
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 7, 2023

PRUDENTIAL FINANCIAL, INC.

(Exact name of registrant as specified in its charter)

New Jersey
(State or other jurisdiction
of incorporation)

001-16707
(Commission
File Number)

22-3703799
(I.R.S. Employer
Identification Number)

751 Broad Street
Newark, NJ 07102
(Address of principal executive offices and zip code)

(973) 802-6000
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, Par Value \$.01	PRU	New York Stock Exchange
5.950% Junior Subordinated Notes	PRH	New York Stock Exchange
5.625% Junior Subordinated Notes	PRS	New York Stock Exchange
4.125% Junior Subordinated Notes	PFH	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 7.01 Regulation FD Disclosure

On September 7, 2023, Prudential Financial, Inc. (“Prudential” or the “Company”) entered into a Subscription Agreement, pursuant to which Prudential has agreed to purchase a 20 percent interest as a limited partner in Prismic Life Holding Company, LP, a Bermuda exempted limited partnership (“Prismic HoldCo”), and an Amended and Restated Limited Partnership Agreement of Prismic HoldCo, along with other institutional investors who have agreed to become limited partners in Prismic HoldCo.

Prismic HoldCo owns all of the outstanding capital stock of Prismic Life Reinsurance Ltd. (“Prismic Life Re”). The Prudential Insurance Company of America (“PICA”), a subsidiary of Prudential, and Prismic Life Re expect to enter into a reinsurance agreement, pursuant to which PICA will reinsure to Prismic Life Re approximately two-thirds of PICA’s in-force structured settlements annuities business, representing approximately \$10 billion of statutory reserves as of June 30, 2023, subject to the receipt of regulatory approval. Prismic Life Re and PICA have also entered into an Investment Management Agreement with PGIM Portfolio Advisory LLC (“PPA”), a subsidiary of Prudential and a business within PGIM, the global investment management business of Prudential, pursuant to which PPA has agreed to provide investment management services to Prismic Life Re.

Prudential anticipates the following estimated financial impacts as a result of the transactions described above:

- A net reduction to after-tax annual adjusted operating income of approximately \$55 million, reflecting a reduction in Institutional Retirement Strategies earnings, partially offset by an increase in PGIM asset management fees and the expected earnings on the 20 percent limited partner investment in Prismic HoldCo within Corporate & Other; and
- Release of approximately \$650 million of capital, with approximately \$200 million used to fund the 20 percent investment in Prismic HoldCo and the remaining approximately \$450 million to be released over time as the Company’s investment portfolio is repositioned

The Company is furnishing herewith as Exhibit 99.1 a news release announcing the transaction.

Forward-Looking Statements and Non-GAAP Measures

Certain of the statements included in this Current Report on Form 8-K, such as those regarding receipt of regulatory approval and completion of the transaction, the expected reduction in pre-tax adjusted operating income and the expected release of capital, constitute forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Words such as “expects,” “believes,” “anticipates,” “includes,” “plans,” “assumes,” “estimates,” “projects,” “intends,” “should,” “will,” “shall” or variations of such words are generally part of forward-looking statements. Forward-looking statements are made based on management’s current expectations and beliefs concerning future developments and their potential effects upon Prudential Financial, Inc. and its subsidiaries. There can be no assurance that future developments affecting Prudential Financial, Inc. and its subsidiaries will be those anticipated by management. These forward-looking statements are not a guarantee of future performance and involve risks and uncertainties, and there are certain important factors that could cause actual results to differ, possibly materially, from expectations or estimates reflected in such forward-looking statements. Certain important factors that could cause actual results to differ, possibly materially, from expectations or estimates reflected in such forward-looking statements can be found in the “Risk Factors” and “Forward-Looking Statements” sections included in the Company’s Annual Report on Form 10-K. The Company does not undertake to update any particular forward-looking statement included in this document.

This Current Report on Form 8-K includes a reference to adjusted operating income. Adjusted operating income is the measure used by the Company to evaluate segment performance and to allocate resources. Due to the inherent difficulty in reliably quantifying future realized investment gains/losses and changes in asset and liability values given their unknown timing and potential significance, we cannot, without unreasonable effort, provide an estimate of expected lost income from continuing operations, which is the GAAP measure most comparable to adjusted operating income. More information about adjusted operating income can be found in the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” section included in the Company’s Annual Report on Form 10-K.

Item 9.01 Financial Statements and Exhibits.**(d) Exhibits.**

<u>Exhibit No.</u>	<u>Description</u>
99.1	News release of Prudential Financial, Inc. dated September 7, 2023 (furnished and not filed).
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: September 7, 2023

PRUDENTIAL FINANCIAL, INC.

By: /s/ Brian P. Spitzer

Name: Brian P. Spitzer

Title: Vice President and Assistant Secretary



Prudential

WARBURG PINCUS

NEWS RELEASE



Charles Lowrey
Chairman & CEO, Prudential

“This unique reinsurance platform will play an important role in our vision to be a global leader in expanding access to investing, insurance and retirement security for people around the world.”



Chip Kaye
CEO, Warburg Pincus

“Warburg Pincus is thrilled to enter into this strategic partnership with Prudential in the creation of Prismic.”

Prudential Financial, Inc. and Warburg Pincus announce launch of Prismic Life Re

\$10 billion initial reinsurance transaction and \$1 billion equity capital investment establishes new reinsurance platform positioned for scale and long-term growth on behalf of customers

NEWARK, N.J., Sept. 7, 2023 - [Prudential Financial, Inc.](#) (NYSE: PRU) (Prudential) and [Warburg Pincus](#) today announced the launch of Prismic Life Reinsurance, Ltd. (Prismic), a licensed Class E Bermuda-based life and annuity reinsurance company. Prudential and Warburg Pincus, together with a group of investors, have agreed to make equity investments in Prismic and will oversee its long-term strategy through participation on its board of directors.

Prudential expects to reinsure to Prismic a block of structured settlement annuity contracts with reserves of approximately \$10 billion, subject to the receipt of required regulatory approvals. Prudential’s obligations to the holders of these annuities will remain unchanged following the reinsurance arrangement and Prudential will continue to administer the contracts. From there, Prudential aims for Prismic to be a strategic reinsurance partner with the ambition to grow their reinsurance relationship materially in years to come. PGIM and Warburg Pincus will provide asset management services to Prismic.

Through expanded reinsurance capacity, Prudential expects Prismic will allow the company to provide more people with access to its industry-leading life and annuity products.

Charles Lowrey, chairman and CEO of Prudential Financial, Inc., comments: “This unique reinsurance platform will play an important role in our vision to be a global leader in expanding access to investing, insurance, and retirement security for people around the world. Prismic will enhance our ability to address the evolving needs of our insurance customers and clients while continuing to meet our obligations to policyholders. It represents a formidable combination of industry-leading expertise,

-more-

global capabilities, and the backing of two of the world's leading insurance and asset management firms.”

A group of global investors has agreed to make equity investments in Prismic, alongside Prudential and Warburg Pincus, giving Prismic a combined initial equity investment of \$1 billion. Prudential and Warburg Pincus will initially own 20% and 15% of the equity in Prismic, respectively. Prismic's board will include two independent directors and one director nominated by each of Prudential, Warburg Pincus, and the group of investors.

Prismic will leverage PGIM's and Warburg Pincus' global investment management capabilities across public and private markets, including public fixed income, private credit, private real estate, and private equity. Prismic will become a client of PGIM Portfolio Advisory, a newly established affiliate within PGIM that combines asset-liability management expertise with portfolio strategy and asset allocation to deliver integrated solutions across public and private asset classes.

Chip Kaye, CEO, Warburg Pincus, said: “Warburg Pincus is thrilled to enter into this strategic partnership with Prudential in the creation of Prismic. The combination of Prudential's significant in-force and new business origination capabilities, PGIM's expertise in public fixed income, private credit, and real estate with our private markets investment capabilities presents Prismic with a unique opportunity for future, sustainable growth. Prismic's strategy of enhancing long-term investment returns through an end-to-end ecosystem of liability origination, asset-liability management, and asset management clearly aligns with our focus on long-term fundamental value creation. We look forward to the partnership with Prudential and the success of Prismic.”

Prismic will be led by Amy Kessler, a 30-year financial services industry veteran, who will serve as CEO. Kessler was the founding leader of Prudential's international reinsurance business.

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WARBURG PINCUS

ABOUT PRUDENTIAL

Prudential Financial, Inc. ([NYSE: PRU](https://www.nyse.com/quote/NYSE:PRU)), a global financial services leader and premier active global investment manager with approximately \$1.4 trillion in assets under management as of June 30, 2023, has operations in the United States, Asia, Europe, and Latin America. Prudential's diverse and talented employees help make lives better by creating financial opportunity for more people by expanding access to investing, insurance, and retirement security. Prudential's iconic Rock symbol has stood for strength, stability, expertise, and innovation for nearly 150 years. For more information, please visit news.prudential.com.

ABOUT WARBURG PINCUS

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Warburg Pincus LLC is a leading global growth investor. The firm has more than \$83 billion in assets under management. The firm's active portfolio of more than 250 companies is highly diversified by stage, sector, and geography. Warburg Pincus is an experienced partner to management teams seeking to build durable companies with sustainable value. Founded in 1966, Warburg Pincus has raised 21 private equity and 2 real estate funds, which have invested more than \$112 billion in over 1,000 companies in more than 40 countries. Warburg Pincus has been a leading investor in the insurance industry for 30 years, investing more than \$5 billion in equity capital across more than 20 investments, globally. These investments include Aeolus Re, Arch Capital, Fortegra, Foundation Risk Partners, ICICI Lombard Insurance, K2 Insurance Services, McGill & Partners, RenaissanceRe, and Somers Re, amongst others. The firm is headquartered in New York with offices in Amsterdam, Beijing, Berlin, Hong Kong, Houston, London, Luxembourg, Mumbai, Mauritius, San Francisco, São Paulo, Shanghai, and Singapore. For more information please visit www.warburgpincus.com. Follow us on [LinkedIn](#).

Prudential Forward-Looking Statements

Certain of the statements included in this release, such as those regarding the launch of Prismic, reinsurance transactions involving Prismic, the provision of asset management services to Prismic, the anticipated increase in Prudential's underwriting capabilities, equity investments in Prismic by global investors and other institutions, the leadership and operation of Prismic following its launch, and the impact of Prismic on Prudential's business and strategy, constitute forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Words such as "expects," "believes," "anticipates," "includes," "plans," "assumes," "estimates," "projects," "intends," "should," "will," "shall" or variations of such words are generally part of forward-looking statements. Prudential's forward-looking statements are made based on management's current expectations and beliefs concerning future developments and their potential effects upon Prudential Financial, Inc. and its subsidiaries. There can be no assurance that future developments affecting Prudential Financial, Inc. and its subsidiaries will be those anticipated by management. These forward-looking statements are not a guarantee of future performance and involve risks and uncertainties, and there are certain important factors that could cause actual results to differ, possibly materially, from expectations or estimates reflected in such forward-looking statements. Certain important factors that could cause actual results to differ, possibly materially, from expectations or estimates reflected in such forward-looking statements can be found in the "Risk Factors" and "Forward-Looking Statements" sections included in Prudential's Annual Report on Form 10-K. Prudential does not undertake to update any particular forward-looking statement included in this document.

Prudential Financial, Inc. of the United States is not affiliated in any manner with Prudential plc, an international group incorporated in the United Kingdom or the Prudential Assurance Company, a subsidiary of M&G plc, a company incorporated in the United Kingdom.