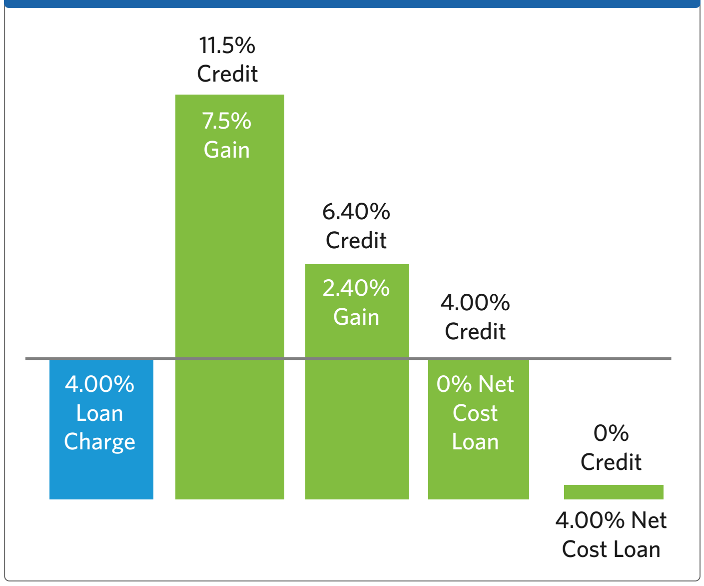
With an index loan, the insurance company typically credits the loan amount with the same interest rate being credited on the non-loaned policy values. This crediting rate is based on the performance of the product's underlying index. The company also charges a declared interest rate on the loaned amount. If the interest rate credited to the policy is higher than the rate the company is charging, the client can actually have a gain on their loaned amount.

How Much Can a Company Charge on an Index Loan?

Currently, our Income Advantage IUL has an index loan charge of 4 percent** – one of the lowest charges on index loans in the industry. And, to help put your clients' minds at ease, we also guarantee the highest rate we can ever charge on index loans will never exceed 6 percent.

Many companies don't set a limit on the rate the company can charge. This allows them to set it as high as they would like, which can leave a client's IUL policy susceptible to additional risk.

Income Advantage: Sample Index Loan Performance



Underwritten by
United of Omaha Life Insurance Company
A Mutual of Omaha Company

*The amount that may be available through loans or withdrawals, as defined in the contract.
**Index loan rate as of April 1, 2020.

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Stabilize Instability

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, THE BANK OR ANY OF ITS AFFILIATES
• SUBJECT TO INVESTMENT RISKS, INCLUDING POSSIBLE LOSS OF THE PRINCIPAL AMOUNT INVESTED

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For use with the general public.

Media makes no mark on markets

Read any good headlines lately? It may feel like each day brings a new crisis ready to disrupt our lives. Always-on media makes it hard to fight the urge to react instinctively, abandon the markets and seek to protect your assets. Consuming media to stay informed is important, but don't let it distract from your long-term goals.

Take control of market volatility by having a financial plan in place — especially one built with the experience of a financial professional — to keep you focused on your overarching strategy rather than momentary, point-in-time events.

During times of instability keep your financial plan grounded in these guiding principles:

- Markets don't belong to a political party
- When in doubt, zoom out
- Avoid the fear of the bear and the pull of the bull
- Proactively prepare

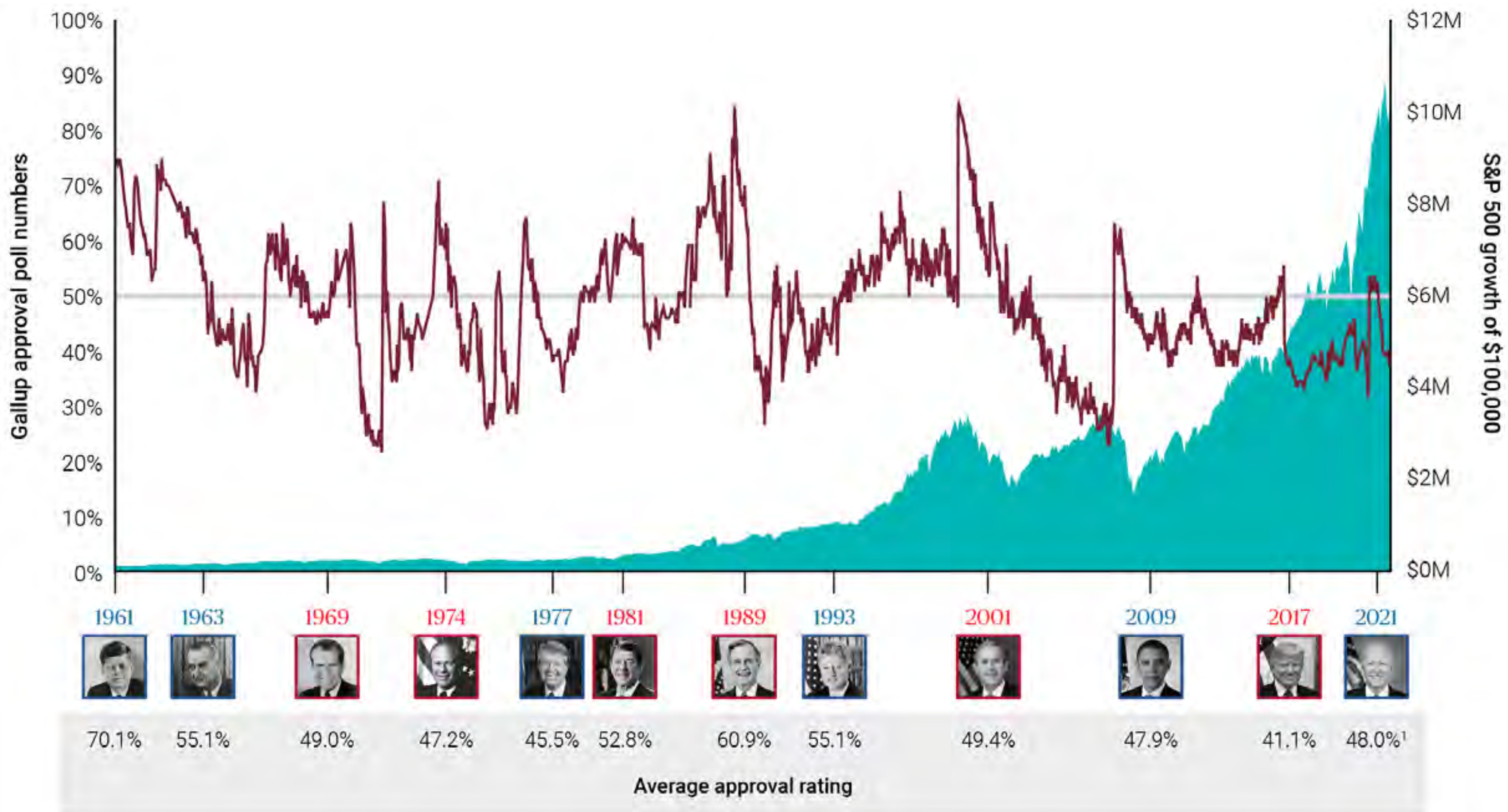
Investors who work with a financial professional accumulate 270% more assets after 15 years than those who don't.[1]

[1] Franklin Templeton, "Is the 60/40 Portfolio Dead? Remixing the Recipe for Investment Success," September 2020. https://www.franklintempleton.ca/content-common/market-perspective/en_CA/60-40-topic-paper-en.pdf.

Markets don't belong to a political party

Whether you're watching TV, browsing the web or connecting on social, you're bound to find many opinions surrounding the president, political actions and agendas.

Amid all the media coverage and varying points of view, it's reassuring to remember that markets are impartial and have produced strong returns regardless of which party is in office or the popularity of a president.



Over the past 10 years, the S&P 500 had a 12.4%[3] annualized return despite having two party changes and three presidents who had average approval ratings under 50%.[1]

Presidential portraits. Library of Congress, https://www.loc.gov/free-to-use/presidential-portraits.

[1] Gallup https://news.gallup.com/interactives/185273/presidential-job-approval-center.aspx.

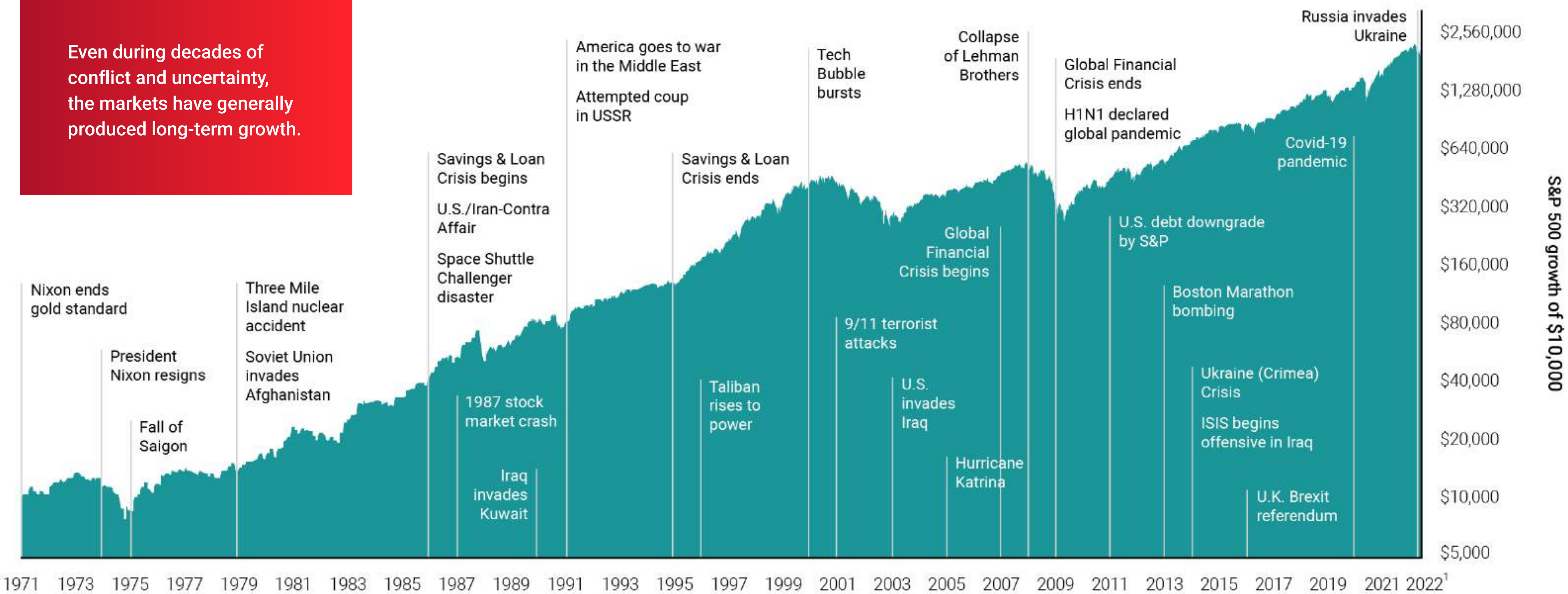
[2] Source: Bloomberg, Lincoln Financial Group. S&P 500 Price Return Index growth of $100,000, January 2, 1961, through March 31, 2022.

[3] Morningstar Direct, S&P 500 Price Return Index as of March 31, 2022.

When in doubt, zoom out

Market volatility has always been a source of concern for investors — whether it's caused by geopolitical events, pandemics, inflation, interest rates or other economic conditions. It's important to consider that while current events may feel unprecedented to us, the markets have seen and tackled these types of challenges before — and are poised to do so again.

Even during decades of conflict and uncertainty, the markets have generally produced long-term growth.

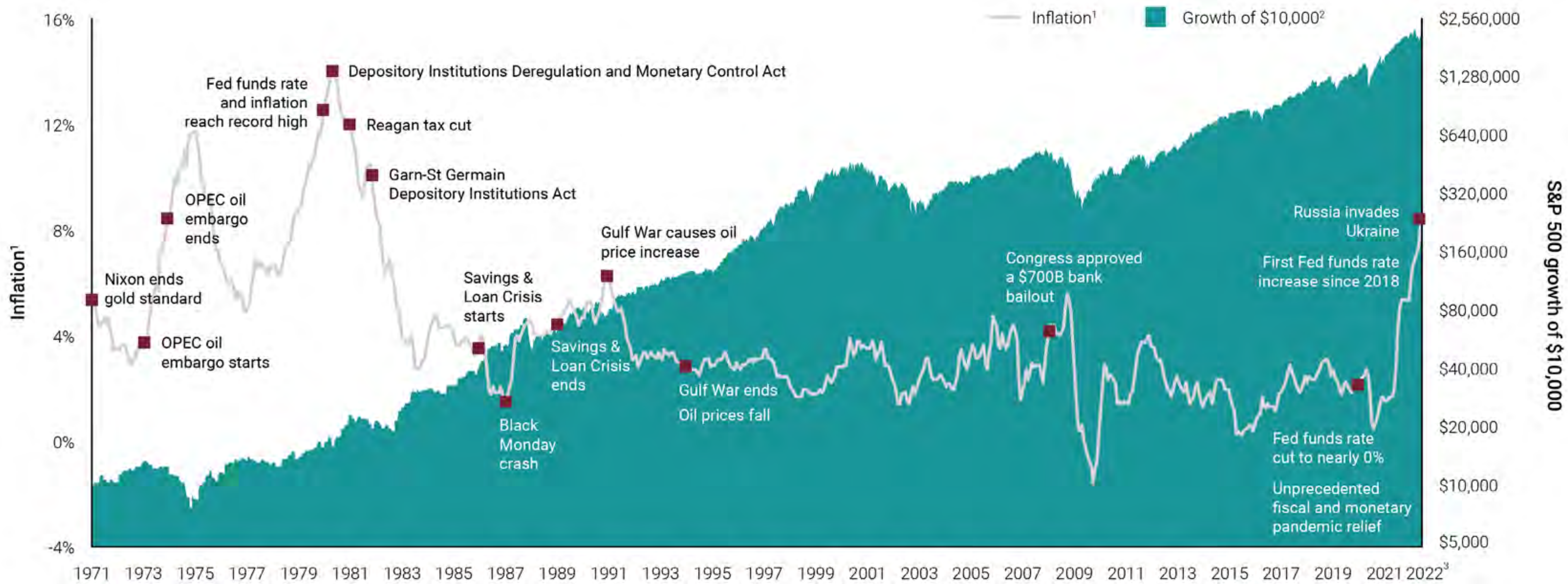


Source: Morningstar Direct, S&P 500 Price Return Index January 1, 1971, through March 31, 2022. Scale is logarithmic. **Investing involves risk including possible loss of principal. Past performance is no guarantee of future results.** This chart is for illustrative purposes only and not indicative of any actual investment. The S&P 500® Price Return Index is an unmanaged index of 500 stocks used to measure large-cap U.S. stock market performance. Investors cannot invest directly in an index. Index returns do not reflect any fees, expenses, or sales charges. Stocks are not guaranteed and have been more volatile than the other asset classes. These returns were the result of certain market factors and events which may not be repeated in the future. The information presented is not intended to constitute an investment recommendation for, or advice to, any specific person.

[1] Data is as of March 31, 2022.

Power up your purchasing power

Taking a long-term view also applies when considering the impact of inflation. While the economy can go through periods of high inflation from time to time, often in response to geopolitical events and public policy, it has not historically impacted the long-term upward trend for stocks. Being invested in the markets provides portfolios with the growth potential to outpace inflation and keep your financial goals on course.



[1] Source: Bloomberg. 12-month headline Consumer Price Index percent change.

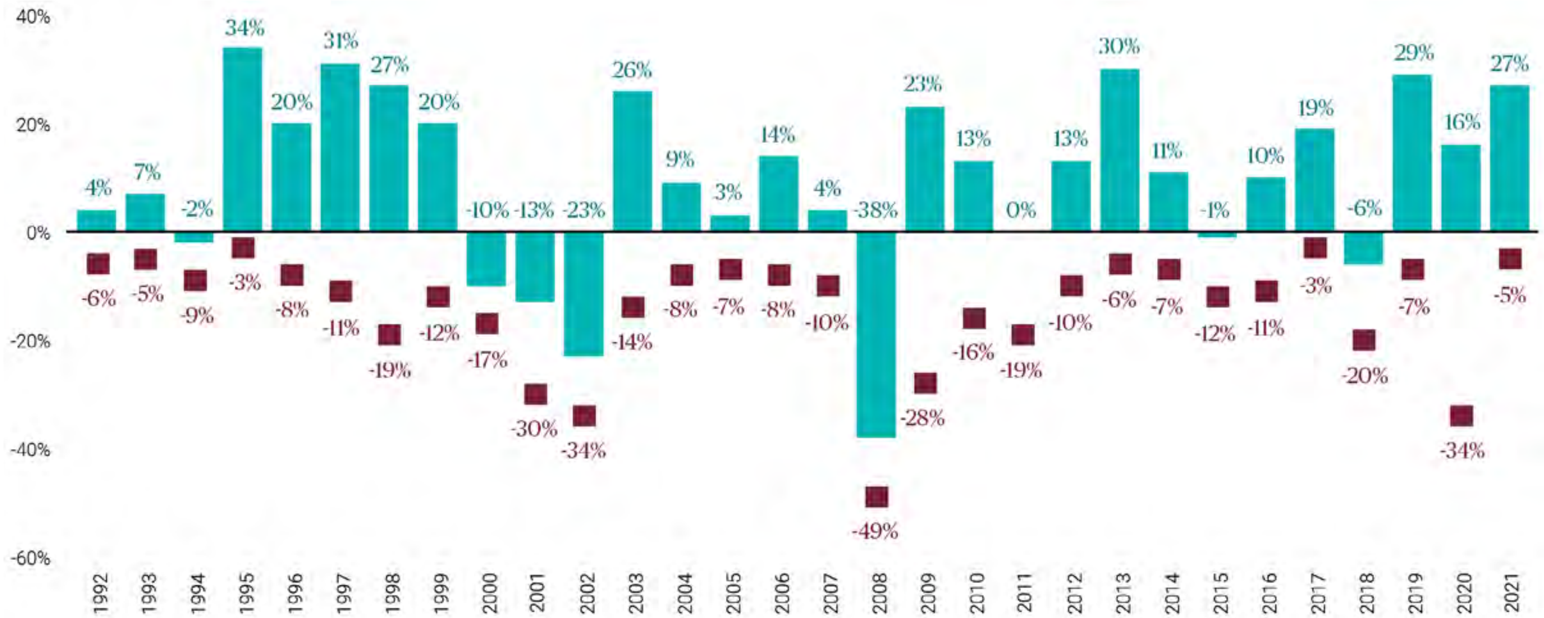
[2] Source: Morningstar Direct, S&P 500 Price Return Index January 1, 1971, through March 31, 2022. Scale is logarithmic. **Investing involves risk including possible loss of principal. Past performance is no guarantee of future results.** This chart is for illustrative purposes only and not indicative of any actual investment. The S&P 500® Price Return Index is an unmanaged index of 500 stocks used to measure large-cap U.S. stock market performance. Investors cannot invest directly in an index. Index returns do not reflect any fees, expenses, or sales charges. Stocks are not guaranteed and have been more volatile than the other asset classes. These returns were the result of certain market factors and events which may not be repeated in the future. The information presented is not intended to constitute an investment recommendation for, or advice to, any specific person.

[3] Data is as of March 31, 2022.

Avoid the fear of the bear and pull of the bull

During times of market downturns, it's natural to want to retreat to safer investment vehicles until fluctuations have passed. However, this course of action generally has a negative impact on financial plans, since lagging indicators may cause the investor to miss some of the market's best days.

When facing periods of volatility, remember that market shocks have historically also led to periods of market gains, and that bad days don't mean bad years. In fact, most years that experienced negative intra-year shocks still ended up with positive annual returns.



Those who stayed invested experienced **over 50% more** growth than those who missed only the best 10 market days.[1]

Abandoning financial plans to jump in and out of the market may result in lower returns since you're more likely to miss out on days of market recovery.

You cannot invest directly in an index. All indices are unmanaged and do not include fees or expenses. **Investing involves risk including possible loss of principal. Past performance is not indicative of future returns.**

Source: Morningstar, Standard & Poor's. Returns are based on price index only and do not include dividends. Intra-year declines refer to the largest market drops from a peak to a trough during the year. For illustrative purposes only.

[1] FactSet, S&P, Lincoln Investment Advisors Corp. Returns based on S&P 500 Price Return Index January 1, 2000, through December 31, 2021.

Proactively prepare

Having a financial plan in place is just the first step. As your goals and needs evolve, so will your financial plan — you may need to make portfolio adjustments to keep it in line with your time horizon and risk tolerance.

Stay ahead of what's coming:

- Meet with your financial professional to review your plan
- Discuss if any of your goals have changed and make necessary adjustments
- Consider what life changes are ahead and what solutions may be needed at different stages

As you continue your financial pursuit, you'll want to consider additional products and services to help ensure you're prepared for every stage of life — from 401(k) plans to life insurance to annuities to long-term care planning.

"The best way to predict the future is to create it."

A Lincoln®

With more than 117 years of innovation and expertise in developing holistic solutions, Lincoln Financial is dedicated to helping Americans secure better, more optimistic futures for themselves and their loved ones.

Contact your financial professional to help keep your goals on track.

Not a deposit
Not FDIC-insured
Not insured by any federal government agency
Not guaranteed by any bank or savings association
May go down in value

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Inflation Is a Real Challenge

We hear about inflation in the news every day. More importantly, we feel the effects of inflation every time we go to a supermarket, a gas station, or even a convenience store. **In 2022, the rate of inflation reached a high of 8.5%[1]—the highest it's been in 40 years!**

The fact is even modest rates of inflation can have a significant impact on your financial goals. Consider the below scenarios:

Scenario 1: Saving for Retirement

You've spent your entire life working, budgeting, and trying to save as much as you can for what you hope will be a long retirement. Based on your projections, you'll have $500,000 in your qualified retirement account when you retire.[2] But have you considered how inflation will impact that money?

Inflation over the years

Although it might be easy to dismiss a high rate of inflation as an extraordinary and temporary circumstance that won't impact your overall financial plans, you can't predict what the inflation rate will be when you retire or when you're transferring wealth to your loved ones. Between 1990 and 2021, a 21-year period, inflation ranged from -0.4% to 5.4%. Were your financial strategies created to weather any rate?

What **$500,000** today will be worth considering various inflation rates over time

Inflation Rate	10 years	20 years	30 years
2%	$410,174	$336,485	$276,035
4%	$337,782	$228,193	$154,159
6%	$279,197	$155,902	$87,055
8%	$231,596	$107,274	$49,688

Prudential

Scenario 2: Leaving a Legacy for Your Family

Your family is everything to you, and it's your top priority to ensure they are taken care of financially even after you're gone. To accomplish this, you purchased a life insurance policy with a $1,000,000 death benefit, thinking that was more than enough to help your family maintain their standard of living. But what does that $1,000,000 look like after inflation?

What's your plan to protect against inflation?

Talk to your financial professional today to explore strategies using life insurance that could help you meet your goals. Some policies can accrue cash value that can be used to supplement your income in retirement, while others might offer an increasing death benefit to help your legacy keep pace with inflation. It all starts with a conversation.

What **$1,000,000** today will be worth considering various inflation rates over time

Inflation Rate	10 years	20 years	30 years
2%	$820,348	$672,971	$552,070
4%	$675,564	$456,386	$308,318
6%	$558,394	$311,804	$174,110
8%	$463,193	$214,548	$99,377

[1] As of April 2022- Bureau of Labor Statistics.

[2] This assumes there is no growth over the period of times listed.

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Prudential

BABY BOOMERS: BORN 1946–1964

Can you finance your desired retirement?

You may wonder if you have enough set aside to be financially independent and enjoy your golden years.

A 60-year-old with an annual household income of $150,000 should have over

$1.3 million

in retirement savings to maintain their lifestyle.[1]

Do YOU have enough for retirement?

More than 1 in 3 65-year-olds today will live to **age 90**.[2]

More than 1 in 7 65-year-olds today will live to **age 95**.[2]

$17,736

The average annual Social Security benefit for retired workers in 2019[3]

41%

of workers are **not confident** they will have enough for medical expenses during retirement.[5]

The potential impact of health care costs on your retirement assets

8.3 million

Over 8.3 million individuals needed **long-term care** in 2016.[6]

1 in 10 people aged 65+ has Alzheimer's dementia.[7]

$4,051

The median monthly cost for an assisted living facility[8]

Nearly 50%

of all workers are not confident in their ability to afford long-term care in retirement.[4]

Caring for others is affecting savings goals

50%

of Baby Boomers have sacrificed or are sacrificing their own retirement savings in order to help their adult children financially.[9]

83%

of the help provided to older adults in the United States comes from family members, friends, or other unpaid caregivers.[10]

$132 billion

The estimated total work-related opportunity cost of unpaid caregiving by 2050[11]

Less stress, more flexibility

With life insurance protection you don't have to die to use, you can supplement and protect your assets to help you avoid being financially dependent on others. A wide range of flexible policy features and options can help address a range of retirement concerns.

For information on how life insurance can help supplement and protect your retirement assets, contact your financial professional.

Name

Title

555-555-5555

Email

1. JP Morgan Asset Management. The Guide to Retirement: 2019 Edition. Page 14. https://am.jpmorgan.com/blob-gim/1383421113847/83456/JP-GTR-2019-FINAL.pdf?segment=AMERICAS_US_ADV&locale=en_US
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THE TAX ADVANTAGES OF LIFE INSURANCE

PREPARING FOR RETIREMENT

As you accumulate assets for retirement, consider how to protect those assets as well as the people you'd like to leave them to. A life insurance policy with cash value can be an important component of a financial strategy for your retirement years by:

- Providing financial protection for those who rely on you.
- Allowing you to reap tax advantages.

Its death benefit, cash value accumulation, and access to that cash value are either tax-free or tax-deferred.

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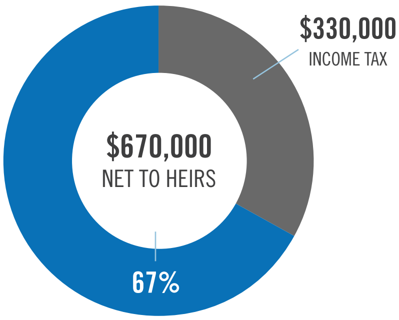
TAKE CONTROL OF TAXES

Since many retirement assets generate a tax bill, taxes can undermine your plans and leave you with less than you expect. And with more and more potential changes in the tax code, no one can predict what you will face when you retire. Fortunately, in addition to a typically federal income tax-free death benefit for your loved ones[1], life insurance can also help by providing supplemental income that is usually income tax-free.

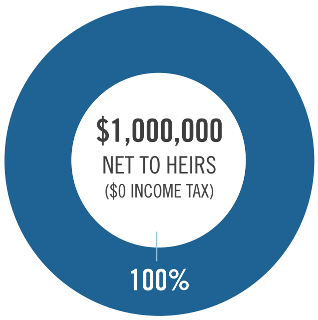
Life insurance with cash value growth potential can be a valuable tool for taking more control of your taxes in retirement in three ways.

1 A GENERALLY FEDERAL INCOME TAX-FREE DEATH BENEFIT

While most financial vehicles create taxable income, life insurance generally does not. So, instead of receiving the "after-tax" amount, your loved ones can receive the full death benefit amount that you've intended for them.



QUALIFIED TAX-DEFERRED ASSET
DEATH BENEFIT: $1,000,000



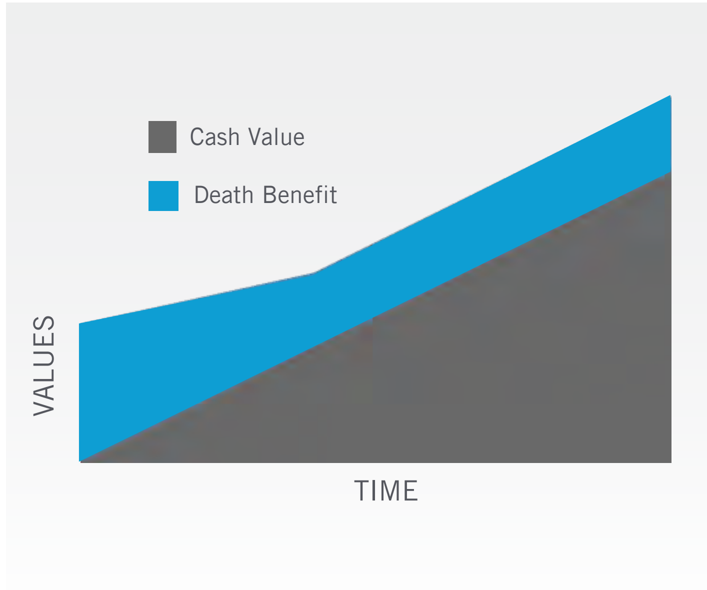
LIFE INSURANCE
DEATH BENEFIT:* $1,000,000

*Life insurance policies are purchased with after-tax dollars.

Prudential

2 INCOME TAX-FREE GROWTH

Any cash value that accumulates in a life insurance policy grows tax-free.[4] In some policies, you can choose a death benefit option that enables the death benefit to increase if the cash value does. This can help you leave even more to your heirs. (If the cash value grows beyond a certain point, the death benefit will be increased. This is to ensure that your policy continues to qualify as life insurance under tax law, and this will also ensure that the tax advantages still apply.)



3 TAX-FREE "LIVING BENEFITS"

Living benefits are benefits paid out to you (while you are alive, of course). These are also generally tax-free and can include:

- **Accessing the death benefit** early—accelerating it—because of a chronic illness. This can be helpful, especially since 6 out of 10 adults have a chronic disease.[2] It is estimated that the average lifetime cost of formal long-term care is $172,000.[3] If family members provide most of your care, you might still like to reimburse them for their lost wages and travel or other costs associated with helping you.
- **Accessing cash value accumulation.** You can access any cash value that builds in your policy for any reason you choose.[4] And you can do so regardless of your age; there is no age 59½ threshold or other limitations. You can access the money in two ways:
    - **Withdrawals** from the policy can generally be taken tax-free up to the amount of premiums you've paid.
    - **Loans** can be taken from the policy tax-free as long as the policy is still in force.

DID YOU KNOW?

YOU CAN USE CASH VALUE IN A POLICY TO HELP SUPPLEMENT RETIREMENT INCOME

It's true! If your policy accumulates enough cash value, you could take a one-time or regular loans or withdrawals from it after you retire.

Since you likely have other assets to pass to your heirs, you might not need the highest death benefit possible. If so, consider choosing a lower face amount, to ensure your family is protected, and paying higher premiums than what's required. This will help to enhance the policy's tax-deferred cash value growth potential.

Please note that federal tax law limits the amount of premium contributions that can be made to a policy for it to keep its tax advantages, so you'll need to stay within certain limits.[5]

Learn more about how you can benefit from the tax advantages of life insurance. Talk with your financial professional today.

[1]According to IRC §101(a).

[2]Centers for Disease Control and Prevention, Chronic Diseases in America, Assessed 12/2020.

[3]PwC, The Formal Cost of Long-Term Care Services: How Can Society Meet a Growing Need?, Accessed 12/2020.

[4]Life insurance policy cash values grow tax-deferred and are potentially income tax-free. Cash values are accessed through withdrawals and policy loans. Withdrawals are generally taxable to the extent they exceed premiums paid into the policy. Any loans that remain unpaid when the policy lapses or is surrendered while the insured is alive will be taxed immediately to the extent of gain in the policy. Unpaid loans and withdrawals will reduce cash values and death benefits.

[5]When premium contributions exceed this limit, the policy is classified as a modified endowment contract (MEC). Distributions from MECs (such as loans, withdrawals, and collateral assignments) are taxed less favorably than distributions from policies that are not MECs to the extent there is gain in the policy. For distributions from a MEC before age 59½, a federal income tax penalty may apply to the extent there is gain in the policy. Please consult a tax advisor.

Life insurance is issued by The Prudential Insurance Company of America, Pruco Life Insurance Company (except in NY), and Pruco Life Insurance Company of New Jersey (in NY). All are Prudential Financial companies located in Newark, NJ and each is solely responsible for its own financial condition and contractual obligations.

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

Prudential does not provide tax or legal advice, please consult an independent tax advisor regarding your personal tax situation.

This material is being provided for informational or educational purposes only and does not take into account the investment objectives or financial situation of any client or prospective clients. The information is not intended as investment advice and is not a recommendation about managing or investing your retirement savings. If you would like information about your particular investment needs, please contact a financial professional.

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Maximize Coverage with Two Policies

Life insurance needs are ever-changing. What begins as a straightforward coverage need may evolve depending on your current life stage, which is why policy reviews are so important.

Take this example: Matt, a 50-year-old male, has a universal life policy with an $800,000 death benefit and $200,000 of cash value. While reassessing his life insurance needs during a policy review, two gaps are uncovered:

1. His current policy doesn't provide enough **income replacement** for his loved ones and he no longer needs the cash value potential he initially sought out, thanks to additional funds he was able to set aside in an emergency account.
2. He's concerned about developing a **chronic illness**, but he doesn't have any coverage to provide protection if he becomes chronically ill.

Rather than starting from scratch, Matt can transfer funds from his existing life insurance policy to a new one using a 1035 exchange. What's more, he can maximize his coverage by using a blended strategy with two Protective Life products — **meeting two needs with one 1035 exchange**.

See how Matt can use the $200,000 in cash value from his original policy toward a blended strategy solution in a 1035 exchange.

Protective Indexed Choice℠ UL
Permanent Coverage

Matt receives coverage, through age 90, with a death benefit of $553,496 for a lump sum payment of $122,977.

ExtendCare℠ Rider
Chronic Illness Coverage

By adding the ExtendCare Rider to his Protective Indexed Choice UL policy, Matt's chronic illness coverage needs are met.

Blended Strategy Solution
with a 1035 exchange

Protective Custom Choice℠ UL
Temporary Coverage*

Matt supplements his permanent coverage with a 20-year policy, adding a $2 million death benefit for a lump sum payment of $77,023.

Assumes male, age 50, preferred non-tobacco. Data for the Blended Strategy Solution is based off a 1035 exchange into a Protective Indexed Choice UL policy with ExtendCare and a $553,496 death benefit for a $122,977 lump sum payment, and a Protective Custom Choice UL policy with a 20-year initial death benefit period and a $2 million death benefit for a $77,023 lump sum. Full evidence of insurability acceptable to the company is required to obtain these policies at that rating class.

Additional information on next page.

Protective
Life Insurance Company
Protect Tomorrow. Embrace Today.™

Let's talk more to learn if a blended strategy solution may be the right fit for you.

The example used is hypothetical for illustration purposes only. Each individual situation will be different based on the age, gender and health status of the insured. Different planned premium frequencies will require different total annual premium amounts. More frequent planned premiums will typically require higher premium payments to be made. For current information on Protective Life Insurance Company's products, please use our ELI software or contact our sales desk for an illustration.

Neither Protective Life nor its representatives offer legal or tax advice. Purchasers should consult with their legal or tax advisor regarding their individual situation before making any tax related decision.

Protective Custom Choice UL (UL-22), a universal life insurance policy, and Protective Indexed Choice UL (UL-27), a flexible premium universal life insurance policy, are issued by Protective Life Insurance Company, Brentwood, TN. Policy form numbers, product features and availability may vary by state. Consult policies for benefits, riders, limitations and exclusions. Subject to underwriting. Up to a two-year contestable and suicide period. Benefits adjusted for misstatements of age or sex. In Montana, unisex rates apply.

*After the initial benefit period ends, the guaranteed death benefit will begin to decrease while the premium amount remains level. The death benefit amount will decrease each year until it reaches the minimum of $10,000. At that point the premiums will increase each year.

This is only a summary of ExtendCare benefits. Actual terms and conditions contained in the rider govern all benefits provided. Please see the rider for more detailed information. Available only at issue and at an additional cost. Assumes medical and financial underwriting qualifications at time of initial application.

ExtendCare falls under IRC Sec. 101(g) Accelerated Death Benefit guidelines and does not fall under health regulations. This differentiation could affect eligibility for public assistance programs such as Medicaid, Supplemental Income, or others. Purchasers should consult a qualified advisor along with a legal or tax advisor to determine if the rider will affect their initial or continued eligibility for public assistance or other tax-related decisions.

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No Bank or Credit Union Guarantee	Not FDIC/NCUA Insured	May Lose Value

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Creating wealth to leave a lasting legacy

Life insurance as an asset

EQUITABLE

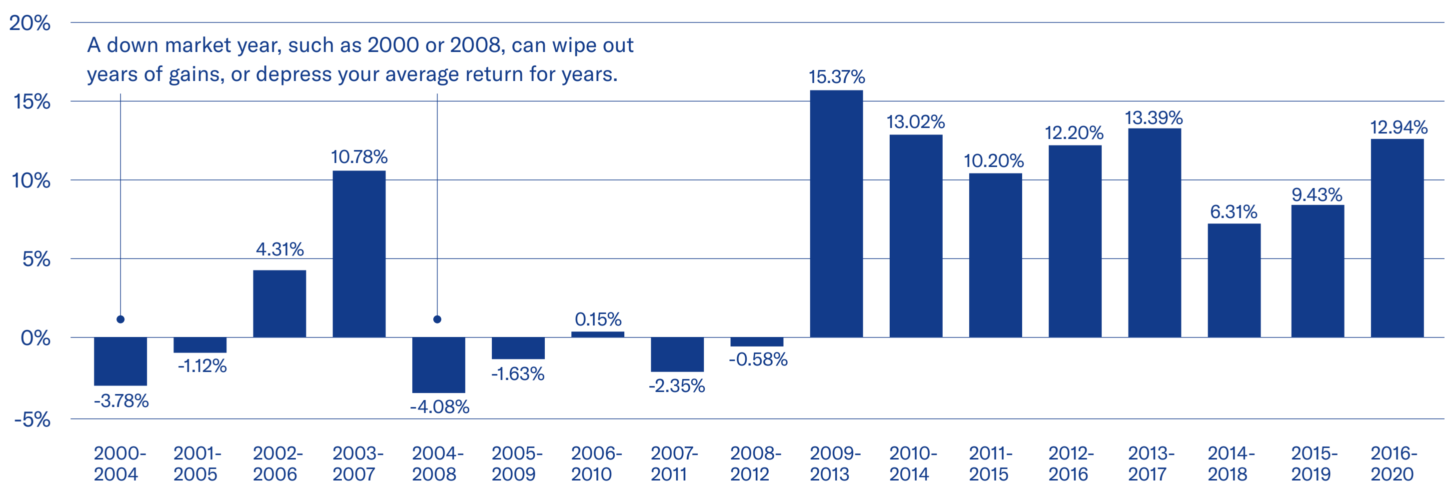
Life insurance as an asset

The greatest strength of life insurance lies in the ability to provide money to a family when someone passes away. Sometimes this amount can be many multiples of the premiums that were paid into the insurance policy.

Many people think of life insurance only as a way to provide for a family after the loss of a breadwinner. But some families are also using life insurance as an asset to ensure that an inheritance can be passed on to their family, regardless of how their other assets perform. This is increasingly important to many families who are still uneasy after the 2008 market crash and unsure of where the market is headed. **A badly timed down market can devastate a planned legacy for years.** The chart below shows market fluctuations in recent years, based on the 5-year S&P 500® Index, without dividends.

By taking a portion of your assets each year to cover the cost of life insurance premiums, you may be able to hedge a portion of your portfolio against fluctuations in the marketplace, because payment comes from the life insurance company,[1] not your assets directly. Knowing that your beneficiaries will be cared for may also allow you to make other choices with your remaining assets — perhaps a more aggressive, growth-oriented strategy, or you might invest more conservatively, knowing you don't need as much growth.

S&P 500® — 5-year average return[1]



Source: Standard & Poor's — the S&P 500® is shown here reflecting the compound annual growth rate without dividends. Past performance is not indicative of future results. Clients cannot invest directly in the S&P 500®.

1 The ability to receive a life insurance benefit is dependent on premium payments being made in a timely manner and the claims-paying ability of the life insurance carrier, among other factors.

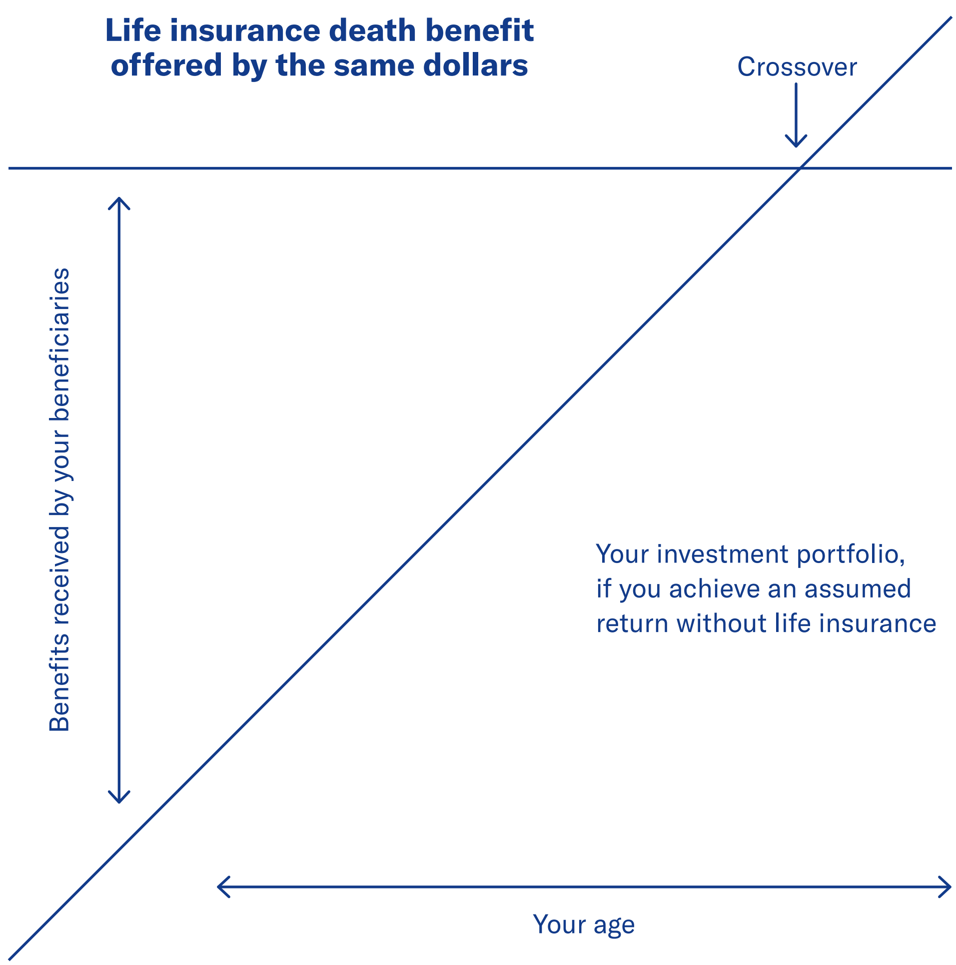
How the strategy works

A hypothetical example of how the strategy works can be seen in the chart below. It shows what you might expect from the same dollars if they were paid into a life insurance policy as premiums, or if they were placed in a hypothetical investment account.

In the early years,[2] life insurance death benefits typically offer substantially more than the hypothetical investment. As time goes on, the leverage offered by life insurance may be reduced as the non-life insurance assets grow and compound. At some point there is a crossover, where the growth in the investment account outweighs the benefit provided by the life insurance policy. Of course, it's hard to know which strategy is more beneficial unless someone knows their precise life expectancy, and whether it is before or after this crossover point.

However, this is a conversation you can have with your financial professional. They can run numbers for you and estimate the internal rate of return in the years before and after your life expectancy.

For you to get the most out of your policy's life insurance benefit, it has to stay inforce until you pass away. If your policy ends or terminates, or if you otherwise dispose of your policy before your death, your beneficiaries would receive a substantially reduced benefit, and any proceeds they would receive above the premiums paid into the contract could be subject to income taxation.



2 Generally, this refers to the first 20-30 years. The number of years will vary depending on the client's age, underwriting class, premium payments and other factors.

Life insurance as an asset: in action

Meet Helen

- 60 years old
- Widowed
- Portfolio of $3,000,000 in real estate and equities[3]

Value of portfolio at age 88

$11,997,877

Pretax 7% rate of return

$8,130,710

Pretax 5% rate of return

Helen's objectives: Helen wants to make sure that her children and grandchildren receive a meaningful inheritance. While Helen expects to receive a 7% return on her investments over time, she is concerned that, in today's environment, the assets might underperform. For example, if her assets receive only a 5% average annual return over time, her beneficiaries might receive substantially less than her expectations. Assuming a blended income and capital gains tax bracket of 27.5%,[4] that 2% difference in return rate over 28 years could result in a difference of more than $3,000,000 in the legacy for her children. A down market near Helen's death could have that type of effect on years of wealth accumulation.

Helen's wealth transfer strategy: As a hedge against that risk, Helen's financial professional suggests she take $30,000 each year, or 1% of her accessible assets, and direct the funds to a life insurance policy on her life. She can own this policy outright, although she may want to consider using a trust. If structured properly, life insurance owned by an irrevocable trust will generally keep the proceeds of the life insurance out of the insured's estate. This will prevent the proceeds from being subject to estate taxation. Estate taxes aren't an issue for Helen, but for others they could be an issue.

Helen's results: Assuming a policy on Helen's life (a 60-year-old female who receives an underwriting category of preferred non-tobacco user), her beneficiaries might see the following results. Each year's life insurance premium is $30,000. That may purchase a life insurance benefit of $2,000,000.[5] Helen's portfolio is reduced slightly due to the premium expense, but the life insurance benefit gives her a potentially more effective transfer strategy.

VUL Legacy℠ is a variable universal life insurance contract with the primary purpose of providing a death benefit. It is also a long-term financial investment that can also allow potential accumulation of assets through customized, professionally managed investment portfolios. These portfolios are closely managed in order to satisfy stated investment objectives. There are fees and charges associated with variable life insurance contracts, including mortality and risk charges, administrative fees, investment management fees, front-end load, surrender charges and charges for optional riders. Additionally, VUL Legacy℠ contains investment risk, including the possible loss of principal invested.

3 This portfolio represents a 50% income/50% appreciation portfolio allocation that is primarily made up of real estate and equities.

4 This is a blended tax rate, which assumes a 35% ordinary income tax rate, a 20% capital gains tax rate and a constant 50% income/50% appreciation portfolio allocation.

Additionally, the death benefit will ensure a return of the funds contributed, something few other financial assets can offer.

In effect, by using her assets to buy life insurance, Helen is giving up some upside potential for greater safety in her wealth transfer strategy. By directing this relatively small amount of her net worth into life insurance, she adds a stabilizing element to the dollars ultimately transferred to her family (provided the policy stays inforce).

Portfolio at average 7% growth				
Year-end	Portfolio without life insurance planning	Portfolio reduced by life insurance premiums	Reduced portfolio plus life insurance death benefit	Difference with life insurance
5	$3,842,539	$3,668,096	$5,668,096	$1,825,557
10	$4,921,701	$4,523,824	$6,523,824	$1,602,123
15	$6,303,942	$5,619,880	$7,169,880	$1,315,937
20	$8,074,381	$7,023,759	$9,023,759	$949,378
25	$10,342,040	$8,821,912	$10,821,912	$479,872
28[6]	$11,997,877	$10,134,918	$12,134,918	$137,040
40	$21,731,875	$17,853,547	$19,853,547	-$1,878,329

Portfolio at average 5% growth				
Year-end	Portfolio without life insurance planning	Portfolio reduced by life insurance premiums	Reduced portfolio plus life insurance death benefit	Difference with life insurance
5	$3,584,627	$3,417,504	$5,417,504	$1,832,877
10	$4,283,184	$3,916,370	$5,916,370	$1,633,186
15	$5,117,872	$4,512,453	$6,512,453	$1,394,581
20	$6,115,221	$5,224,697	$7,224,697	$1,109,477
25	$7,306,928	$6,075,741	$8,075,741	$768,813
28[6]	$8,130,710	$6,664,035	$8,664,035	$533,325
40	$12,465,308	$9,759,535	$11,759,535	-$705,772

5 The policy premium and life insurance death benefit amounts used for this case are based off a $2,000,000 death benefit on a VUL Legacy℠ flexible premium variable universal life policy. The $30,000 premium assumes a gross interest rate of 6%, which is not guaranteed, and current charges. If a 0% rate was used with guaranteed charges, the policy would fail in year 18, at which point $510,000 worth or premium would have been paid into the policy. The illustration is hypothetical and may not be used to project investment results. To determine how this approach would work for you, individual illustrations should be prepared or requested for your review. If different rates were used, there might be significantly different results.

6 This year indicates life expectancy based on the 2008 VBT Mortality Table.

If Helen received a lower rate of return, using life insurance could help offset the risk of loss or underperformance. Through the purchase of life insurance, Helen has, at least in part, shifted the risk of underperformance from her to the insurance company, provided she continues to pay the required premiums.

Make a difference with life insurance

Ultimately, at her life expectancy, Helen's purchase of life insurance increases the amount passing to her beneficiaries.

- If Helen continues to receive the expected pretax return of 7% average annual growth, her beneficiaries would gain an additional $137,000.
- If Helen receives a lower pretax return of 5% on her assets, the gain to beneficiaries would be $533,000. **In fact, if Helen had invested the $30,000 annual premium at a 5% return, she would have to wait until she was age 93 before the funds would grow to a level greater than the $2,000,000 life insurance death benefit.**[7]

7 Helen would need to consider her access to the cash value in a life insurance contract is limited or possibly not available in comparison to an investment where she will have access to her funds. She must also continue to pay the required premiums in the life insurance policy to keep it inforce until her death.

Other considerations

Although using life insurance as a part of your wealth transfer strategy may make sense, you should weigh this against other considerations relative to your long-term financial strategy. Points to consider are:

- By purchasing a life insurance policy, you will consume a portion of assets that might otherwise grow in your investment portfolio. Although life insurance has the potential to offer leverage in the early years, leaving the premium dollars in your portfolio might provide more to your beneficiaries over time. This is particularly true if you live beyond your life expectancy. You should not dedicate excessive amounts of assets to life insurance. Instead, consider life insurance as only one aspect of your overall financial picture.
- The effectiveness of this technique depends on the underlying pricing assumptions in the life insurance policy. Should the life insurance fail to meet the pricing assumptions, or should you live significantly beyond your life expectancy, the anticipated death benefit may not provide your beneficiaries with the anticipated leverage.
- Your ability to purchase life insurance is conditioned by financial and medical underwriting. Based on your overall medical and financial profile, the total amount of life insurance protection you might be able to purchase could be limited or cost prohibitive.
- The ability of the life insurance carrier to pay its obligations will also affect your planning. You should be certain that you are working with a sound carrier and monitor the carrier's overall financial ratings on a periodic basis.

You have choices

Life insurance is one of those choices. When used properly, it can not only protect your family from the unexpected loss of a breadwinner, it can help ensure your beneficiaries a predetermined death benefit. In turn, you will have other choices for the balance of your portfolio.

Why Equitable?

Our dedicated, expert team of Advanced Markets specialists meets the changing needs of clients by offering custom-designed advice and actionable strategies that can proactively help them achieve their desired results — including:

- Strong life insurance portfolio with competitive cash-value product options.
- A wide selection of riders to choose from, including the Charitable Legacy Rider®, which offers an additional death benefit to the charity(ies) of your choice at no added cost.
- Strength and stability. For 161 years, we've been working with clients across generations, building on what's proven and pursuing what's possible.[1]

1 The 161-year history reference applies exclusively to Equitable Financial Life Insurance Company.

To learn more, call your financial professional or visit equitable.com.

This brochure is not a complete description of the VUL Legacy℠ variable life insurance policy. The prospectus contains more complete information about the product, including investment objectives, risks, charges, expenses, limitations and restrictions. Please read the product prospectus and consider the information carefully before purchasing a policy or sending money. You should contact your representative for a copy of the current prospectus.

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