

**SERVICE****TERM CONVERSIONS**

**MAKE SURE CLIENTS MEET ALL PRODUCT AND STATE REQUIREMENTS WHEN CONVERTING CONTRACTUAL AND NON-CONTRACTUAL TERM POLICIES TO PERMANENT PRODUCTS. NOT FOR GUIDANCE ON TALCOTT OR PRIVATE PLACEMENT CONVERSIONS.**

#### **What Is a Contractual Term Conversion?**

A **contractual term conversion** is when the right to obtain a permanent plan of insurance is exercised. The face amount, policy date, and supplementary benefits are guaranteed by the conversion provision in the original term policy or rider. The amount guaranteed is the convertible amount.

All forms needed for conversions can be found on iPipeline, which is accessible via PruXpress or from BGA websites that subscribe to iPipeline.

**Please note:** You may contact the Conversion Team and request that they send you the necessary forms. However, if you are familiar with the form requirements and can access them from iPipeline, then there is no need to wait for the Conversion Team.

#### **Which Conversion Application Do I Need?**

**COMB-84800S** Change Short Form: This form is used when converting to PruLife Essential UL®, **AND** there are no changes to the beneficiaries or owner or requests that require underwriting.

The Change Short Form is available for use in all states except:

- ▶ Alaska
- ▶ Delaware
- ▶ Illinois
- ▶ Minnesota
- ▶ Ohio
- ▶ Pennsylvania

**ORD-96200** (state specific): This form is used in states where COMB-84800S cannot be used (see above list) or in all states when the permanent product is PruLife® Founders Plus Indexed UL, PruLife Index Advantage UL®, Prudential FlexGuard® Life, VUL Protector® or PruLife® Custom Premier II.

For contractual conversions, complete part 1, sections A through F. Also, complete section H or I and include the statement below as well as instructions on how to handle any excess premium/proceeds (e.g., drop in or return proceeds to client):

**“This contract is applied for as part of a Contractual Term Conversion of policy number XXXX. Discontinue (or) continue existing coverage under policy number XXXX as of new policy date.”**

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**Prudential**

### What Else Is Required?

- ▶ Agents Report
- ▶ Application or product supplements and disclosure statements, including fund choice and allocation forms, when applicable
- ▶ ePay Authorization or form of payment
- ▶ State Replacement forms\*
- ▶ Trustee statement for trust-owned policies
- ▶ Full signed illustration

**\*Prudential considers all conversions to be Replacements. All applicable State Replacement forms are required.**

Another common scenario to consider:

- ▶ **New York Submissions:** NY Regulation 200 requires the Company to request the following information prior to a policy's issuance to ensure that all benefits or other monies are distributed to the appropriate persons upon the death of the insured (ORD-115116).
- ▶ **Business-owned policies:** If the signing officer is someone other than the original signer of the term application, then proof is required to show that the signing officer is authorized to sign on behalf of the company (e.g., an Operating Agreement).

### What Is a Non-Contractual Term Conversion?

A **non-contractual term conversion** is a conversion of term insurance to a permanent policy that falls outside the provisions guaranteed in the original policy. Conversions that are not contractually guaranteed require evidence of insurability and full underwriting.

Complete all sections of the long form application ORD-96200. Section H or I should include one of the statements below as well as instructions on how to handle any excess premium/proceeds (drop in or return proceeds to client):

1. **Discontinue balance:** "Change policy number XXXX to the plan applied for in this application. Discontinue coverage under policy XXXX as of the new policy date."
2. **Continue balance of coverage:** "Change policy XXXX to the plan applied for in this application. Continue balance of term insurance."

### What Else Is Required?

- ▶ Agents Report
- ▶ Applicable supplements and disclosure statements
- ▶ MIB Authorization
- ▶ ePay Authorization or form of payment
- ▶ State Replacement forms
- ▶ Full signed illustration

Conversion to any product with the addition of BenefitAccess Rider (BAR) must include form ORD 96200. Be sure to complete all medical questions and include the BAR supplement and disclosure.

Additional forms are required on rider, spouse, child, and OPAI conversions and require a call to the change team for assistance.

**Note about Survivorship policies and Private Placement:** Please contact the Conversion Team on a case-by-case basis to verify if conversion to a Survivorship or Private Placement product is allowed. Submission of a Survivorship term conversion will be a paper application.

**Note about Hartford policies:** To determine if a Hartford product is convertible, contact Hartford at 800-243-5433 for options. Hartford Term Conversions require a paper application.

For Hartford/Talcott policies contact Talcott at 800-243-5433 for conversion options. If convertible, Prudential can provide the paper application required by calling [866-781-1778, prompt 7] or choose the service type of Hartford if using Pruxpress/iPipeline to obtain your forms.

### Questions?

Please contact Term Conversions at [866-781-1778, prompt 7].

PruLife® Founders Plus Indexed UL, PruLife Index Advantage UL®, Prudential FlexGuard® Life, VUL Protector® or PruLife® Custom Premier II. Life are issued by Pruco Life Insurance Company except in New York, where they are issued by Pruco Life Insurance Company of New Jersey. VUL Protector and PruLife Custom Premier II are offered through Pruco Securities, LLC (member SIPC). All are Prudential Financial companies located in Newark, NJ. Each is solely responsible for its own financial condition and contractual obligations.

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**Your client should consider the investment objectives, risks, and charges and expenses carefully before investing in the contract and/or underlying portfolios. The prospectus and, if available, the summary prospectus contain this information as well as other important information. A copy of the prospectus can be obtained from [www.prudential.com](http://www.prudential.com) or from a financial professional. Clients should read the prospectus carefully before investing.**

**It is possible to lose money by investing in securities.**

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