

UNDERWRITING

BenefitAccess Rider Underwriting Criteria and Potential Alternative Solutions

Prudential's BenefitAccess Rider¹ (BAR) provides access to accelerated death benefits when the insured is chronically or terminally ill, subject to terms and conditions of the rider. The rider is an attractive living benefit to help meet client needs. Many of our permanent life policies, including PruLife® Universal Protector and PruLife Founders Plus UL®, with the BenefitAccess Rider can help your clients prepare for the financial impact of a chronic or terminal illness and provide options that may allow them to have the quality of life and freedom they want.

Understanding if a client qualifies for the rider is important so that you can set appropriate expectations with the client *before* an application is submitted to Underwriting. The following overview includes underwriting criteria and real case examples to help you determine if BAR is an option for your client.

OVERVIEW: BAR UNDERWRITING CRITERIA

<p>Purpose of Insurance</p>	<ul style="list-style-type: none"> In ALL cases, there must be a demonstrated need for the life insurance; this should be reflected in the "Purpose of Insurance, Primary Purpose of Insurance" section of the Agent's Report. BAR can be reflected in the "Purpose of Insurance, Secondary Purpose of Insurance" section of the Agent's Report. There MUST NOT be any reference within the "Purpose of Insurance" section of the Agent's Report to Long-Term Care, Long-Term Care Needs, LTC-type protection, etc. <p><i>BAR is not a long-term care insurance rider; it's important that clients understand the difference between long-term care coverage and the coverage provided under this rider.</i></p>
<p>Available on Policies with</p>	<ul style="list-style-type: none"> Ratings less than 250% mortality (Class D or lower); or A total temporary extra premium less than \$25/\$1,000.
<p>Generally not available in these circumstances</p>	<p>Applicants with the following impairments, regardless of rating:</p> <ul style="list-style-type: none"> Cognitive impairment Cerebrovascular disease; a stroke, TIA within the last 3 years, carotid artery disease History of drug or alcohol treatment within 10 years History of anxiety/depression classified as severe, bipolar disorder, or current use of anti-psychotic medications History of ratable criminal activity Chronic pancreatitis Severe chronic respiratory disease Severe bone or joint disease (such as: severe rheumatoid arthritis, severe osteoarthritis requiring the use of a mechanical aid or assistance with ADLs, osteoporosis with fractures) Chronic pain requiring the regular use of narcotics (see example below) Any impairment requiring the use of an ambulatory aid Neurodegenerative or neuromuscular disease such as multiple sclerosis, Parkinson's, and other similar impairments Current inability to perform one Activity of Daily Living (ADL) including ambulation, bathing, continence, dressing, eating, toileting, and transferring <p>Type 1 diabetes with associated complications and/or cigarette use within the last year Type 2 diabetes with a rating of Class C or greater</p> <p>Professional athletes (e.g., football players, hockey players, soccer players, boxers, wrestlers)</p> <p>Non-U.S. Residents; as a requirement to obtaining benefits under the rider, the insured must be certified by a licensed health care practitioner residing and practicing in the U.S. Noting the medical qualifications the insured must meet to receive benefits, the certification process is likely be prohibitive to a non-U.S. resident.</p>



Generally not available in these circumstances

Older age applicants with the following circumstances:

- Ongoing balance impairment or hypotension, syncope or near syncope (dizziness)
- First time diagnosis of anxiety/depression within one year of the application
- Currently prescribed benzodiazepines, tricyclic antidepressants, and BuSpar (often contraindicated at the older ages and not used often because of the risks: sedative, clouds thinking, and potential for falls)
- Evidence of frailty (e.g., underweight, falls, poor exercise tolerance, limited mobility)

POTENTIAL OPTIONS FOR CLIENTS NOT ELIGIBLE FOR BAR

For clients who are not eligible for BAR, there are alternatives that may help meet chronic or terminal illness financial protection needs, including:

- Living Needs BenefitSM, a rider that accelerates the death benefit if your client becomes terminally ill.²
- Loans and withdrawals, if a policy has a cash value.³
- A blend of term and permanent life insurance components that offers both the Living Needs Benefit and eligible disbursements (loans and withdrawals).

CASE SCENARIOS: PRACTICE ASSESSING A BAR FIT WITH THESE CASE SCENARIOS

<p>Cancer:</p>	<ul style="list-style-type: none"> • 59-year-old female with a history of Stage 2 breast cancer experienced 7 years prior to the application. Policy issued as Class B with a temporary extra of \$10 for 3 years (total temporary extra = \$30.00). <p>BAR removed because of temporary extra.</p>
<p>Diabetes:</p>	<ul style="list-style-type: none"> • 64-year-old female diagnosed with type 2 diabetes 5 years ago and diabetic retinopathy 1 year ago. Treated with oral medication and lab results show good control. Policy issued as Class C for diabetes. <p>BAR removed due to rating for type 2 diabetes at Class C.</p> <ul style="list-style-type: none"> • 50-year-old male diagnosed with type 1 diabetes 13 years ago with no associated complications. Treated with insulin and lab results show excellent control. Current cigarette use. Policy issued as Smoker Class C. <p>BAR removed due to type 1 diabetes and cigarette use within the last year.</p>
<p>Psychiatric History:</p>	<ul style="list-style-type: none"> • 51-year-old male with a 20-year history of depression who recently had an increase in symptoms and began treatment with an anti-psychotic medication. Policy issued as Class A for depression. <p>BAR removed noting significant depression history and treatment with an anti-psychotic.</p> <ul style="list-style-type: none"> • 57-year-old female with a 2-day hospitalization and 3-month disability for anxiety/depression 2 years ago. Currently stable on anti-depressant and anti-anxiety medications. Policy issued as Class D. <p>BAR removed due to severe depression history.</p>
<p>Chronic Pain:</p>	<ul style="list-style-type: none"> • 57-year-old male retired police officer receiving a pension and disability insurance benefit for knee and back injuries, with chronic pain treated with daily narcotic medication. Policy issued as Class B. <p>BAR removed due to the history of chronic pain treated with daily narcotics.</p> <ul style="list-style-type: none"> • 72-year-old male with a history of chronic pain in his hips and back. A month prior to the application, underwent back surgery to fuse vertebrae and remove a disc. Still attending physical therapy and experiences continued limited mobility. Policy issued without a rating. <p>BAR removed due to the history of back pain, not yet fully recovered from recent surgery, and limited mobility.</p>

<p>Cerebrovascular Disease (CVD):</p>	<ul style="list-style-type: none"> 69-year-old female with a history of transient ischemic attack (TIA or mini-stroke) 2 years ago. Policy issued as class B. <p>BAR removed due to the history of TIA.</p>
<p>Alcohol Treatment:</p>	<ul style="list-style-type: none"> 55-year-old male with a history of alcohol treatment 7 years ago. Policy issued without a rating. <p>BAR removed as the time period is still within 10 years of remission.</p>
<p>Older Age:</p>	<ul style="list-style-type: none"> 77-year-old female with bilateral leg weakness. Senior assessment notes needing upper arm strength to stand from seated position; and Get-Up-And-Go test, completed as part of the Senior Assessment exam, was impaired at 28 seconds. Case was issued without a rating. <p>BAR removed due to signs of frailty including leg weakness and impaired mobility.</p> <ul style="list-style-type: none"> 71-year-old female with a history of osteoporosis complicated by multiple falls with injury, hip fracture, and bilateral knee replacements. Recent stress test with poor exercise tolerance. Case was issued without a rating. <p>BAR was removed due to osteoporosis with fractures and signs of frailty including falls, poor exercise tolerance, and impaired mobility.</p>

¹ The BenefitAccess Rider is an optional rider that accelerates the life insurance death benefit when the insured is terminally ill or is chronically ill and otherwise meets the terms of the rider. It is not Long-Term Care (LTC) insurance. Benefits received under the rider will reduce and may deplete the death benefit. Electing the BenefitAccess Rider results in an additional charge and underwriting requirements. Some benefit payments may be subject to a fee. Other terms and conditions apply and can vary by state. Clients should consult their tax and legal advisors.

For New York contracts: Please also note the rider is not subject to the minimum requirements of New York law, does not qualify for the New York State Long-Term Partnership Program, and is not a Medicare supplement policy. In addition, receiving accelerated death benefits may affect clients' eligibility for public assistance programs and such benefits may be taxable. Benefit payments may only be made if the payments are subject to favorable tax treatment by the federal government. When determining whether the benefit payments will receive favorable tax treatment, the payment of benefits from all insurance policies must be considered. Benefit payments may be reduced or unavailable if they are expected to exceed the maximum amount eligible under Internal Revenue Code Section 101(g)(1) and all other applicable sections of federal law for favorable tax treatment.

For most Connecticut contracts: To be eligible for chronic illness benefits your client must also have been confined in a home or institution for at least 6 months previously. This confinement must have been illness related. It also must be expected to continue for life.

² The Living Needs BenefitSM is an accelerated death benefit and is not a health, nursing home, or long-term care insurance benefit and is not designed to eliminate the need for insurance of these types. There is no charge for this rider but, when a claim is paid under this rider, the death benefit is reduced for early payment, and a \$150 processing fee (\$100 in Florida) is deducted. If more than one policy is used for the claim, each policy will have a processing fee of up to \$150 deducted (\$100 in Florida). Portions of the Living Needs BenefitSM payment may be taxable, and receiving an accelerated death benefit may affect eligibility for public assistance programs. The federal income tax treatment of payments made under this rider depends upon whether the insured is considered "terminally ill" or "chronically ill" and, if the policy is business related, whether the insured is receiving the benefits. We suggest that clients seek assistance from a personal tax advisor regarding the implications of receiving Living Needs BenefitSM payments. This rider is not available in Minnesota to new purchasers over age 65 until the policy has been in force for one year, and the nursing home option is not available in California, Connecticut, Florida, Massachusetts, New York, or the District of Columbia. This rider is not available in Washington state. In Oregon, term policies must include the waiver of premium benefit to be eligible for this rider. This rider is offered on policies issued by The Prudential Insurance Company of America, Pruco Life Insurance Company, and Pruco Life Insurance Company of New Jersey. All are Prudential Financial companies located in Newark, NJ.

³ Outstanding loans and withdrawals will reduce policy cash values and the death benefit and may have tax consequences.

Life insurance policies with the BenefitAccess Rider are issued by Pruco Life Insurance Company except in New York, where, if available, they are issued by Pruco Life Insurance Company of New Jersey. Both are Prudential Financial companies located in Newark, NJ.