

Transition Rules for California

PruLife® Custom Premier II

May 2024

On Monday, May 13, 2024, the revised PruLife® Custom Premier II (Issue Basis 303) will be introduced in California.

The following rules apply to any request for New Business, Term Conversion, or OPAI (Option to Purchase Additional Insurance) Conversion.

IMPORTANT DATES (subject to state approval)

- **May 13, 2024 (Ready to Sell Date¹):** New Rates for the revised product are in effect. All applications signed and dated¹ on or after May 13, 2024 will receive the New Rates.
- **May 17, 2024 (Home Office Receipt Date¹):** Last day that an application can be received in the Home Office with Old Rates (Issue Basis 301).
- **July 12, 2024 (Placement Date¹):** Last day that a pending case can be placed with old rates. All delivery requirements must be received in good order by end of business day (4 PM EST).
- **July 12, 2024 (1035 Exchange Date¹):** Cases involving 1035 exchange must be initiated/started by July 12, 2024, to retain old rates. If the 1035 initiation/start deadline is met, the policy will not be subject to an additional placement deadline.

APPLICATIONS WITH PENDING OWNERSHIP ARRANGEMENTS

- Updates to applications as part of establishing a trust or finalizing the ownership arrangement can be made after the application deadlines outlined in the Transition Rules. However, these cases must still meet the application deadlines for the original application and comply with all other deadlines outlined in the Transition Rules.

INFORMAL/INQUIRY APPLICATIONS

- Informal/Inquiry applications will not be eligible for the old product unless replaced by a live application signed by May 12, 2024, and received in the Home Office by May 17, 2024.

REQUESTS FOR NEW RATES

Requests for changes to the New Rates will be permitted consistent with the following current practice for these situations:

- Any pending case or issued policy that is not yet delivered with an application date prior to the Ready to Sell Date can be changed to New Rates, as long as the request for change is made on or after the Ready to Sell Date. If you are planning to backdate to save age, please refer to the Backdating section below for additional restrictions for cases requesting new rates.

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REQUESTS FOR NEW RATES (cont.)

- An existing PruLife® Custom Premier II policy that has been delivered, is in force, and is still within its 90-day New Business Change Period can be changed to New Rates and keep the original policy number, **as long as the policy is in compliance with the Backdating section below**. The written request must be submitted on or after the Ready to Sell Date with a matching illustration with the new rates. Existing policies that are outside the 90-day New Business Change Period cannot be changed to the New Rates.
- During the 90-day New Business Change Period, Face Amount increases with old rates **will not** be allowed. The 90-day New Business Change Period is defined as the 90-day period beginning on the later of the policy date or issue date. For a contractual Term Conversion that is issued after the end of the original conversion period, the change period is defined as the 90-day period beginning on the policy date.

BACKDATING

- A policy cannot be backdated more than 6 months prior to the application date.
- A policy with New Rates can be dated prior to the state introduction date as long as the application meets the requirements in the IMPORTANT DATES above.
- **The policy effective date cannot be beyond 6 months prior to the Ready to Sell Date.** This applies to all policies, including all applications and policies within the 90-day new business change period requesting new rates.

TERM CONVERSIONS

- Term Conversions are subject to the same dates in the **Important Dates** section above. They must also be conversion eligible at the time of application.

¹ Definition of “date”:

- Pru Advisors Prepaid eLife - Date on the form of payment and the Authorization, Acknowledgment and Limited Insurance Agreement form
- Pru Advisors COD eLife - Date the Authorization, Acknowledgment, and Limited Insurance Agreement form and Variable Contract Acknowledgment form (if applicable) were signed by the client
- Pru Advisors or Third-Party Full Application case - Date the Part 1 of application (ORD 96200) was signed
- Third Party Prepaid Xpress QuickForm case - Date on the form of payment, the Authorization to Release Information form, and the Limited Insurance Agreement form
- Third Party COD Xpress QuickForm case - Date the Authorization to Release Information form and Variable Contract Acknowledgment form (if applicable) were signed by the client

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