

PRODUCT UPDATES

FAQs: Premium Limits for New Business

We are pleased to announce that **beginning June 14, 2021** we are increasing the premium limits on many of our products from \$1 million to \$2 million, per insured, per year. The ability to illustrate the new limits will also begin on June 14th. Please refer to the below list of impacted products and new state-specific premium limits.

New Premium Limits

Product (Version)	All States*		New York	
	Current	New	Current	New
Term (Feb 21)	\$1M	\$2M	\$500k	\$2M
PruLife VUL Protector (May 21)	\$1M	\$2M	\$500k	No Change
PruLife Founders Plus (April 21)	\$1M	\$2M	N/A	N/A
PruLife Essential UL (April 21)	\$1M	\$2M	\$500k	\$2M
PruLife Custom Premier II (All Versions)	\$1M	\$2M	\$1M	\$2M
PruLife SUL Protector (February 2021)	\$1M	\$2M	\$1M	No Change
Premium Limits for the below products will remain the same				
PruLife SVUL Protector (December 2020)	\$1M	No Change	\$1M	No Change
PruLife Survivorship Indexed UL (All Versions)	\$1M	No Change	N/A	N/A
PruLife Indexed Advantage UL (All Versions)	\$1M	No Change	N/A	N/A

Note: Older versions of products in states that haven't approved the latest pricing (ex., VULP in CA, FP in NY) will remain at a \$500k limit for single life and \$1M for survivorship.

* The "All States" columns exclude New York.

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Does the premium limit apply to all policies for an insured?

Yes, this new limit applies across all cases for an individual insured. Each insured will be allowed a total limit of \$2,000,000 (or the specific limit for the product/state as listed above if lower). This will allow for a single insured to submit up to a product/state specific limit in total combined premium, including premiums paid on policies placed over the last 12 months. It will also impact policies applied for in the next 12 months.

Example #1

Client has not applied for coverage in the last 12 months, he or she can apply for a VUL Protector (May 2021 version) policy with a planned premium of \$2,000,000 per year.

Example #2

Client took out a policy in the last 12 months and paid a premium of \$500,000 consistent with the previous premium limits. They are interested in obtaining additional coverage with a new VUL Protector (May 2021 version) policy. They can apply for a policy with a planned premium of an additional \$1,500,000.

Example #3

Clients are looking to put in the maximum premium allowable in PruLife SVUL Protector, in combination with individual coverage. The maximum allowable premium for SVUL is \$1M, which would be attributable half to each insured. The remaining \$1.5M could be used to purchase individual coverage, such as PruLife VUL Protector (May 2021 Version). Please note, the \$2M is reduced to \$1.5M for VUL Protector, due to maximizing the coverage in the PruLife SVUL Protector. *This example is for all states, except for NY. For products where the single life limit is lower, this example would not apply.*

What type of funding counts toward the premium limit?

All funding will count toward the new premium limit. This includes the combined total of all 1035 exchanges, lump sum payments, and any additional premium made toward a policy for each individual insured. Planned premiums for policies as part of a Term Conversion also count towards the cumulative premium limit for an individual insured. If the conversion is part of a non-contractual conversion, such as when an optional rider is added, the face amount is being increased, or the conversion is to a survivorship policy, then the premium limit would be enforced on the new policy.

Will inforce policies count toward the premium limit?

Yes, existing policies placed over the last 12 months will count toward the premium limit. All new policies and new submissions will count toward the insured's total limit for the policy year.

Are these limits subject to change?

Yes, existing Prudential will continue to monitor the current marketplace to determine if updates are needed to this premium limit.

Who should I contact for a revised illustration on a case that was previously submitted at or below the previous limits?

Please contact your Internal Wholesaler for support on an already submitted case. The illustration system will also reflect the new premium limits starting on June 14th, allowing users to run new illustrations up to the new limits.

Will there be a Large Case Review process?

No. The premium limits are a hard cap and no exceptions will be made.

Life insurance policies are issued by The Prudential Insurance Company of America, Pruco Life Insurance Company (except in NY), and Pruco Life Insurance Company of New Jersey (in NY). All are Prudential Financial companies located in Newark, NJ.

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