

## Transition Rules

## Term Essential and Term Elite November 2019

On Monday November 11, 2019, the repriced Term Essential and Term Elite will be introduced, subject to state approvals.

### **TERM ESSENTIAL TRANSITION PERIOD RATE BASIS AUTOMATION**

The November 2019 Term Essential repricing will be the first to benefit from our “Rate Basis Automation” functionality. With this new functionality there is no need for a financial professional to request the lower-priced premium during the November transition period for Term Essential. Term Essential applications (for either the old product or the repriced product) received during the transition period will be priced with a premium based on the lesser of the two automatically.

When the premium rate basis is systematically changed, an informational task will be sent to the producer indicating that the lower premium rates have been applied to the policy.

Applications dated after December 8<sup>th</sup> will receive the New Rates only.

### **TRANSITION DATES**

Ready to Sell Date: **November 11, 2019**

Transition Period End Date: **December 8, 2019**

Not all future repricing’s will be eligible for Rate Basis Automation. The new functionality is used for Term products only and will be activated when there is a rate change only with no feature changes to the product.

### **TERM ELITE TRANSITION RULES**

- **November 11, 2019** (Ready to Sell Date): New Rates for the repriced product are in effect. All applications signed and dated<sup>1</sup> on or after November 11, 2019 will receive New Rates (unless Old Rates are requested and permitted)
- **December 9, 2019** (Transition Period End Date): Last day that an application can be signed with a request for Old Rates
  - If Old Rates are desired for an application dated during the 28-day Transition Period, a request must be submitted on or after the state introduction date
  - Applications dated December 9<sup>th</sup> and later will receive the New Rates only
- States that approve the New Rates after November 11, 2019 will have their “Ready to Sell Date” and “Transition Period End Date” adjusted.

<sup>1</sup>Definition of “application date”:

- Pru Advisors Prepaid eLife - Date on the form of payment and the Authorization, Acknowledgement and Limited Insurance Agreement form
- Pru Advisors COD eLife - Date the Authorization, Acknowledgement, and Limited Insurance Agreement form and Variable Contract Acknowledgement form (if applicable) were signed by the client
- Pru Advisors or Third Party Full Application case - Date the Part 1 of application (ORD 96200) was signed
- Third Party Prepaid Xpress QuickForm case - Date on the form of payment, the Authorization to Release Information form, and the Limited Insurance Agreement form
- Third Party COD Xpress QuickForm case - Date the Authorization to Release Information form and Variable Contract Acknowledgement form (if applicable) were signed by the client

### **REQUESTS FOR NEW RATES**

Requests for changes to the New Rates will be permitted for these situations:

- Any pending case or issued policy that is not yet delivered with an application date prior to the state introduction date can be changed to New Rates, as long as the request for change is made on or after the state introduction date

### **BACKDATING**

Normal backdating rules apply, meaning that the new policy date can be backdated up to six months prior to the application date (three months in Ohio). A policy with New Rates can be dated prior to the state introduction date as long as the application meets the requirements in the TRANSITION RULES above.

Please note: If the date of birth is more than 6 months prior to the state introduction date, you cannot backdate the policy to save age with a request for New Rates.

### **REQUESTS FOR OLD RATES DURING THE TRANSITION PERIOD: INFORMAL/INQUIRY APPLICATIONS**

Informal/Inquiry applications will not be eligible for Old Rates unless replaced by a live application by the end of the 28-day transition period based on state approval.

### **APPLICATIONS WITHOUT OWNERSHIP ARRANGEMENTS**

Formal applications without ownership arrangements (Preliminary applications, trial application and where a Trust is TBD) must be replaced by a final formal application by the end of the 28-day transition period based on state approval to be eligible for the Old Rates.