

## Best and Final Offer Questions

1. **On page 28 of your proposal, you note that you expect to eliminate a number of legacy systems over the next two years. Are any of the major systems, such as eligibility or claims affected by this change? Please provide specifics.**

Prudential eliminated a major legacy system in June of this year (2007) - CMS (Cash Management System). This system was used by our Disability Operation for a number of functions including, but not limited to:

- Administrative Services Only reporting
- Feed to company ledger
- Transactions voiding existing claims
- Feeds to banks

The logic was integrated into the Disability Claims Management System and has worked, and is working, with no reported issues.

2. **Do you remain open to negotiations regarding the performance criteria and standards?**

Yes.

3. **Where is your alternative hardware for system back-up located?**

Fully redundant data centers are located in Roseland, NJ and Fort Washington, PA. Depending on the application, both centers are used as the primary location and alternate location.

4. **Please provide details on how silent call monitoring is used to enhance performance in the various administrative units. Is there a standard process by which calls are selected for monitoring?**

Call monitoring is a significant part of the High Performance Call Coaching Program we have implemented into our customer contact centers. Our program has three main components: Quality evaluation, side-by-side coaching and remote observation. We use these to support the new-hire training process and to enhance the performance of our senior-level Customer Service Professionals.

Below is a brief summary of each of these components:

- **Quality Evaluation**
  - 100% of our customer contact center calls are recorded. A random sampling of these calls are selected for quality review for each Customer Service Professional. We utilize a standard scorecard to evaluate these calls and provide on-going feedback to our staff. Each Customer Service Professional is expected to maintain a 98% score on their monthly individual scorecards. The quality review is performed by our Call Coach Team.
- **Side-By-Side Coaching**
  - As a supplement to our quality evaluation program, we conduct side-by-side coaching sessions with our Customer Service Professionals. These sessions are delivered by our front-line management, call coaches and senior technical leads within our customer contact center. The purpose of these sessions are to develop and reinforce best practices within our team. We use this as an opportunity to deliver immediate feedback to our staff. All Customer Service Professionals participate in this program.
- **Remote Observation**
  - The third component of our program allows our customer contact center management to conduct a focused analysis on individual Customer Service Professionals or other emerging customer trends (call types, key events, etc). We can conduct remote observation via live monitoring or via our call recording system.

**5. For how long do you maintain records of enrollment, premiums, claims, etc? How and where is that data stored?**

Prudential maintains records in compliance with all applicable Federal and State record retention laws/statutes/regulations/guidelines. These records have retention periods of at least seven years. In addition, all other non-regulated operational records are maintained to support good, effective business practices.

**6. Please provide a copy of each policy proposed that exactly matches the benefits quoted in your proposal.**

Included in Section 4 .

SAMPLE

**Commonwealth of  
Pennsylvania**

**Optional Employee Term Life  
Coverage**

**Optional Dependents Term Life  
Coverage**



## SAMPLE

### Foreword

*We are pleased to present you with this Booklet. It describes the Program of benefits we have arranged for you and what you have to do to be covered for these benefits.*

*We believe this Program provides worthwhile protection for you and your family.*

*Please read this Booklet carefully. If you have any questions about the Program, we will be happy to answer them.*

***IMPORTANT NOTICE:*** *This Booklet is an important document and should be kept in a safe place. This Booklet and the Certificate of Coverage made a part of this Booklet together form your Group Insurance Certificate. Sign your name in the space below when you receive this Booklet.*

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*Signature of Employee*

SAMPLE

# Table of Contents

FOREWORD ..... 1

SCHEDULE OF BENEFITS ..... 3

WHO IS ELIGIBLE TO BECOME INSURED ..... 7

WHEN YOU BECOME INSURED ..... 8

DELAY OF EFFECTIVE DATE ..... 10

OPTIONAL EMPLOYEE TERM LIFE COVERAGE ..... 12

OPTION TO ACCELERATE PAYMENT OF DEATH BENEFITS FOR A TERMINALLY ILL OR  
INJURED EMPLOYEE ..... 14

RIGHT TO ELECT TERM LIFE COVERAGE UNDER THE PORTABILITY PLAN ..... 16

OPTIONAL DEPENDENTS TERM LIFE COVERAGE ..... 18

RIGHT TO ELECT DEPENDENTS TERM LIFE COVERAGE UNDER THE PORTABILITY PLAN .. 20

GENERAL INFORMATION ..... 23

WHEN YOUR INSURANCE ENDS ..... 27

CERTIFICATE OF COVERAGE ..... 29

# SAMPLE

## Schedule of Benefits

**Covered Classes:** The "Covered Classes" under this schedule are these Employees of the Contract Holder (and its Associated Agencies): All Permanent full-time Employees and Permanent part-time Employees who work at least 50% of full-time hours in agencies who participate in the Commonwealth's Human Resources/Payroll system.

**Program Date:** July 1, 2007. This Booklet describes the benefits under the Group Program as of the Program Date.

- This Booklet and the Certificate of Coverage together form your Group Insurance Certificate. The Coverages in this Booklet are insured under a Group Contract issued by Prudential. All benefits are subject in every way to the entire Group Contract which includes the Group Insurance Certificate. It alone forms the agreement under which payment of insurance is made.

### OPTIONAL EMPLOYEE TERM LIFE COVERAGE

You may enroll for one of the options below. The option for which you enroll will be recorded by Prudential.

#### BENEFIT AMOUNTS:

##### Amount For Each Benefit Class:

Benefit Classes	Amount of Insurance
All Employees	
Option 1	100% of your base pay rate annualized.*
Option 2	200% of your base pay rate annualized.*
Option 3	300% of your base pay rate annualized.*
Option 4	400% of your base pay rate annualized.*
Option 5	500% of your base pay rate annualized.*

\*If this amount is not a multiple of \$1,000, it will be rounded to the next higher multiple of \$1,000.

Maximum Amount: \$500,000.

**Non-medical Limit on Amount of Insurance:** There is a limit on the amount for which you may be insured without submitting evidence of insurability. This is called the Non-medical Limit.

If the amount of insurance for your Class at any time is more than the Non-medical Limit, you must give evidence of insurability satisfactory to Prudential before the part over the Limit can become effective.

## SAMPLE

This requirement applies: when you first become insured; when your Class changes; if you request an increase in your Amount of Insurance; or if the amount for your Class is changed by an amendment to the Group Contract. Even if you are insured for an amount over the Limit, you will still have to meet this evidence requirement before any increase in your amount of insurance can become effective. The amount of your insurance will be increased to the amount for your Class when Prudential decides the evidence is satisfactory and you meet the Active Work Requirement.

Non-medical Limit (Offer #1): The lesser of (1) 100% of your base pay rate annualized and (2) \$100,000.

Non-medical Limit (Alternate Offer): The lesser of (1) 300% of your base pay rate annualized and (2) \$350,000.

The Delay of Effective Date section does not apply to this provision.

**Changing Plans at Annual Enrollment:** You may enroll for Optional Employee Term Life Coverage or you may elect to have your amount of insurance under the Coverage changed during the Annual Enrollment Period. You must do this on a form approved by Prudential and agree to make any required contributions.

You must give evidence of insurability if: (a) you enroll more than 31 days after you first could have been covered; or (b) if you request an increase of more than one option. Changes will become effective on the date designated by the Employer. But a new enrollment or an increase, which are subject to evidence, will be effective on the date Prudential decides the evidence is satisfactory, if this date is later. The Delay of Effective Date section applies to all changes except decreases.

Any Non-medical Limit will apply to an increased amount of coverage.

The "Definitions" section explains what "Annual Enrollment Period" means.

**Effect of Option to Accelerate Payment of Death Benefits:** Your amount of insurance (as determined in the absence of this provision) will be reduced by the amount of any Terminal Condition Proceeds paid under the Option to Accelerate Payment of Death Benefits.

### OPTIONAL DEPENDENTS TERM LIFE COVERAGE

The amount of insurance is the amount for your Benefit Class. You may enroll your Qualified Dependents for the plan shown below. If you may choose the amount of insurance or if there are options from which to select, the amount for which you enroll will be recorded by Prudential. Your Benefit Class is determined by the classification of your dependents and the amount for which you enroll as shown in this table.

<b>Qualified Dependents Classification</b>	<b>Amount of Insurance*</b>
Your spouse	Any multiple of \$10,000. Maximum Amount: \$100,000.
Your children	
Option 1	\$5,000.
Option 2	\$10,000 .

## SAMPLE

- \* The amount of insurance on a dependent will not exceed 100% of the amount for which you are insured under the Optional Employee Term Life Coverage.

**Non-medical Limit on Amount of Insurance for Your Spouse:** There is a limit on the amount for which your spouse may be insured without submitting evidence of insurability. This is called the Non-medical Limit.

If you elect an amount of Dependents Term Life Coverage for your spouse above the Non-medical Limit, you must give evidence of insurability for your spouse satisfactory to Prudential before the part over the Limit can become effective. The amount of your spouse's insurance will be increased when Prudential decides the evidence is satisfactory and your spouse is not home or hospital confined for medical care or treatment. This requirement applies: when your spouse first becomes insured, or if you elect to have your spouse's amount of Dependents Term Life Coverage increased.

Non-medical Limit (Offer #1): \$20,000.

Non-medical Limit (Alternate Offer): \$50,000.

The Delay of Effective Date section does not apply to this provision.

**Increases and Decreases:** You may elect to have the amount of insurance on your dependents changed. You must do this on a form approved by Prudential and agree to make any required contributions.

If you request an increase in the amount of insurance on your spouse, you must give evidence of insurability for your spouse. The amount of insurance on your spouse will be increased when Prudential decides the evidence is satisfactory and your spouse is not home or hospital confined for medical care or treatment.

If you request an increase in the amount of insurance on a dependent child, the amount of insurance on that child will be increased on the date of your written request or, if later, when that child is not home or hospital confined for medical care or treatment. Evidence of insurability is not required for an increase in the amount of insurance on a child.

If you request a decrease in the amount of insurance on a dependent, the amount of insurance on that dependent will be decreased on the date of your written request.

### OTHER INFORMATION

**Contract Holder:** COMMONWEALTH OF PENNSYLVANIA

**Group Contract No.:** LG-91475-PA

**Associated Agencies:** Associated Agencies are independent agencies of the Commonwealth of Pennsylvania that participate in the group life insurance program and are reported to Prudential in writing for inclusion under the Group Contract, provided that Prudential has approved such request.

**Cost of Insurance:** The insurance in this Booklet is Contributory Insurance. You will be informed of the amount of your contribution when you enroll. Any contribution due but unpaid at your death will be deducted from the death benefit.

**Prudential's Address:**

The Prudential Insurance Company of America  
290 West Mount Pleasant Avenue  
Livingston, New Jersey 07039

83500  
BSB 1009

(91475-13)

# SAMPLE

## WHEN YOU HAVE A CLAIM

Each time a claim is made, it should be made without delay. Use a claim form, and follow the instructions on the form.

If you do not have a claim form, contact Prudential.

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## SAMPLE

# Who is Eligible to Become Insured

### FOR EMPLOYEE INSURANCE

**You are eligible for Employee Insurance while:**

- You are a permanent Employee of the Employer; and
- You are in a Covered Class; and
- You have completed the Employment Waiting Period, if any. You may need to work for the Employer for a continuous period before you become eligible for the Coverage. The period must be agreed upon by the Employer and Prudential. Your Employer will inform you of any such Employment Waiting Period for your class.

**Your class** is determined by the Contract Holder. This will be done under its rules, on dates it sets. The Contract Holder must not discriminate among persons in like situations. You cannot belong to more than one class for insurance on each basis, Contributory or Non-contributory Insurance, under a Coverage. "Class" means Covered Class, Benefit Class or anything related to work, such as position or earnings, which affects the insurance available.

**This applies if you are an Employee of more than one associated agency included under the Group Contract:** For the insurance, you will be considered an Employee of only one of those subsidiaries or affiliates. Your service with the others will be treated as service with that one.

The rules for obtaining Employee Insurance are in the When You Become Insured section.

### FOR DEPENDENTS INSURANCE

**You are eligible for Dependents Insurance while:**

- You are eligible for Employee Insurance; and
- You have a Qualified Dependent.

**Qualified Dependents:**

**These are the persons for whom you may obtain Dependents Insurance:**

- Your spouse.
- Your unmarried children 14 days to 19 years old.

Your children include your legally adopted children, children placed with you for adoption prior to legal adoption, and each of your stepchildren and foster children who depends on you for support and maintenance. A child placed with you for adoption prior to legal adoption is considered your Qualified Dependent from the date of placement for adoption, and is treated as though the child were a newborn child born to you.

# SAMPLE

## Exceptions:

(1) The age 19 limit does not apply to a child who:

- (a) wholly depends on you for support and maintenance;
- (b) is enrolled as a full-time student in a school; and
- (c) is less than the Student Age Limit.

Student Age Limit: 25.

(2) Your spouse or child is not your Qualified Dependent while:

- (a) on active duty in the armed forces of any country; or
- (b) insured under any Employee Term Life Coverage of the Group Contract; or
- (c) the spouse or child has protection under any Employee Term Life Coverage of the Group Contract after the spouse's or child's insurance under that Coverage ends.

**A child will not be considered the Qualified Dependent of more than one Employee.** If this would otherwise be the case, the child will be considered the Qualified Dependent of the Employee named in a written agreement of all such Employees filed with the Contract Holder. If there is no written agreement, the child will be considered the Qualified Dependent of:

- (1) the Employee who became insured under the Group Contract with respect to the child, while the child was a Qualified Dependent of only that Employee; and otherwise
- (2) the Employee who has the longest continuous service with the Employer, based on the Contract Holder's records.

The rules for obtaining Dependents Insurance are in the When You Become Insured section.

## When You Become Insured

### FOR EMPLOYEE INSURANCE

Your Employee Insurance under a Coverage will begin the first day on which:

- You have enrolled, if the Coverage is Contributory; and
- You are eligible for Employee Insurance; and
- You are in a Covered Class for that insurance; and
- You have met any evidence requirement for Employee Insurance; and
- Your insurance is not being delayed under the Delay of Effective Date section below; and

## SAMPLE

- That Coverage is part of the Group Contract.

For Contributory Insurance, you must enroll on a form approved by Prudential and agree to pay the required contributions. Your Employer will tell you whether contributions are required and the amount of any contribution when you enroll.

At any time, the benefits for which you are insured are those for your class, unless otherwise stated.

**When evidence is required:** In any of these situations, you must give evidence of insurability. This requirement will be met when Prudential decides the evidence is satisfactory.

- (1) For Contributory Insurance, you enroll more than 31 days after you could first be covered.
- (2) You enroll after any of your insurance under the Group Contract ends because you did not pay a required contribution.
- (3) You wish to become insured for life insurance and have an individual life insurance contract which you obtained by converting your insurance under a Coverage of the Group Contract.
- (4) You have not met a previous evidence requirement to become insured under any Prudential group contract covering Employees of the Employer.

### FOR DEPENDENTS INSURANCE

Your Dependents Insurance under a Coverage for a person will begin the first day on which all of these conditions are met:

- You have enrolled for Dependents Insurance under the Coverage, if the Coverage is Contributory.
- The person is your Qualified Dependent.
- You are in a Covered Class for that insurance.
- To be insured for a Qualified Dependent under the Dependents Term Life Coverage, you must be insured under the Optional Employee Term Life Coverage of the Group Contract.
- You have met any evidence requirement for that Qualified Dependent.
- Your insurance for that Qualified Dependent is not being delayed under the Delay of Effective Date section below.
- Dependents Insurance under that Coverage is part of the Group Contract.

For Contributory Insurance, you must enroll on a form approved by Prudential and agree to pay the required contributions. Your Employer will tell you whether contributions are required and the amount of any contribution when you enroll.

At any time, the Dependents Insurance benefits for which you are insured are those for your class, unless otherwise stated.

**When evidence is required:** In any of these situations, you must give evidence of insurability for a Qualified Dependent spouse. This requirement will be met when Prudential decides the evidence is satisfactory. Evidence is not required for a Qualified Dependent child.

## SAMPLE

- (1) For Contributory Insurance, you enroll for Dependents Insurance under a Coverage more than 31 days after you are first eligible for Dependents Insurance.
- (2) You enroll for Dependents Insurance after any insurance under the Group Contract ends because you did not pay a required contribution.
- (3) The Qualified Dependent is a person for whom a previous requirement for evidence of insurability has not been met. The evidence was required for that person to become covered for an insurance, as a dependent or an Employee. That insurance is or was under any Prudential group contract for Employees of the Employer.

**Change in Family Status:** It is important that you inform the Employer promptly when you first acquire a Qualified Dependent. You should also inform the Employer if your Dependents Insurance status changes from one to another of these categories:

- No Qualified Dependents.
- Qualified Dependent spouse only.
- Qualified Dependent spouse and children.
- Qualified Dependent children only.

If you are insured under a Coverage for one or more children, you need not report additional children.

Forms are available for reporting these changes.

## Delay of Effective Date

### FOR EMPLOYEE INSURANCE

Your Employee Insurance under a Coverage will be delayed if you do not meet the Active Pay Status Requirement on the day your insurance would otherwise begin. Instead, it will begin on the first day you meet the Active Pay Status Requirement and the other requirements for the insurance. The same delay rule will apply to any change in your insurance that is subject to this section. If you do not meet the Active Pay Status Requirement on the day that change would take effect, it will take effect on the first day you meet that requirement.

### FOR DEPENDENTS TERM LIFE COVERAGE

A Qualified Dependent may be confined for medical care or treatment, at home or elsewhere. If a Qualified Dependent is so confined on the day that your Dependents Insurance under a Coverage for that Qualified Dependent, or any change in that insurance that is subject to this section, would take effect, it will not then take effect. The insurance or change will take effect upon the Qualified Dependent's final medical release from all such confinement. The other requirements for the insurance or change must also be met.

## SAMPLE

Newborn Child Exception: This section does not apply to a child of yours if the child is born to you, becomes your Qualified Dependent when the child is 14 days old, and either:

- (1) is your first Qualified Dependent; or
- (2) becomes a Qualified Dependent while you are insured for Dependents Insurance under that Coverage for any other Qualified Dependent.

Also, this section does not apply to any age increase in the amount of insurance for a child under the Dependents Term Life Coverage.

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## SAMPLE

# Optional Employee Term Life Coverage

### FOR YOU ONLY

#### A. DEATH BENEFIT WHILE A COVERED PERSON.

If you die while a Covered Person, the amount of your Employee Term Life Insurance under this Coverage is payable when Prudential receives written proof of death.

#### B. DEATH BENEFIT DURING CONVERSION PERIOD.

A death benefit is payable under this Section B if you die:

- (1) within 31 days after you cease to be a Covered Person; and
- (2) while entitled (under Section C) to convert your Employee Term Life Insurance under this Coverage to an individual contract.

The amount of the benefit is equal to the amount of Employee Term Life Insurance under this Coverage you were entitled to convert. It is payable even if you did not apply for conversion. It is payable when Prudential receives written proof of death.

#### C. CONVERSION PRIVILEGE.

If you cease to be insured for the Employee Term Life Insurance of the Group Contract for one of the reasons stated below, you may convert all or part of your insurance under this Coverage, which then ends, to an individual life insurance contract. Evidence of insurability is not required. The reasons are:

- (1) Your employment ends or you transfer out of a Covered Class.
- (2) All term life insurance of the Group Contract for your class ends by amendment or otherwise. But, on the date it ends, you must have been insured for five years for that insurance (or for that insurance and any Prudential rider or group contract replaced by that insurance).

Any such conversion is subject to the rest of this Section C.

**Availability:** You must apply for the individual contract and pay the first premium by the later of:

- (1) the thirty-first day after you cease to be insured for the Employee Term Life Insurance; and
- (2) the fifteenth day after you have been given written notice of the conversion privilege. But, in no event may you convert the insurance to an individual contract if you do not apply for the contract and pay the first premium prior to the ninety-second day after you cease to be insured for the Employee Term Life Insurance.

## SAMPLE

**Individual Contract Rules:** The individual contract must conform to the following:

**Amount:** Not more than your Employee Term Life Insurance under this Coverage when your insurance ends. But, if it ends because all term life insurance of the Group Contract for your class ends, the total amount of individual insurance which you may get in place of all your life insurance then ending under the Group Contract will not exceed the lesser of the following:

- (1) The total amount of all your life insurance then ending under the Group Contract reduced by the amount of group life insurance from any carrier for which you are or become eligible within the next 31 days.
- (2) \$10,000.

**Form:** Any form of a life insurance contract that:

- (1) conforms to Title VII of the Civil Rights Act of 1964, as amended, having no distinction based on sex; and
- (2) is one that Prudential usually issues at the age and amount applied for.

This does not include term insurance or a contract with disability or supplementary benefits.

**Premium:** Based on Prudential's rate as it applies to the form and amount, and to your class of risk and age at the time.

**Effective Date:** The end of the 31 day period after you cease to be insured for the Employee Term Life Insurance.

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Any death benefit provided under a section of this Coverage is payable according to that section and the Beneficiary and Mode of Settlement Rules.

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## SAMPLE

# Option to Accelerate Payment of Death Benefits for a Terminally Ill or Injured Employee

### Note:

- (1) If you elect this option, the amount of your Employee Term Life Insurance is reduced by any payment made under this option.
- (2) Any payment made under this option may be taxable. You are advised to seek the help of a professional tax advisor for assistance with any questions that you may have.

The following is added to the Employee Term Life Coverage provision:

### Definitions

- **Terminal Condition:** A medically determinable condition that results in your becoming a Terminally Ill or Injured Employee.
- **Terminally Ill or Injured Employee:** An Employee whose life expectancy is 6 months or less.
- **Terminal Condition Proceeds:** The amount of Employee Term Life Insurance that you may elect to place under this option. The Terminal Condition Proceeds are equal to 75% of the amount in force on your life on the date Prudential receives the proof that you are a Terminally Ill or Injured Employee, but not more than \$250,000.

**Option:** If you become a Terminally Ill or Injured Employee while insured under the Employee Term Life Insurance provision or while your death benefit protection is being extended under the Employee Term Life Coverage provision, you may elect to have the Terminal Condition Proceeds placed under this option. That election is subject to the rules set forth below. To exercise this option, you should use a claim form and follow the instructions on the form. If you do not have a claim form, contact your Employer. When payment is made under this option, Prudential will send you a benefit payment notice. The notice will indicate: (1) the amount of your Terminal Condition Proceeds; and (2) the amount of your Employee Term Life Insurance, if any, that remains in effect.

**Payment of Terminal Condition Proceeds:** If you elect this option, Prudential will pay the Terminal Condition Proceeds you place under this option in one sum when it receives proof that you are a Terminally Ill or Injured Employee.

If you do not want the Terminal Condition Proceeds in one sum, you may elect to have them paid in 6 equal monthly installments. The first monthly payment will be due when Prudential receives proof that you are a Terminally Ill or Injured Employee. The other payments are due on the same day of each later month.

**To Whom Payable:** The benefits under this provision are payable to you.

**Amount Due But Unpaid at Your Death:** If you elect monthly installments and you die before all payments have been made, Prudential will pay your Beneficiary or Beneficiaries determined under the Beneficiary Rules in one sum. That sum will be the total of the payments that remain.

## SAMPLE

**Rules:** Your right to be paid under this option is subject to these terms:

- (1) You must choose this option in writing in a form that satisfies Prudential.
- (2) You must furnish proof that satisfies Prudential that your life expectancy is 6 months or less, including certification by a Doctor.
- (3) Your Employee Term Life Insurance must not be assigned.
- (4) Terminal Condition Proceeds will be made available to you on a voluntary basis only. Therefore:
  - (a) If you are required by law to use this option to meet the claims of creditors, whether in bankruptcy or otherwise, you are not eligible for this benefit.
  - (b) If you are required by a government agency to use this option in order to apply for, get or keep a government benefit or entitlement, you are not eligible for this benefit.
- (5) You may elect this option only once.

**Effect on Insurance:** This benefit is in lieu of the benefits that would have been paid on your death with respect to the Terminal Condition Proceeds. When you elect this option, the total amount of Employee Term Life Insurance otherwise payable on your death, including any amount under an extended death benefit, will be reduced by the Terminal Condition Proceeds. Also, any amount you could otherwise have converted to an individual contract will be reduced by the Terminal Condition Proceeds.

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## SAMPLE

# Right to Elect Term Life Coverage under the Portability Plan

This right applies to the Optional Employee Term Life Coverage under the Group Contract.

It describes when and how you may become covered for similar coverage under the Portability Plan when your Optional Employee Term Life Coverage under the Group Contract ends. The terms and conditions of the Portability Plan will not be the same as those under this Group Contract. The amount of insurance available under the Portability Plan may not be the same as the amount under this Group Contract.

## RIGHT TO APPLY FOR COVERAGE UNDER THE PORTABILITY PLAN

A right under this section is subject to the rest of these provisions.

You will have the right to apply for term life coverage under the Portability Plan if you meet all of these tests:

- (1) Your Optional Employee Term Life Coverage ends for any reason other than:
  - (a) your failure to pay, when due, any contribution required for it; or
  - (b) the end of your employment on account of your retirement; or
  - (c) the end of the Coverage for all Employees when such Coverage is replaced by group life insurance from any carrier for which you are or become eligible within the next 31 days.
- (2) You meet the Active Work Requirement on the day your insurance ends.
- (3) You are less than age 80.
- (4) Your Amount of Insurance is at least \$20,000 under the Optional Employee Term Life Coverage on the day your insurance ends.

## PORTABILITY APPLICATION PERIOD

You have the right to apply for coverage under the Portability Plan during the Portability Application Period. Evidence of insurability is not required to become insured under the Portability Plan. But, if you submit evidence and Prudential decides the evidence is satisfactory, you will pay lower premium rates.

The Portability Application Period is the 31 day period after your Optional Employee Term Life Coverage ends. But, if you have the right to convert your insurance under the Optional Employee Term Life Coverage to an individual contract, it is the longer of:

- (1) the 31 day period after your Coverage ends; and
- (2) the number of days during which you have the right to convert your insurance under the Coverage to an individual life insurance contract as shown in the Coverage.

# SAMPLE

## EFFECT OF CONVERSION PRIVILEGE

The right to elect coverage under the Portability Plan is provided in lieu of the conversion privilege described in the Optional Employee Term Life Coverage, except as follows:

- (1) You may convert your amount of insurance under the Optional Employee Term Life Coverage in excess of the maximum for term life coverage under the Portability Plan. This maximum is the lesser of 5 times your base pay rate annualized and \$1,000,000.
- (2) You may convert your insurance if you elected coverage under the Portability Plan, but Prudential decided that your evidence of insurability was not satisfactory.

If you elect to convert all of your insurance under the Optional Employee Term Life Coverage to an individual contract, you may not elect to apply for coverage under the Portability Plan.

If, during the Portability Application Period, you apply for coverage under the Portability Plan and then elect to convert all of your insurance under the Optional Employee Term Life Coverage to an individual contract, your coverage under the Portability Plan will not become effective.

The right to elect coverage under the Portability Plan does not affect your coverage under the Death Benefit During Conversion Period provision of the Optional Employee Term Life Coverage.

## TERMS AND CONDITIONS OF THE PORTABILITY PLAN

The form, amount, first premium, and effective date will be as stated below.

**Form and Amount:** The form of term life coverage that Prudential then makes available under the Portability Plan. The terms and conditions of that coverage will not be the same as the Optional Employee Term Life Coverage under the Group Contract.

**Amount:** Not more than your amount of insurance under the Optional Employee Term Life Coverage when your insurance ends, but not less than \$20,000.

The maximum amount of term life insurance under the Portability Plan is the lesser of 5 times your base pay rate annualized and \$1,000,000.

**First Premium:** The first premium is due to Prudential within 31 days of the date the first bill is issued.

**Effective Date:** The day after the Portability Application Period ends.

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## SAMPLE

# Optional Dependents Term Life Coverage

### FOR YOUR DEPENDENTS ONLY

#### A. DEATH BENEFIT WHILE A COVERED PERSON.

If a dependent dies while a Covered Person, the amount of insurance on that dependent under this Coverage is payable when Prudential receives written proof of death.

#### B. DEATH BENEFIT DURING A CONVERSION PERIOD.

A death benefit is payable under this Section B if a dependent dies:

- (1) within 31 days after ceasing to be a Covered Person; and
- (2) while entitled (under Section C) to a conversion of the insurance under this Coverage to an individual contract.

The amount of the benefit is equal to the amount of Dependents Term Life Coverage which could have been converted. It is payable even if conversion was not applied for. It is payable when Prudential receives written proof of death.

#### C. CONVERSION PRIVILEGE.

This privilege applies if you cease to be insured for the Dependents Term Life Coverage of the Group Contract with respect to a dependent. That dependent may have your insurance on the dependent under this Coverage, which then ends, converted to an individual life insurance contract. Evidence of insurability is not required. However, conversion is not available if the insurance ends for one of these reasons:

- (1) You fail to make any required contribution for insurance under the Group Contract.
- (2) All Dependents Term Life Coverage of the Group Contract for your class ends by amendment or otherwise. This (2) does not apply if, on the date it ends, you have been insured with respect to the dependent for five years for that insurance (or for that insurance and any Prudential rider or group contract replaced by that insurance).

Any such conversion is subject to the rest of this Section C.

**Availability:** The individual contract must be applied for and the first premium must be paid by the later of:

- (1) the thirty-first day after you cease to be insured for Dependents Term Life Coverage with respect to the dependent; and
- (2) the fifteenth day after you have been given written notice of the conversion privilege. But, in no event may you convert the insurance to an individual contract if you do not apply for the contract and pay the first premium prior to the ninety-second day after you cease to be insured for Dependents Term Life Coverage with respect to the dependent.