

# PRU'S REPRICED PRULIFE® ROP TERM IS NOW MORE COMPETITIVE

PRULIFE® RETURN OF PREMIUM TERM: REPRICED FOR 2010

## Starting August 16th, Pru decreases premiums by an average of 8% on its Return of Premium Term

Recently, many carriers have increased their rates on their return of premium term products or dropped the product entirely. At Pru, not only have we kept the product as an essential part of our dynamic product portfolio – **premium rates will drop by an average of 8%!**

### Reasons why you should sell Pru's ROP Term

**PruLife® Return of Premium Term will be repriced** to offer improved competitiveness and top-quartile rates in key cells for all level-term periods! Significant rate decreases (**up to 19%!**), can be found at:

- ▶ \$250,000 - \$1 million face amounts
- ▶ 20 and 30 year level premium periods
- ▶ Top four non-smoker underwriting categories

### Introducing a new band

We've added a new face amount band at \$500,000 that allows us to target premium reductions!

- ▶ Band 1– \$100,000- \$249,999
- ▶ Band 2– \$250,000- \$499,999
- ▶ **Band 3– \$500,000- \$999,999**
- ▶ Band 4– >= \$1,000,000

Plus, be sure to keep an eye on the face amount your clients request – at some band breaks you may be able to offer your clients higher face amounts for lower premiums!

### What ROPT can offer your clients

- ▶ **Affordable death benefit protection** and the ability to **build cash value\*** within the policy
- ▶ Guaranteed **return of all premiums paid** at the end of the selected level premium paying period (provided there are no outstanding loans and the client is alive at the end of the level paying period)
- ▶ **Flexibility** to address life's changing needs, including **valuable living benefits:**
  - Conversion privileges to a strong suite of permanent products
  - Policy loan capability - Automatic Premium Loan feature
  - Reduced Paid-Up option
  - "Pay Fewest Years" option - premiums are paid by borrowing from the existing cash value at a fixed interest rate of 8%\*
  - *Living Needs Benefit*<sup>SM</sup> Rider<sup>1</sup>
- ▶ Plus, recent **underwriting improvements** will help ensure your clients get our best offer

### ROP Term's Appeal

Make sure you tell your clients who have mortgage protection, income replacement, or college funding needs about ROP! In a recent Prudential survey<sup>2</sup>, mortgage protection (32%), income replacement (26%), and college funding/protection (24%) were the most common underlying needs for recent ROP purchasers when they were considering the product.

ROP Term is a valuable life insurance solution that may be advantageous in these situations:

- ▶ Retirement planning
- ▶ Divorce planning
- ▶ Buy-Sell Agreements
- ▶ Key Employee Coverage
- ▶ Business Continuation

**Reminder: The use of policy cash values to pay for educational expenses cannot be promoted as a sales concept in Nevada.**

Stay tuned for more information on ROP Term, including competitive breakdowns, key product niches, and sales ideas...

FOR INTERNAL USE ONLY. NOT FOR USE WITH THE PUBLIC.

*(Please see important information on page 2.)*

\* **Return of premium term** does accumulate cash value but often only after many years of policy ownership. Plus, this cash value does not earn interest. Borrowing against cash value reduces both the death benefit and the cash value returned at the end of the level period by the amount of the loan and the loan interest outstanding.

<sup>1</sup> The *Living Needs Benefit* 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 is deducted. If more than one policy is used for the claim, each policy will have a processing fee of up to \$150. Portions of the *Living Needs Benefit* 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 the recipient of the benefit and is considered "terminally ill" or "chronically ill." We suggest that clients seek assistance from a personal tax advisor regarding the implications of receiving *Living Needs Benefit* 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 New York or the District of Columbia. **This rider is not available in Connecticut, Massachusetts, and Washington state** and is not currently available in Florida on Return of Premium Term, Universal Protector, Universal Plus, or VUL Protector. In Oregon, term policies must include the waiver of premium benefit to be eligible for this rider.

<sup>2</sup> Prudential Survey, 2009 Term Policyholder Survey

PruLife Return of Premium Term is issued by Pruco Life Insurance Company in all states except New York and New Jersey, where it is issued by Pruco Life Insurance Company of New Jersey. Both are Prudential Financial companies located in Newark, NJ. Each is solely responsible for its own financial condition and contractual obligations. All guarantees are based on the claims-paying ability of the issuer.

This material is designed to provide general information in regard to the subject matter covered. It should be used with the understanding that we are not rendering legal, accounting, or tax advice. Such services should be provided by the client's own advisor. Accordingly, any information in this document cannot be used by any taxpayer for purposes of avoiding penalties under the Internal Revenue Code.

<b>Securities and Insurance Products:</b> Not Insured by FDIC or Any Federal Government Agency. May Lose Value. Not a Deposit of or Guaranteed by Any Bank or Bank Affiliate.
--

This marketing material is subject to an expiration date, and use of this material must be discontinued as of the expiration date.

**FOR INTERNAL USE ONLY. NOT FOR USE WITH THE PUBLIC.**



# PruLife<sup>®</sup> Return of Premium Term Repricing Rules

LATEST UPDATE:  
NEW PRODUCT  
INFORMATION

The following rules apply to all New Business and policy changes related to the **August 16, 2010<sup>1</sup>** release of PruLife<sup>®</sup> Return of Premium Term. **There will be a 28-day transition period. See details below.**

## Application Signed Date:<sup>2</sup>

- Application **must** be dated and signed prior to and no later than 28 days after the state introduction date of the repriced PruLife Return of Premium Term (August 2010) to be eligible for old rates.

## Application Home Office Receipt Dates:

- Applications for old rates **must** be received in the home office within 28 days from state approval. For example, states approving effective August 16th must have applications received no later than September 12th.
- Signed applications received in the home office after 28 days from state approval will be issued with NEW rates, regardless of the application signed date.

## Backdating:

- Normal backdating rules will apply meaning that the policy date can be up to six months prior to the application date (except in Ohio where it is 3 months). A policy can be dated prior to the introduction date as long as the application date meets the requirements above.

## Policy Changes:

- Policy changes will be processed using our current business practices.

## Positive Delivery:

- Prudential will continue to apply our current business practices.

**There will be no exceptions to any of the transition, backdating or policy changes rules defined above.**

<sup>1</sup> Definition of "application date":

- For Pre-paid cases through the Life New Business Process (LNBP), the application date is the date of the check.
- For COD cases through the LNBP, the application date is the date worksheet forms (Authorization, Acknowledgement form) were signed by the client.
- For paper application cases, the application date is the date—Part 1 of the application (ORD 96200) is signed by the client.

<sup>2</sup> The introduction date may not be the same in all states.

PruLife Return of Premium Term is issued by Pruco Life Insurance Company in all states except New York and New Jersey, where it is issued by Pruco Life Insurance Company of New Jersey. Both are Prudential Financial companies located in Newark, NJ. Each is solely responsible for its own financial condition and contractual obligations. All guarantees are based on the claims-paying ability of the issuer.