

FAQs

BenefitAccess Rider

Prudential has prepared this guide to quickly answer the most commonly asked questions about BenefitAccess Accelerated Death Benefit Rider (BenefitAccess), which is an optional accelerated death benefit with two primary components, a chronic illness option and a terminal illness option. BenefitAccess is currently available on PruLife Universal Protector life insurance policy.

SECTIONS

1. Application and underwriting questions
2. Service questions
3. Claims questions
4. Federal income taxes, federal government public assistance programs, and the chronic illness option

SECTION 1: APPLICATION AND UNDERWRITING QUESTIONS

<p>Who can apply for BenefitAccess?</p>	<p>Applicants ages 20–80, who are applying for a minimum \$100,000 of basic coverage and rated a Table D risk or better may qualify to add this rider.</p> <p>Some examples of impairments that will likely not qualify, regardless of the rating, include:</p> <ul style="list-style-type: none"> • Mild cognitive impairment. • History of a stroke at any time or TIA within the last 8 years. • History of drug or alcohol treatment within 10 years. • Rateable psychiatric condition. • History of rateable criminal activity. • Severe chronic respiratory disease. • Severe bone or joint disease. • Any impairment requiring the use of an ambulatory aid. • Neurodegenerative or neuromuscular disease including: multiple sclerosis, Parkinson's, and other similar impairments. • Current inability to perform one Activity of Daily Living (ADL) including ambulation, bathing, continence, dressing, eating, toileting, and transferring. • Professional athletes (e.g., football players, hockey players, soccer players, boxers, wrestlers).
<p>Minimum Face Amount</p>	<p>\$100,000 minimum limit on base face amount.</p>
<p>How does someone apply for BenefitAccess?</p>	<p>The rider is elected on the Application for Life Insurance. An additional Application Supplement and a Policyholder Disclosure must also be completed and signed with the product application.</p>

Continued on the next page.

<p>Is BenefitAccess available in all states?</p>	<p>The rider is available in many states. You can check for the latest availability on www.pruxpress.com.</p>
<p>Are there any additional underwriting requirements?</p>	<p>Yes, the rider is elected on the Application for Life Insurance. An additional Application Supplement and a Policyholder Disclosure must also be completed and signed with the product application.</p> <p>If BenefitAccess is requested at application, an RX check will be obtained and an additional requirement may be necessary in some cases. There is also an additional underwriting requirement. It is possible for a client to be offered a life insurance policy but be declined for BenefitAccess..</p>
<p>Can an insured be offered a life insurance policy and be declined for BenefitAccess?</p>	<p>Yes.</p>
<p>Do normal financial underwriting rules apply when BenefitAccess is added?</p>	<p>Yes.</p>
<p>Can you have BAR and LNB on the same policy?</p>	<p>No.</p>
<p>Can my clients convert their current term policy to a UL Protector with the BenefitAccess Rider?</p>	<p>Yes, but they need to go through underwriting for the UL Protector policy and the BenefitAccess Rider. Please note that even if they are turned down for the BenefitAccess Rider they still retain the contractual right to convert to a UL Protector policy without the BenefitAccess Rider.</p>
<p>Does the insured have to be residing in the U.S. in order to purchase BAR?</p>	<p>Yes.</p>
<p>Do you have to be residing in the U.S. at the time you file a claim?</p>	<p>No, but the insured would need to fulfill all requirements to qualify for benefits including certification and recertification every 12 months by a licensed healthcare practitioner in the U.S.</p>

SECTION 2: SERVICE QUESTIONS

<p>What is the charge for BenefitAccess?</p>	<p>There is an additional charge for this rider. It will generally add 5–20% to the lifetime no-lapse premium for PruLife® Universal Protector (UL Protector).</p>
<p>Can BenefitAccess be added to a policy after it is issued?</p>	<p>No.</p>
<p>Can BenefitAccess be terminated by the policyowner?</p>	<p>Yes, this rider can be voluntarily terminated at any time and charges will cease. Once terminated, this rider cannot be reinstated.</p>
<p>Can the client request face amount changes if BenefitAccess is attached to the policy?</p>	<ul style="list-style-type: none"> • Face increase not allowed • Face amount decreases, and any withdrawals prior to claim, will reduce the Lifetime Benefit Amount.
<p>What impact will there be to BenefitAccess if the insured applies for and receives a better mortality class or rating after the policy is issued?</p>	<p>This will result in a lower charge going forward for BenefitAccess, as the per \$1,000 charge for the rider is a function of the insured's rating class.</p>

SECTION 3: CLAIM QUESTIONS

<p>What are the requirements for receiving BenefitAccess benefits?</p>	<p>CHRONIC ILLNESS OPTION – Conditions for Eligibility</p> <p>The right to be paid under the Chronic Illness Option is subject to all of the following conditions:</p> <ol style="list-style-type: none"> 1. The contract must be in force and the Insured must be living; 2. You must submit a claim in a form that meets our needs; 3. You must provide written certification by a licensed health care practitioner prior to the start of every benefit year that the Insured is chronically ill and not expected to recover during the Insured's lifetime; 4. We have the right to complete, at our discretion and expense, a personal interview with and assessment of the Insured, which may include examination or tests by a licensed health care practitioner of our choice; 5. We must receive authorization from the Insured to obtain copies of any relevant medical records that we require; 6. You must not have received a benefit payment under the Terminal Illness Option; 7. Other terms and conditions apply.
---	---

<p>What are the requirements for receiving BenefitAccess benefits? (continued)</p>	<p>TERMINAL ILLNESS OPTION – Conditions for Eligibility</p> <p>The right to be paid under the Chronic Illness Option is subject to all of the following conditions:</p> <ol style="list-style-type: none"> 1. The contract must be in force and the Insured must be living; 2. You must submit a claim in a form that meets our needs; 3. You must provide written certification by a licensed health care practitioner that the Insured's life expectancy is 6 months or less; 4. We reserve the right to set a minimum of no more than \$50,000 on the amount of the death benefit you may exercise under the option; 5. You must provide the consent, in writing, of any assignee and irrevocable beneficiary(ies) on the policy; 6. You must send us the contract if we ask for it; and 7. Other terms and conditions apply.
<p>Is there a period of time the policyowner must wait before becoming eligible to receive benefit payments under BenefitAccess?</p>	<p>No. A policyowner is eligible to receive BenefitAccess benefit payments once all conditions for eligibility of payments have been met. The first benefit payment will include benefits payable retroactively to the policy's monthly date immediately following the date Prudential receives written certification.</p>
<p>How often does the insured's condition need to be re-certified?</p>	<p>Recertification must occur by a licensed health care practitioner every 12 months.</p>
<p>What is the total amount that can be accelerated under BenefitAccess?</p>	<p>For the Chronic Illness Option, the maximum accelerated amount cannot exceed the face amount at the time of initial claim is made (reduced by any post-claim face reductions). For the Terminal Illness Option, the maximum accelerated amount cannot exceed the current face amount at the time the claim is made.</p>
<p>What is the Maximum Monthly Benefit?</p>	<p>The Maximum Monthly Benefit is the lowest of A, B, or C where:</p> <p>A = 2% of the Lifetime Benefit Amount at the time of initial claim.</p> <p>B = The monthly equivalent of the IRS Per Diem Limitation in effect on the claim effective date.</p> <p>C = The monthly equivalent of the Initial Daily Benefit Limit increased at 4% interest for each year the policy has been in effect.</p> <p>For 2013, the IRS Per Diem Limitation is \$320. This amount is indexed for inflation and may be adjusted by the Internal Revenue Service. The initial Daily Benefit Limit is equal to the IRS Per Diem Limitation at issue of the contract. For each year thereafter, the Daily Benefit Limit may be adjusted for inflation by the IRS and will fluctuate according to the terms of the rider only if adjusted for inflation by the IRS subject to a maximum annual increase of 4%.</p>

<p>What is the Maximum Monthly Benefit? <i>(continued)</i></p> <p>For 2013, policies issued with BenefitAccess and a level face amount of \$480,000 or less would not be limited by either B or C because:</p>	<p>2% of the Lifetime Benefit Amount = $2\% \times \\$480,000 = \\$9,600$</p> <p>The monthly equivalent of the 2013 IRS Per Diem Limitation = $\\$320 \times 30$ (we always use 30) = \$9,600</p> <p>Since 2% of \$480,000 is the exact amount of the monthly equivalent of the IRS Per Diem Limitation, the Maximum Monthly Benefit will always be the A value.</p>
<p>For policies issued with face amounts higher than \$480,000, the Maximum Monthly Benefit may be less than 2% of the Lifetime Benefit Amount. Take a \$1 million level face amount with BenefitAccess, for example:</p>	<p>2% of the Lifetime Benefit Amount = $2\% \times \\$1 \text{ million} = \\$20,000$</p> <p>The monthly equivalent of the 2013 IRS Per Diem Limitation = $\\$320 \times 30 = \\$9,600$</p> <p>Since 2% of 1 million is more than the monthly equivalent of the IRS Per Diem Limitation, the Maximum Monthly Benefit for this month will be \$9,600.</p>
<p>Now let's use the same example, but instead assume that the IRS Per Diem Limitation increases by 4% annually, so that B and C are exactly the same.¹ If chronic illness occurs in year 20, the daily value for B and C will equal \$701. To figure the Maximum Monthly Benefit we compare the following:</p>	<p>2% of the Lifetime Benefit Amount = $2\% \times \\$1 \text{ million} = \\$20,000$</p> <p>The monthly equivalent of the 2033 IRS Per Diem Limitation = $\\$701 \times 30 = \\$21,030$</p> <p>Since 2% of \$1 million is less than the monthly equivalent of B and C, the Maximum Monthly Benefit for this benefit year will be \$20,000.00.</p>
<p>Is the Maximum Monthly Benefit amount the same each month?</p>	<p>Yes.</p>
<p>Can a policyowner take less than the Maximum Monthly Benefit?</p>	<p>Yes, each year the policyowner can select an amount that is less than the Maximum Monthly Benefit, subject to minimum rules then in effect (minimum is currently \$500). By choosing a lesser amount, the period of eligibility for monthly benefit payments may be extended.</p>
<p>Are other payment frequencies available?</p>	<p>There is an Annual Lump Sum Option equal to the present value of the next 12 Maximum Monthly Benefit Amounts. This option is payable at the beginning of the benefit period. Present value discounting is based on an interest rate never to exceed the current yield on 90-day Treasury bills or the current maximum statutory adjustable policy loan interest rate, whichever is greater. Please note that there may be different tax consequences associated with the Annual Lump Sum Option.</p>
<p>How do benefit payments impact the policy's death benefit and account value?</p>	<p>Each benefit payment will decrease the total death benefit on a dollar-for-dollar basis. Accelerating the death benefit will reduce or eliminate the benefit payable to the beneficiary. The policy's account value and any policy indebtedness will be reduced proportionately to the death benefit amount immediately prior to the payment. It should be noted that for policies with indebtedness, a portion of the benefit payment serves as a loan repayment, resulting in a lower net benefit payment. Benefit payments will be considered a proportionate return of cost basis</p>

¹The Per Diem Limitation declared by the IRS is \$320 per day for 2013. This amount may be adjusted for inflation by the IRS. Your benefit will fluctuate according to the terms of the rider only if adjusted for inflation by the IRS subject to a maximum annual increase of 4%.

How does the Terminal Illness Benefit work?

Provides for a benefit if the insured becomes terminally ill and has a life expectancy of six months or less. It was designed to add flexibility to the payment of specified claims by advancing part of the death benefit.

A claim can be made by the policyowner if the insured is terminally ill and has a life expectancy of six months or less. Satisfactory evidence from the insured's physician must be provided.

When a claim is paid, a processing fee of up to \$150 (\$100 in FL) for the first policy and for each additional policy used for the same claim will be deducted (as well as a reduction for early payment).

The entire death benefit may be accelerated. After the actuarial reduction is applied, the amount paid to policyowners is typically between 90% and 95% of the death benefit. Proceeds are paid in a lump sum. A one-time partial claim is also available. The Terminal Illness Option can be exercised if a client is on chronic illness option claim. However, once the Terminal Illness Option is exercised, the client cannot go back on to chronic illness claim.

If a partial benefit payment is claimed, the life insurance policy can continue with a reduced death benefit and lower premiums. See the rider for any restrictions that apply to partial Terminal Illness Option claims. When only a portion of the option is elected, the insured's death benefit of the life insurance policy will be reduced proportionately, and will continue to provide a reduced death benefit for the beneficiary. The premiums, values (including any Contract Fund values), and amount of insurance will be appropriately reduced.

In a full settlement, riders on other lives are not included in the calculation and will remain in force with no further premium due. If a partial claim is paid, the premium, death benefit, contract fund, and outstanding loan amounts will be proportionately reduced but benefits payable under an accidental death benefit rider or a rider on a life other than the insured are not impacted.

Can one switch from receiving Chronic Illness benefits to receiving Terminal Illness benefits?

Yes, but once terminal illness benefits have been received the *insured cannot go back to receiving chronic illness benefits.*

How do benefit payments impact the policy's death benefit and account value? (continued)

Following are some examples of how benefit payments affect the policy. These examples assume that, aside from benefit payments, there are no other changes to values, such as monthly deduction amounts, unit value due to market gain or loss, interest crediting, loan interest, or premium amounts.

Level Face Amount of \$420,000 Account Value of \$70,000 at the point of claim				
Month	Gross Payment	Net Payment	New Account Value	New Death Benefit
1	\$8,400	\$8,400	\$68,600	\$411,600
2	\$8,400	\$8,400	\$67,200	\$403,200
3	\$8,400	\$8,400	\$65,800	\$394,800
4	\$8,400	\$8,400	\$64,400	\$386,400
5	\$8,400	\$8,400	\$63,000	\$378,000
6	\$8,400	\$8,400	\$61,600	\$369,600
7	\$8,400	\$8,400	\$60,200	\$361,200
8	\$8,400	\$8,400	\$58,800	\$352,800
9	\$8,400	\$8,400	\$57,400	\$344,400
10	\$8,400	\$8,400	\$56,000	\$336,000
11	\$8,400	\$8,400	\$54,600	\$327,600
12	\$8,400	\$8,400	\$53,200	\$319,200

Level Face Amount of \$420,000 Account Value of \$70,000 at the point of claim • LOAN of \$20,000 at the point of claim						
Month	Gross Payment	Net Payment	New Account Value	New Death Benefit	New Loan	New Death Benefit Net of Loan
1	\$8,400	\$8,000	\$68,600	\$411,600	\$19,600	\$392,000
2	\$8,400	\$8,000	\$67,200	\$403,200	\$19,200	\$384,000
3	\$8,400	\$8,000	\$65,800	\$394,800	\$18,800	\$376,000
4	\$8,400	\$8,000	\$64,400	\$386,400	\$18,400	\$368,000
5	\$8,400	\$8,000	\$63,000	\$378,000	\$18,000	\$360,000
6	\$8,400	\$8,000	\$61,600	\$369,600	\$17,600	\$352,000
7	\$8,400	\$8,000	\$60,200	\$361,200	\$17,200	\$344,000
8	\$8,400	\$8,000	\$58,800	\$352,800	\$16,800	\$336,000
9	\$8,400	\$8,000	\$57,400	\$344,400	\$16,400	\$328,000
10	\$8,400	\$8,000	\$56,000	\$336,000	\$16,000	\$320,000
11	\$8,400	\$8,000	\$54,600	\$327,600	\$15,600	\$312,000
12	\$8,400	\$8,000	\$53,200	\$319,200	\$15,200	\$304,000

Chart illustrates level account value and loans. In actuality, both will change during the claim benefit period.

Are loans and withdrawals allowed during claim?

Loans are allowed while on chronic illness claim; standard rules regarding maximum loans available will apply. Proportionate loan repayments are made from each benefit payment, resulting in a lower net benefit payment. Withdrawals are not available while chronic illness benefits are being paid.

Can I increase the monthly benefit amount in order to repay any outstanding policy loan?	The gross benefit amount can never exceed the Maximum Monthly Payment; however, loan repayments can be made out-of-pocket.
Can 100% of the benefit payment be applied to an outstanding policy loan?	No.
Can a policy lapse on claim?	No.
Can a policy lapse on claim due to over-indebtedness?	The policy will not lapse due to over-indebtedness; however, loan interest that accrues will reduce the Lifetime Benefit Amount, thereby reducing the duration of benefit payments.
If the client comes off claim, can the policy lapse?	Yes—if the client has not been on claim for at least 25 consecutive months and comes off claim, they may need to resume premium payments on the remaining death benefit or the policy could lapse. Once the client has been on claim for 25 consecutive months or more, the policy cannot lapse.
What happens when 100% of the Lifetime Benefit Amount has been paid?	The rider will terminate. If there is any remaining death benefit above the face amount, the policy will continue as lapse protected.
Is there a residual death benefit available after the Lifetime Benefit Amount has been paid?	There is not an explicit residual death benefit; however, if there is any remaining death benefit it will be paid to the named beneficiary after the death of the insured.
What happens to other policy riders while on claim? (EDB is not available)	While chronic illness benefits are being paid, charges for all riders are waived. ADB benefits remain at the full original benefit amount, but the rider terminates when the entire death benefit has been paid. Children Level Term Rider also remains in effect at the full original amount and becomes paid up when the full death benefit has been paid.

SECTION 4: QUESTIONS PERTAINING TO FEDERAL INCOME TAXES AND FEDERAL GOVERNMENT PUBLIC ASSISTANCE PROGRAMS AND THE CHRONIC CARE OPTION

The discussion that follows is provided for general information purposes only. Special tax rules may apply with respect to certain situations that are not discussed. Your clients should consult with a qualified tax advisor prior to purchasing the rider and electing to receive benefits

What are the income tax consequences of benefits under BenefitAccess? Do the income tax consequences differ if there is more than one contract providing accelerated benefits on account of chronic illness or a long-term care contract on the insured?	BenefitAccess is designed so that the benefits paid under the rider will be treated for federal income tax purposes as accelerated death benefits under Internal Revenue Code Section 101(g) and may be excluded from taxable income depending on the insured's particular situation. Depending on the circumstances, benefits under the rider may be taxable as income to the extent you receive total benefits that exceed the IRS Per Diem Limit.
---	--

What are the income tax consequences of benefits under BenefitAccess? Do the income tax consequences differ if there is more than one contract providing accelerated benefits on account of chronic illness or a long-term care contract on the insured? (continued)

For income tax purposes, Prudential will report payment of benefits to the policyowner on IRS Form 1099-LTC. The policyowner must then file IRS Form 8853 to determine any includable amount for the tax year. If there is more than one contract providing accelerated benefits on account of chronic illness or a qualified long-term care contract on the insured (whether owned by the same person or not),² receipt of all per diem benefit payments must be considered to determine whether the benefits are taxable. To the extent the aggregate per diem benefits for an insured exceed the IRS Per Diem Limit, the excess benefit amounts will generally be taxable as ordinary income to the policyowner. Clients should consult a qualified tax advisor prior to purchasing this rider and electing to receive benefits.

In general, Per Diem benefit payments with respect to an insured are excludable from income to the extent they do not exceed the Per Diem Limit, which is the greater of (1) the then current IRS per diem amount (e.g., \$320 per day in 2013) less reimbursements, or (2) the actual qualified costs incurred on behalf of the insured less reimbursements.

Let's look at some scenarios:

A: Jane Smith owns a policy with BenefitAccess and no other accelerated benefit or qualified long-term care contract. Her qualified expenses³ are not reimbursed through insurance or otherwise. Jane elects to receive monthly benefits under BenefitAccess.

B: John Barker owns a policy with BenefitAccess and a qualified long-term care contract that pays on a per diem basis. His qualified expenses³ are not reimbursed through insurance or otherwise. John elects to receive monthly benefits under BenefitAccess, as well as benefits under the qualified long-term care contract.

TAX RESULT

To the extent the benefits paid under BenefitAccess or the aggregate benefits paid under BenefitAccess and the qualified long-term care contract do not exceed the IRS Per Diem Limit, neither Jane or John would be required to pay federal income taxes. To the extent the benefits/aggregate benefits exceed the IRS Per Diem Limit, such benefits are generally taxable.

If the life insurance policy with BenefitAccess is a Modified Endowment Contract (MEC), will the income tax consequences of receiving rider benefits differ?

The benefit payments are treated as death distributions not withdrawals, so they are unaffected by MEC status.

Can an Irrevocable Life Insurance Trust (ILIT) own a life insurance policy with BenefitAccess to keep the death benefit outside the insured's estate for federal estate tax purposes? Are the federal estate tax consequences any different if another third party, such as a child of the insured, owns the life insurance policy with BenefitAccess?

In a typical ILIT created for estate liquidity purposes, the insured is not a trustee or beneficiary and does not otherwise have any other right in or to the ILIT and its assets. Usually, the insured is only making gifts to fund the ILIT. If there is implied or expressed understanding among the parties involved that the insured will have access to the benefits under BenefitAccess in the event of chronic illness, then inclusion of the life policy in the estate of the insured may occur.⁴

²Special rules apply to determine the taxability of benefits when there is more than one contract providing accelerated benefits on account of chronic illness or qualified long-term care contract on the insured's life and more than one policyowner. A qualified tax advisor should be consulted.

³Qualified expenses means necessary diagnostic, preventive, therapeutic, curing, treating, mitigating, and rehabilitative services, and maintenance or personal care services required to treat a chronically ill individual under a plan of care prescribed by a licensed health care practitioner.

⁴Internal Revenue Code 2036(a), Treasury Regulation 20.2036-1(a). Assumes the ILIT has an insurable interest in the life of the insured.

Can an Irrevocable Life Insurance Trust (ILIT) own a life insurance policy with BenefitAccess to keep the death benefit outside the insured's estate for federal estate tax purposes? Are the federal estate tax consequences any different if another third party, such as a child of the insured, owns the life insurance policy with BenefitAccess? (continued)

If a child of the insured owns the policy, instead of an ILIT, and the insured is gifting cash to the child for payment of the premium or paying the premium directly to the insurance carrier, then there must not be an expressed or implied understanding between the insured and the child that the insured will have access to the benefits under BenefitAccess, or inclusion in the insured's estate of the policy for federal estate tax purposes may also occur.

In either of these instances, clients should consult a qualified tax advisor to fully appreciate the rider's impact for income, gift, and estate tax purposes.

What is the difference between BenefitAccess and a qualified long-term care rider?

A qualified long-term care insurance contract or rider attached to a life insurance policy satisfies Section 7702B of the Internal Revenue Code and is a health insurance contract. BenefitAccess was not designed to satisfy Section 7702B and is neither long-term care insurance nor a health insurance contract.

However, accelerated death benefit riders, like BenefitAccess and qualified long-term care insurance riders, may appear similar because:

- Both can either provide for payments on a per diem basis without regard to expenses incurred during the benefit period or reimburse qualified expenses.
- Both are required by the Internal Revenue Code to define "chronically ill" and "qualified long-term care services" the same.
- Benefits paid under an accelerated death benefit rider on account of chronic illness are generally excludable from income to the same extent they would be under a qualified long-term care insurance contract.⁵

However, long-term care insurance is designed to provide coverage for a person's lifetime, while accelerated benefits from a life insurance policy, like BenefitAccess, can last only until the full death benefit has been depleted.

The maximum amount an accelerated death benefit rider for chronic illness can accelerate is the policy's death benefit. Qualified long-term care riders can accelerate up to the full death benefit of the life insurance policy and may also provide additional long-term care benefits that have no impact on the base policy's values, typically after exhausting all but a nominal amount of the death benefit. Also, some qualified long-term care riders do not accelerate the death benefit and instead provide separate long-term care benefits.

Despite some similarities, BenefitAccess is life insurance and long-term care insurance is health insurance.

Since long-term care insurance is classified as health insurance, it is subject to the Health Insurance Portability and Accountability Act (HIPAA) and must provide certain consumer protection provisions specific to long-term care. In addition, state law requires health contracts, like long-term care, to have different policy provisions and requirements than life insurance contracts. A health license is also required to sell long-term care insurance.

Because BenefitAccess is life insurance (and not health insurance), state law prohibits the rider from being marketed as long-term care insurance.

⁵Remember, however, there are some differences. For example, unlike accelerated death benefit riders on account of chronic illness in which the benefits are taxable if the policyowner and the insured are not the same and the policyowner has an insurable interest in the life of the insured based on a certain business relationship, no such restriction applies to make benefits under a qualified long-term care insurance contract taxable.

<p>Can another insurance carrier's life insurance policy with a qualified IRC Section 7702B rider be exchanged income tax-free under IRC Section 1035 to a Prudential policy with BenefitAccess?</p>	<p>Effective in 2010, provisions of the Pension Protection Act of 2006 make it clear that life insurance with a rider established under Section 7702B will be treated as a life insurance contract for Section 1035 purposes. As a result, in 2013, a life insurance contract with a Section 7702B rider may be exchanged income tax-free under Section 1035 for a policy with BenefitAccess.</p>
<p>Are the income-tax consequences different if the owner of a policy with BenefitAccess is not the same as the insured, such as a business entity?</p>	<p>It depends. For example, exclusion from income does not apply if the owner of the policy has an insurable interest in the life of the insured by reason of being a director, officer, or employee or by reason of being financially interested in any trade or business carried on by the owner.</p>
<p>Will the rider affect eligibility for Medicaid, Supplemental Social Security Income or other public assistance programs?</p>	<p>The mere fact that a client owns a policy with an accelerated benefit rider may affect eligibility for these government programs. In addition, exercising the option to accelerate death benefits and receiving those benefits before clients apply for these programs or while receiving government benefits may affect initial or continued eligibility under the programs. Many public assistance programs also vary by state. For example, each state's Medicaid program is different, even though they must operate within federal guidelines. Clients should consult a qualified advisor to determine how the rider will affect their initial or continued eligibility for the public assistance programs.</p>
<p>Will Medicare pay for expenses that BenefitAccess pays for?</p>	<p>BenefitAccess does not pay for or reimburse expenses. Once a claim is approved, the rider pays benefits without regard to expenses incurred. Unlike BenefitAccess, which is life insurance, Medicare is health insurance for qualifying people. Under certain circumstances, Medicare may cover some expenses associated with being chronically ill.</p>
<p>Does the addition of the rider affect creditor protection rules of life insurance in various states?</p>	<p>The statutory creditor exemptions afforded life insurance vary by state and the treatment of BenefitAccess will also vary. The protections, if any, against creditors for life insurance cash surrender values and accelerated death benefits like those provided by BenefitAccess may depend on the relationship between the owner and insured and between the owner and beneficiary. Clients should consult a qualified advisor in their state to determine how the rider impacts creditor protection rules for life insurance in their state.</p>

If you have questions about the BenefitAccess rider, talk to your Prudential representative today.

This information is written in connection with the promotion or marketing of the matters addressed in this material. The information cannot be used or relied upon for the purpose of avoiding IRS penalties. These materials are not intended to provide tax, accounting, or legal advice. As with all matters of a tax or legal nature, your clients should consult their own tax or legal counsel for advice .

The BenefitAccess Rider is available for an extra premium. Additional underwriting requirements and limits may also apply. Obtaining benefits under the terms of the rider will reduce and may eliminate the death benefit.

Benefits paid under the BenefitAccess rider are intended to be treated for federal tax purposes as accelerated life insurance death benefits under IRC §101(g)(1)(b). Tax laws related to the receipt of accelerated death benefits are complex and may be taxable in certain circumstances. Receipt of benefits may affect eligibility for public assistance programs such as Medicaid. Accelerated benefits paid under the terms of the Terminal Illness portion of the rider are subject to a \$150 (\$100 in FL) processing fee. You should consult your tax and legal advisors prior to initiating any claim.

A licensed health care practitioner must certify the chronic or terminal illness to qualify for benefits. Chronic illness claims will require recertification by a licensed health care practitioner. Other terms and conditions may apply. This rider is not Long Term Care insurance (LTC) and it is not intended to replace LTC. The rider may not cover all of the costs associated with chronic illness. The rider is a life insurance accelerated death benefit product, is generally not subject to health insurance requirements, and may not be available in all states.

This rider is offered on policies issued by The Prudential Insurance Company of America, 751 Broad Street, Newark, NJ 07102, and Pruco Life Insurance Company and Pruco Life Insurance Company of New Jersey, both located at 213 Washington Street, Newark, NJ 07102-3777. All are Prudential Financial companies.

All guarantees and benefits of the insurance policy are backed by the claims-paying ability of the issuing insurance company. Policy guarantees and benefits are not backed by the broker/dealer and/or insurance agency selling the policy, nor by any of their affiliates, and none of them makes any representations or guarantees regarding the claims-paying ability of the issuing insurance company.

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 a client's advisors. Accordingly, any information in this document cannot be used by any taxpayer for purposes of avoiding penalties under the Internal Revenue Code

Securities and Insurance Products:

Not Insured by FDIC or Any Federal Government Agency. May Lose Value.
Not a Deposit of or Guaranteed by Any Bank or Bank Affiliate.

Prudential, the Prudential logo, and the Rock symbol are service marks of Prudential Financial, Inc. and its related entities.

NOT FOR CONSUMER USE.

© 2013 Prudential Financial, Inc. and its related entities.