

SERFF Tracking Number: PRUX-G127701451 State: Arkansas  
Filing Company: The Prudential Insurance Company of America State Tracking Number: 50035  
Company Tracking Number: AR028610100001  
TOI: L08 Life - Other Sub-TOI: L08.000 Life - Other  
Product Name: CF: 96945 UL T 10012 (Verizon)  
Project Name/Number: CF: 96945 UL T 10012 (Verizon)/CF: 96945 UL T 10012 (Verizon)

## Filing at a Glance

Company: The Prudential Insurance Company of America

Product Name: CF: 96945 UL T 10012 (Verizon) SERFF Tr Num: PRUX-G127701451 State: Arkansas  
TOI: L08 Life - Other SERFF Status: Closed-Approved-Closed State Tr Num: 50035

Sub-TOI: L08.000 Life - Other Co Tr Num: AR028610100001 State Status: Approved-Closed  
Filing Type: Form Reviewer(s): Linda Bird  
Author: SPI Prudential Disposition Date: 11/14/2011  
Date Submitted: 10/14/2011 Disposition Status: Approved-Closed

Implementation Date Requested: Implementation Date:  
State Filing Description:

## General Information

Project Name: CF: 96945 UL T 10012 (Verizon)  
Project Number: CF: 96945 UL T 10012 (Verizon)  
Requested Filing Mode: Review & Approval  
Explanation for Combination/Other:  
Submission Type: New Submission  
Group Market Type: Employer  
Filing Status Changed: 11/14/2011  
State Status Changed: 11/14/2011  
Created By: SPI Prudential  
Corresponding Filing Tracking Number:  
Filing Description:  
Please see Cover Letter.

Status of Filing in Domicile:  
Date Approved in Domicile:  
Domicile Status Comments:  
Market Type: Group  
Group Market Size: Large  
Overall Rate Impact:

Deemer Date:  
Submitted By: SPI Prudential

## Company and Contact

### Filing Contact Information

Lois Shafman, Regulatory Contract Specialist lois.shafman@prudential.com  
80 Livingston Avenue 973-548-6477 [Phone]  
Roseland, NJ 07068 973-548-6480 [FAX]

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**Filing Company Information**

The Prudential Insurance Company of America CoCode: 68241 State of Domicile: New Jersey  
 80 Livingston Avenue Group Code: 304 Company Type: Life and Health  
 Roseland, NJ 07068 Group Name: State ID Number:  
 (973) 548-6479 ext. [Phone] FEIN Number: 22-1211670  
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**Filing Fees**

Fee Required? No  
 Retaliatory? No  
 Fee Explanation:  
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
The Prudential Insurance Company of America	\$0.00	10/14/2011	
The Prudential Insurance Company of America	\$50.00	11/11/2011	53690378

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Linda Bird	11/14/2011	11/14/2011

### Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Linda Bird	10/20/2011	10/20/2011	SPI Prudential	11/11/2011	11/11/2011

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## Disposition

Disposition Date: 11/14/2011

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification		Yes
Supporting Document	Application		No
Supporting Document	Cover Letter		Yes
Supporting Document	Actuarial Memorandum		No
Form	Option to Accelerate Payment of Certain Death Benefits Under Universal Life Coverage		Yes

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## Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	10/20/2011
Submitted Date	10/20/2011
Respond By Date	11/21/2011

Dear Lois Shafman,

This will acknowledge receipt of the captioned filing.

### Objection 1

Comment: Regulation 57 was revised effective January 2010, the filing fee is now \$50.00 per form.

The Accelerated Benefit Rider issued with life insurance policies require a disclosure statement as outlined in Rule and Regulation 60s8.

We will hold your filing in a pending status awaiting your reply.

A.C.A. 23-79-109(1)-(5) sets forth the procedure by which filings may be deemed approved upon the expiration of certain time periods with no affirmative action by the commissioner. If the commissioner determines that additional information is needed to make a decision regarding approval, such request for information will be made to the company. The filing will not be considered complete until said additional information is received. The time periods set forth in this statute will not begin to run until the filing is complete.

Please feel free to contact me if you have questions.

Sincerely,  
Linda Bird

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## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 11/11/2011  
Submitted Date 11/11/2011

Dear Linda Bird,

### Comments:

This is in response to your objection, dated October 20, 2011.

### Response 1

Comments: You indicated that the filing fee is now \$50.00 per form. We apologize for the oversight; a \$50.00 Electronic Fund Transfer now accompanies this filing.

You indicated that the Accelerated Benefit Rider issued with life insurance policies requires a disclosure statement as outlined in Rule and Regulation 60 § 8.

In response, we have carefully reviewed our form against the requirements of Regulation 60 § 8, and believe 83500 UL T 100012 is in compliance, as follows:

Regulation 60 § 8 (A): The title of form 83500 UL T 100012 references accelerated benefit terminology, and does not suggest long term care coverage.

Regulation 60 § 8 (B): The required disclosure regarding tax consequences is on the first page of form 83500 UL T 100012.

Regulation 60 § 8 (C)(1): Since this client's coverage is not solicited through the use of an agent nor through direct response solicitations, the provisions of 60 § 8 (C)(1)(a) and (b), respectively, do not apply. As required by 60 § 8 (C)(1)(c), form 83500 UL T 100012 includes a brief description of the accelerated benefit in section B, our "Changes Made in the Coverage" provision, as well as a definition of the triggers in section A. The form includes relevant information pertaining to any effect of the payment of a benefit on the policy's cash value, accumulation account, death benefit, premium, policy loans and policy liens, (see the "Accelerated Benefit Proceeds", "Effect on Coverage" and "Effect on Contributions" provisions).

Regulation 60 § 8 (C)(2) and (3): These requirement pertain to the premium charges for the Accelerated Benefit Rider. As Prudential does not charge a premium for the Accelerated Benefit Rider, Regulation 60 § 8 (C)(2) and (3) do not apply.

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Regulation 60 § 8 (C)(4): Prudential does not charge an administrative fee in connection with the Accelerated Benefit Rider, so a disclosure of administrative expense charges is not applicable.

Regulation 60 § 8 (D): The statement required by 60 § 8 (D) is to be delivered at the time of claim, and does not apply to the form in this submission.

In addition, please be advised that we inadvertently checked Employer/Employee Eligible Groups when we intended to select Trustee Groups. We have attempted to change the eligible group field to Trustee in SERFF, but request that you advise if further corrective action is needed.

#### **Related Objection 1**

Comment:

Regulation 57 was revised effective January 2010, the filing fee is now \$50.00 per form.

The Accelerated Benefit Rider issued with life insurance policies require a disclosure statement as outlined in Rule and Regulation 60s8.

We will hold your filing in a pending status awaiting your reply.

#### **Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

We trust that we have addressed your concerns and that you will now be able to give favorable consideration to this filing.

If there are any further questions regarding this filing, please feel free to call Frank Gelormini at 973-548-6223 or Pat Lloyd at 973-548-6479.

Sincerely,  
SPI Prudential

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## Form Schedule

### Lead Form Number:

Schedule Item Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
	96945 UL T 10012	Certificate Amendmen t, Insert Page, Endorseme nt or Rider	Option to Accelerate Payment of Certain Death Benefits Under Universal Life Coverage	Initial		50.000	96945 UL T 10012.PDF

# Option to Accelerate Payment of Certain Death Benefits Under Universal Life Coverage

1

## **[FOR YOU AND YOUR DEPENDENT SPOUSE OR DOMESTIC PARTNER]**

These provisions change the Universal Life Coverage (called Coverage below) to provide an option to accelerate payment of portions of [a person's] face amount of insurance and fund parts of the death benefit.

**You should know that election of this option may affect other benefits or entitlements for which [a person] may be eligible. It may also affect [a person's] income tax liability. Read these notes carefully:**

- (1) If you elect this option, the amount of Universal Life Coverage for [the person] is reduced by the amount of accelerated payments described below.
- (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.
- (3) If you elect this option, eligibility for Medicaid or other government programs may be affected. You are advised to seek the help of a professional legal advisor for assistance with any questions that you may have.

## **A. DEFINITIONS**

"Accelerated Benefit Proceeds" mean the amount of the Universal Life death benefit as described in Section B.

"Activities of Daily Living" means:

- Bathing - washing oneself by sponge bath, or in either a tub or shower, including the task of getting into or out of the tub or shower;
- Toileting/Continence – getting to and from the toilet, getting on and off the toilet and performing associated personal hygiene, the ability to maintain control of bowel and bladder function; or, when unable to maintain control of bowel and bladder function, the ability to perform associated personal hygiene (including caring for catheter or colostomy bag);
- Dressing - putting on and taking off all items of clothing and any necessary braces, fasteners or artificial limbs;
- Eating - feeding oneself by getting food into the body from a receptacle (such as a plate, cup or table) or by feeding tube or intravenously;
- Transferring - sufficient mobility to move into or out of a bed, chair or wheelchair or to move from place to place, either by walking, using a wheelchair or by other means.

"Face Amount" means [a person's] face amount of insurance under the Coverage on the day Prudential receives proof that [the person] is Impaired.

"Fund Amount" means the amount of [a person's] fund part of the Coverage on the day Prudential receives proof that [the person] is Impaired.

2 "Impaired" means that [a person is] unable to perform without human assistance [three or more of the following five Activities of Daily Living: Bathing, Toileting, Dressing, Eating or Transferring each and every time performance of the activities is necessary. We may, at our option, ask that a Doctor or other medical practitioner of our choice examine you to verify your inability to care for yourself.]

["Pre-Existing Condition" means a sickness or physical condition for which:

- 4
- (1.) (a) You received medical treatment, consultation, care or services including diagnostic measures, or followed treatment recommendation in the <5 days to 12 months> just prior to your effective date of coverage; or
  - (b) you had symptoms for which an ordinarily prudent person would have consulted a health care provider in the <5 days to 12 months> just prior to your effective date of coverage.]

## B. BENEFITS

4 **Changes Made in the Coverage:** If [a person is] Impaired while a Covered Person under the Coverage [or while death benefit protection is being extended for the person under the Coverage,] you may elect to have [the person's] Accelerated Benefit Proceeds placed under this option. That election is subject to the "Conditions" set forth below. The Face Amount of insurance and fund parts under the Coverage are affected as described in the "Effect on Coverage" section. Contributions are affected as described in the "Effect on Contributions" section.

**Accelerated Benefit Proceeds:** The Accelerated Benefit Proceeds are equal to:

- a portion of [a person's] Face Amount, as determined under (1) below; plus
  - a portion of [a person's] Fund Amount, as determined under (2) below.
- (1) You must elect the portion of [a person's] Face Amount that you want to place under this option. [You may elect up to <50-90%> of the person's Face Amount.

3 However, such portion may be reduced if, within <6-12 months> after the date Prudential receives proof that a person is Impaired, an Amount Limitation would have applied to the person's Face Amount. In that case, the portion of the person's Face Amount placed under this option will not exceed the person's Face Amount after applying the Limitation.]

4 Based on your election [and any Amount Limitation that may apply], Prudential will determine the Accelerated Payment Factor. The Accelerated Payment Factor is equal to:

- (a) the portion of [a person's] Face Amount that is placed under this option; over
  - (b) [the person's] total Face Amount.
- (2) The portion of [a person's] Fund Amount that will be placed under this option is equal to:
- (a) [the person's] total Fund Amount times the Accelerated Payment Factor; minus
  - (b) any outstanding loan balance, plus any interest due on the loan, times the Accelerated Payment Factor.

**Method of Payment:** If you elect this option, Prudential when it receives proof that [a person] is Impaired will pay the Accelerated Benefit Proceeds to you in 25 monthly payments in an amount

equal to 2% of the amount of [the person's] total Face Amount; but each of these payments will not exceed \$10,000. The first monthly payment will be made on the first of the month following the date that you are Impaired. We will continue to make monthly payments on the first of each month. When Prudential pays an accelerated death benefit under this option, Prudential will send you a statement that shows the effect of the payment on [the person's] amount of Coverage and on your contribution for [the person's] Coverage.

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

- (1) You may elect this option [for a person] only once during the time [the person is] a Covered Person.
- (2) You must choose this option in writing in a form that satisfies Prudential.
- (3) You must furnish proof that satisfies Prudential that [the person] is continuously Impaired for at least 150 days including a certification by [two Doctors. Proof means supportive evidence satisfactory to Prudential, including but not limited to radiological, histological or laboratory reports documenting that the person is unable to perform three or more of the Activities of Daily Living.] Prudential may require, at its own expense, that [the person] be examined and have a review of the documented evidence by a Doctor of its choice.

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[(4) The Universal Life Coverage on the person must not be assigned.]

4

**When Payments End:** We will continue to pay accelerated payments as long as [the person] is Impaired until:

- (1) you request that such payments be ended;
- (2) [the person's] death;
- (3) 25 such payments are made; or
- (4) [the person] is no longer Impaired.

If [the person] become Impaired again within three months after accelerated payments have ended then monthly payments will be payable from the first of the month following the date it is determined that [the person] again is Impaired. However, not more than a total of 25 monthly payments will be made during [the person's] lifetime.

### C. PROVISIONS WHICH APPLY TO SECTION B.

5

**[Exclusions:** No benefits are payable if the person's Impairment is the result of or in connection with:

- (1) Alcoholism or drug abuse;
- (2) Mental illness, other than cognitive impairment;
- (3) Commission of a felony or engaging in an illegal act; or
- (4) A Pre-Existing Condition. However, (4) will not apply if [the person] has had no symptoms or medical advice or treatment for that condition for six months or more if more than 24 months have elapsed since [the person's] Impairment became effective; or
- (5) Attempted suicide or intentionally self-inflicted injury, while sane or insane.

No benefits will be paid while [the person] resides outside the United States or Canada or if the amount of [the person's] Insurance under this Plan is less than \$20,000.]

4

**Effect on Coverage:** When you elect benefits under Section B., the total amount of Universal Life Coverage otherwise payable on [a person's] death[, including any amount under an extended death benefit,] will be reduced by the Accelerated Benefit Proceeds. Also, any amount [a person] could otherwise have converted to an individual contract will be reduced by the Accelerated Benefits Proceeds.

Prudential reserves the right to make a distribution from [a person's] Fund Amount when benefits under this option are paid. Any such distribution will be made only to the extent needed to continue to qualify the Universal Life Coverage as life insurance under the Internal Revenue Code.

**Effect on Contributions:** The amount of your contribution for [a person] will be adjusted based on the amount of [the person's] Universal Life Coverage remaining in force.

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## The Prudential Insurance Company of America

### Explanation of Variable Language for

#### 96945 UL T 10012

There are two types of variable material set forth in brackets within this form. These types are:

- A. Illustrative material; and
- B. Specific variable material.

**Illustrative material** consists of any entries such as dates, numbers, percentages, classes eligible, waiting periods, maximum periods of benefits, amounts, times and ages which may be varied.

Ranges (e.g., of percentages, amounts, times) are shown for some illustrative material and are indicated by arrows on the forms. Actual entries will always fall within the ranges.

The terms “you”, “person”, or “Employee” may be replaced by the term “member” or other appropriate term describing a member of the group insured.

The coverage names may be referred to by other appropriate names, such as “Basic”, “Optional”, or “Supplemental”.

This form currently reflects language used when employee and dependent spouse or domestic partner coverage under the Option to Accelerate Payment of Certain Death Benefits Under Universal Life coverage are included in the same certificate. This form will only be part of the certificate when such option is part of the employer’s plan. With respect to employee and spouse or domestic partner coverage, this form may be modified to provide:

- Employee-only coverage when there is no spouse or domestic partner Universal Life Coverage or when spouse coverage is not in the same certificate; and
- Spouse-only coverage or domestic partner-only coverage when spouse or domestic partner Universal Life Coverage is in a separate certificate.

The bracketed references will be appropriately modified to reflect grammatical form.

**Specific variable material** is noted by margin notes. Specific variable material will be changed only as indicated in the marginal note explanations shown below. But illustrative material that appears within specific variable material may be varied as described above.

### Marginal Notes

1. This item may be revised to apply to employee-only coverage, to employee and spouse (or domestic partner) coverage, or to spouse-only (or domestic partner-only) coverage.
2. This item may be revised as applicable to the employer's plan or to omit any of the activities of daily living.
3. This item may be revised as applicable to the employer's plan.
4. This item may be omitted.
5. This item may be omitted in whole or in part.
6. This item may be revised to describe or change the kinds of tests which would be considered supportive evidence of the terminal illness.

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## Supporting Document Schedules

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Flesch Certification		
<b>Comments:</b> Please see cover letter.		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Bypassed - Item:</b> Application		
<b>Bypass Reason:</b> This is not required for this filing.		
<b>Comments:</b>		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Cover Letter		
<b>Comments:</b>		
<b>Attachment:</b> Cover Letter.PDF		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Actuarial Memorandum		
<b>Comments:</b>		
<b>Attachment:</b> Actuarial Memo.PDF		



**Patricia A. Lloyd**  
Assistant Secretary

**The Prudential Insurance Company of America**  
80 Livingston Avenue, Roseland, NJ 07068  
Tel 973-548-6479 Fax 973-548-6480  
pat.lloyd@prudential.com

October 14, 2011

Insurance Commissioner Jay Bradford  
Compliance - Life and Health  
Arkansas Department of Insurance  
1200 West Third Street  
Little Rock, AR 72201-1904

Re: 96945 UL T 10012

Dear Commissioner Bradford:

We submit, for filing, the group insurance form listed below on behalf of our client, Verizon Communications. This is a new form and is not intended to replace any previously filed form. The variable material in this form has been indicated by brackets and is subject to change as described in the Explanation of Variable Language.

<u>Form Number</u>	<u>Description</u>
96945 UL T 10012	Option to Accelerate Payment of Certain Death Benefits Under Universal Life Coverage

**Intended Use.** This form is intended for use on a one case basis for our client, Verizon Communications. This form may be used with our 96945 series of forms and any other appropriate group insurance forms on file with the Department.

**Certification.** We certify that, in our judgment, the form in this submission is in compliance with Rule 19 (Unfair Sex Discrimination in the Sale of Insurance), Rule 49 (Life and Health Insurance Guaranty Association Notices), A.C.A. 23-79-138 and Bulletin 11-88 (Policy Information Requirements), and all applicable requirements of the Department.

**Readability Certification.** We certify that, in our judgment, the form in this submission complies with the requirements of A.C.A. 23-80-201 through 23-80-208, cited as the Life and Accident and Health Insurance Policy Language Simplification Act. This form has been scored separately for the Flesch reading ease test using the computer service to which we subscribe. The test was applied to the entire contract form and the score for the form is 50.

**Deemer.** We will place this form in use 30 days after the date you receive this filing unless we receive affirmative acknowledgment, disapproval or request for extension.

If there are any questions regarding this filing, please feel free to call Frank Gelormini at 973-548-6223 or me at 973-548-647.

Sincerely,

*Patricia A. Lloyd*

Patricia A. Lloyd  
Assistant Secretary