

Frequently Asked Questions – Term Conversion to Survivorship

The ability to convert from term to permanent insurance is an attractive option for many consumers. At Prudential we contractually guarantee the ability for term customers to convert to an individual life policy. To help maximize choice, we are currently allowing conversion to survivorship policies as an administrative practice. Conversion to survivorship policies is subject to specific guidelines and requires home office review and approval before getting started.*

This FAQ has been developed to help you understand what cases are eligible and how to get the process started.

What are the guidelines for eligibility?

Maximum New Survivorship Face Limit: \$5,000,000

- The total face amount allowed is 2X the smaller of the two in-force policies eligible for conversion. The total coverage must fit under our internal retention limits; any in-force coverage will impact the maximum that we allow.
- If the desired face amount exceeds \$5 million, both lives must be underwritten.

Conversion Period: Conversions to survivorship policies will be limited to the first 10 policy years (but not past the conversion period of the policy if shorter).

Example: If the contractual conversion period for the policy is only 5 years, the request to convert to any permanent product, including a survivorship policy, must happen in the first 5 years.

Why do we have these guidelines?

Prudential continues to seek opportunities to manage the volatility of its mortality experience during difficult economic circumstances. Survivorship policies converted from term are not eligible for reinsurance and can contribute disproportionately to mortality volatility. Limiting conversions to the lesser of 10 years or the length of the conversion period, and to a maximum of \$5 million, reduces the risk of these transactions.

What does this mean for clients with large term policies with a conversion option within the first 10 years?

It may be necessary to reduce the \$5 million maximum survivorship amount, or the amount of remaining term coverage post-conversion, to satisfy Prudential's \$10 million internal retention limit.

*Conversion to survivorship policies is currently allowed as an administrative practice, subject to specific guidelines and home office review and approval. These guidelines and this practice are subject to change at any time.

What should I expect from the review and approval process?

- All business will be reviewed and requires approval by the Term Conversion team prior to the submission of conversion forms.
- If only one insured's policy is converted, the second life must be fully underwritten.
- The Term Conversion team will provide necessary paperwork and next steps for approved cases.

How do I find out what options are available for clients?

Since prior approval is necessary, contact your wholesaler to assist in gaining approval before submitting the survivorship conversion paperwork. The amount of remaining coverage that can be kept after the conversion will be determined during the pre-approval process based on other in-force coverage that has been retained by Prudential. Conversion paperwork needs to be signed prior to the 10th anniversary of the term policy.

Where can I get answers to additional questions?

For additional information on new opportunities or term conversions, please contact your local Wholesaler, or the **National Sales Desk at 800-800-2738 option 1.**

Term Conversion Team Contact Information

- Original approval requests: Pru.Change.TC.Exceptions@prudential.com
- Paperwork for brokerage survivorship: Prutermconversions@prudential.com
- Paperwork for agency survivorship: Change.Service.Team@prudential.com

Please provide state of delivery and product, as our forms are state and product specific.

Thank you for your business!

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1074212-00002-00 Ed. 10/2023

