

# HIGHLIGHTER

## Waiver of Premium for Term Essential®

<b>Overview</b>	Waiver of Premium is a benefit that helps provide clients with the assurance that comes from knowing their life insurance premiums will be waived in the event of total disability. Under this benefit, if the insured is totally disabled (as defined in the policy) for at least six consecutive months (the waiting period), the company will waive premiums during the period of the insured's total disability. If the insured recovers, premiums are again payable by the policyowner. Premiums waived by the company during the covered disability period do not have to be paid back.
<b>NEW BUSINESS</b>	
<b>Issue Ages</b>	18 – 59
<b>Maximum Policy Face Amount</b>	<b>Allowed with Waiver of Premium (per insured)</b> All ages: \$3 million*
<b>Rating Classes</b>	<p>As a general rule, Waiver of Premium is available for policies with all underwriting categories except the following:</p> <ul style="list-style-type: none"> <li>▶ Rating Classes D through H</li> <li>▶ Occupation Classes 3 through 8</li> <li>▶ Temporary extras exceeding \$25 per \$1,000 of face amount</li> <li>▶ Classes B or C with any temporary extra</li> <li>▶ When there is a substantial extra risk of long-term disability</li> </ul> <p><b>Generally Available:</b></p> <ul style="list-style-type: none"> <li>– At Rating Classes A through C, although the benefit may be eliminated at these rating classes or lower depending on the specific medical condition present (e.g., chronic back problems, coronary artery disease, etc.)</li> <li>– At Occupational Classes 1 and 2</li> <li>– On contracts issued with temporary extra premiums up to \$25 per \$1,000 (e.g., 10 x 1 and 5 x 2 = 10 + 10 or a total of 20)</li> </ul> <p><b>Combination Ratings:</b></p> <ul style="list-style-type: none"> <li>– Class A, plus temporary extra premiums up to \$25 per \$1,000</li> <li>– Occupational Classes 1 and 2, plus temporary extra premiums up to \$25 per \$1,000</li> </ul> <p>▶ Rating Classes A through C, plus Occupational Classes 1 and 2</p>
<b>Availability</b>	Waiver of Premium can be added to a policy at issue only. Term Essential® does not have a New Business Change Period (NBCP). The client can choose to cancel Waiver of Premium at any time. However, once it is canceled, it cannot be reinstated.
<b>Cost of Benefit</b>	<p>The cost of the benefit is based on the issue age, the underwriting category, the face amount of the policy, the amount of any supplemental benefits or riders, and is shown in the Contract Data pages.</p> <p>Charges for Waiver of Premium are payable until the first policy anniversary on or following the insured's 60th birthday for all states except CA. For CA, it is payable until the first policy anniversary on or following the insured's 65th birthday.</p>
<b>What Is Waived?</b>	<p>When the insured has been disabled for six consecutive months the company will waive all premiums that fall due, including premiums for Accidental Death Benefit and any applicable children's rider, during the period of total disability. This is provided the policy is in force and not in default past the last day of the grace period when the insured becomes totally disabled.</p> <p>Premiums will be waived at the frequency in effect at the time the insured becomes disabled.</p>

\*The maximum face amount includes all Prudential individual life insurance policies with disability riders in force and applied for.

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<b>When Are Premiums Waived?</b>	<p>Premiums are eligible to be waived after the insured has been totally disabled, as defined in the policy, for at least six consecutive months. All premiums must be paid by the policyowner until a claim is approved. Any premiums that are paid by the policyowner and later waived under the Waiver of Premium rider will be refunded directly to the policyowner.</p> <p>Premiums will not be waived if the disability starts:</p> <ul style="list-style-type: none"> <li>▶ before the policy is in force</li> <li>▶ after the end of the last day of the grace period for premiums due</li> <li>▶ after the policy is surrendered for its net cash value, if it has one</li> <li>▶ after the date the policy ends for any other reason</li> <li>▶ on or after the policy anniversary on or following the insured's 60th birthday (65th birthday in California)</li> </ul>
<b>How Is the Policy Affected by Waiver of Premium?</b>	<p>Premiums waived by the company are not taxable to the policyowner. However, premiums waived do not increase the policyowner's cost basis.</p> <p><b>Term Conversion Benefit</b></p> <p>Generally, if Waiver of Premium is attached to a term life insurance policy, Waiver of Premium will be added to the new policy when the conversion benefit is exercised, if it is available on the new policy.</p> <p>If Waiver of Premium is attached to a term life insurance policy and premiums are currently being waived due to total disability, the conversion benefit may still be exercised. When the conversion occurs and Waiver of Premium is provided on the new policy, the company will continue to waive premiums on the new policy, subject to the terms of the benefit, even if premiums on the new policy are higher.</p>

## DISABILITY

<b>Total Disability Defined</b>	<p>With the exception of California, under Waiver of Premium, total disability is defined as: (1) during the first two years of total disability, the insured is unable, due to sickness or injury, to perform any of the duties of his or her regular occupation; (2) after the first two years of total disability, the insured is unable, due to sickness or injury, to perform any gainful work for which they are reasonably fitted by education, training, or experience.</p> <p>An insured will be regarded as disabled, even if doing gainful work, if they incur one of the following conditions during a period when premiums are eligible to be waived:</p> <ul style="list-style-type: none"><li>▶ Permanent and complete blindness of both eyes</li><li>▶ Physical severance of both hands at or above the wrist</li><li>▶ Physical severance of both feet at or above the ankle</li><li>▶ Physical severance of one hand at or above the wrist and one foot at or above the ankle</li></ul> <p>For policies issued in California, please refer to the Waiver of Premium rider for the definition of disability.</p> <p>The insured will not be eligible for benefits if he or she becomes totally disabled from: (1) an injury the insured causes to himself or herself on purpose; or (2) sickness or injury due to service on or after the date of the rider in the armed forces of any country(ies) at war. The word “war” means declared or undeclared war and includes resistance to armed aggression.</p>						
<b>Minimum and Maximum Disability Ages</b>	<p>If the insured becomes disabled:</p> <table><tr><td>Prior to the first policy anniversary on or following the insured’s 60th birthday</td><td>➔</td><td>Premiums are waived during the entire duration of disability.</td></tr><tr><td>*On or after the first policy anniversary on or following the insured’s 60th birthday</td><td>➔</td><td>No premiums are waived.</td></tr></table> <p>*In California only: If the insured becomes disabled after age 60, but before 65, premiums will be waived to age 65. If the insured becomes totally disabled on or after the first contract anniversary on or after the insured’s 65th birthday, premiums will not be waived.</p>	Prior to the first policy anniversary on or following the insured’s 60th birthday	➔	Premiums are waived during the entire duration of disability.	*On or after the first policy anniversary on or following the insured’s 60th birthday	➔	No premiums are waived.
Prior to the first policy anniversary on or following the insured’s 60th birthday	➔	Premiums are waived during the entire duration of disability.					
*On or after the first policy anniversary on or following the insured’s 60th birthday	➔	No premiums are waived.					

## SUBMITTING A CLAIM

<b>What to Do if the Insured Becomes Disabled ...</b>	When an insured becomes totally disabled, a disability claim form (Comb 7110) must be submitted after the insured has been disabled for six consecutive months. The insured must complete the insured's statement of total disability portion of the form and their attending physician must complete the attending physician's statement of disability portion of the form as proof of total disability. Benefits begin when satisfactory proof of total disability has been received and all other conditions have been met. Once a disability is approved, a Continuance of Disability form will be sent to the insured at periodic intervals for proof that the insured is still disabled. Proof of continued disability may also include having the insured examined, at the company's expense, by doctors of the company's choice.
<b>If the Insured Is Disabled More Than Two Years ...</b>	After the disability has lasted at least two years, proof of continued disability will not be requested more than once a year. If the insured has reached the first policy anniversary following his or her 65th birthday and has been continuously disabled for five or more years, no further proof of disability is required.
<b>When Will Premiums Stop Being Waived?</b>	The company will stop waiving premiums if: <ul style="list-style-type: none"> <li>▶ the disability ends</li> <li>▶ proof of the insured's disability is requested and is not provided</li> <li>▶ a medical examination is required and is not performed</li> <li>▶ the disability is no longer covered under the terms of the benefit</li> </ul>
<b>If the Insured Recovers from a Disability ...</b>	Once the insured recovers from a disability, the company must be notified of the recovery. Payment of premiums must be resumed from the first modal premium due on or after the date that the insured recovered from disability.
<b>If the Disability Reoccurs ...</b>	If the insured becomes totally disabled again after recovery, a claim may be submitted for Waiver of Premium. A disability claim form (Comb 7110) must be submitted, and all premiums that fall due must be paid until the claim is approved. There will be no six-month waiting period unless: (1) the insured was gainfully employed for six months or more in an occupation for which they were reasonably fitted between the periods of disability; or (2) the second disability was from an entirely different cause. The time period when the insured is not disabled does not count toward the two-year requirement in the definition of total disability. Keep in mind if the reoccurrence is from an entirely different cause or it is after the insured is gainfully employed for at least six months, then the total disability age and payment restrictions are applicable.  For policies issued in California, please refer to the "Successive Disabilities" section of the Waiver of Premium rider.

Term Essential is issued by Pruco Life Insurance Company except in New York, where it is issued by Pruco Life Insurance Company of New Jersey. Both are Prudential Financial companies located in Newark, NJ.

The Waiver of Premium may not be available in all states.

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