



Long Term Disability Insurance Conversion Plan

The Prudential Insurance Company of America

Prudential  Financial



**Long Term
Disability Insurance
Conversion Plan**

If you have any questions regarding the conversion of your
Group Long Term Disability coverage, please call
our toll free hotline at:

800-304-9553

8:00 AM - 5:00 PM
Eastern Time Zone

TABLE OF CONTENTS

INTRODUCTION	1
ELIGIBILITY REQUIREMENTS FOR ENROLLING	2
HOW TO ENROLL FOR CONVERSION COVERAGE	3
PLAN PROVISIONS	4
PREMIUM INFORMATION	7
PREMIUM WORKSHEET	8
QUESTIONS AND ANSWERS	9



INTRODUCTION

What is the LTD Insurance Conversion Plan?

Your Group (LTD) insurance coverage contained a conversion provision which gives you an opportunity to convert your terminated group coverage to the Prudential Group Long Term Disability Conversion Insurance Trust. It was designed to meet the needs of individuals who otherwise might not be entitled to Group LTD coverage. The intent of the Conversion Provision is to ensure there is no gap in your income protection insurance.

ELIGIBILITY REQUIREMENTS FOR ENROLLING

To be eligible to convert your Group LTD insurance coverage, you must meet the following requirements:

- ◆ Your employment ends for a reason other than retirement.
- ◆ At the time your employment ends, you are covered under a Prudential Group LTD plan and you have been covered for at least twelve consecutive months for LTD coverage under a group contract/plan.

Conversion is not available if your coverage ends for any of these reasons:

- ◆ You are disabled under the terms of your Group LTD coverage with Prudential at the time your employment ends.
- ◆ Your employment ends due to retirement.
- ◆ You are 70 years old or more when employment ends.
- ◆ Your contract holder terminates your Group LTD coverage with Prudential.
- ◆ You are no longer a member of an eligible class of employees or your class of employees is no longer covered under the plan.
- ◆ You become eligible for LTD coverage under any other Group LTD plan.

HOW TO ENROLL FOR GROUP LTD CONVERSION COVERAGE

To enroll in the Prudential Group Long Term Disability Conversion Insurance Trust you must meet the following requirements:

- ◆ You must enroll for coverage within 31 days from the date your Group Long Term Disability coverage terminated.
- ◆ You must complete the enrollment form in this package (Employee's Statement).
- ◆ If you are enrolling for a monthly benefit amount in excess of \$4,000, you will be mailed an Evidence of Insurability Form to complete. You will also be required to undergo a blood test.
- ◆ Complete the premium work sheet to determine the amount of your quarterly premium.
- ◆ Verify that your employer/contract holder has completed the Contract Holder's Statement found in this package. If this has not been completed when you receive your package, please have your employer complete it immediately. This information is mandatory for the processing of your enrollment; if it is not completed your enrollment form cannot be processed.

Now you are ready to submit information for processing.

Submit the following information:

- ◆ The completed and signed Enrollment Form for the Prudential Group Long Term Disability Conversion Insurance Trust, including the completed Contract Holder's Statement.
- ◆ A check for the first quarterly premium made payable to "Prudential".

Send all of the above information to:

Prudential Long Term Disability Insurance Conversion Plan
IBS/Cobra Operations
P.O. Box 34640
Louisville, Kentucky 40232-4640
If you have questions, call 800-304-9553.

PLAN PROVISIONS

Participants in the Prudential Group Long Term Disability Insurance Conversion Trust will be covered for the plan of benefits outlined below:

Definition of Total Disability:

Own Occupation: During the first 24 months of benefits, total disability exists when, due to sickness or accidental injury, you are unable to perform, for wage or profit, the material and substantial duties of your occupation. "Your occupation" means your occupation with the prior employer at the time coverage becomes effective.

Any Occupation: After 24 months of benefits, total disability exists when, due to sickness or accidental injury, you are unable to perform, for wage or profit, the material and substantial duties of any occupation for which you are suited, based on your education, training and experience.

To be considered totally disabled, you must be under the regular care of a doctor, unless you have reached the maximum point of recovery, and not be working at any job for wage or profit.

Scheduled Benefit:

You are eligible to enroll for a Scheduled Benefit equal to the lesser of:

- (1) the amount for which you were covered under the prior plan; and
- (2) 60% of your monthly Earnings as of the date your long term disability coverage under the prior plan terminated, but not more than:
 - (a) \$8,000 if you have given Prudential satisfactory evidence of insurability; otherwise
 - (b) \$4,000.

Adjusted Benefit:

The Scheduled Benefit outlined above will be reduced by other income you or your dependents receive from these sources:

- (1) Social Security benefits
- (2) Disability benefits paid under Workers' Compensation or any other occupational disease law
- (3) Any plans through an employer which provide disability benefits, including salary continuance, short term disability benefits, statutory disability benefits, etc.
- (4) Retirement benefits from any employer, to the extent funded by employer contributions
- (5) Periodic life insurance benefits

Minimum Benefit:

\$50.00 per month (for residents of Missouri, the minimum benefit is the greater of 15% of the Scheduled Benefit and \$50.00)

Elimination Period:

Benefits begin after 180 days of continuous Total Disability. A recovery of up to 14 days is permitted during this period. However, the elimination period will be extended by any recovery days. If, after you have satisfied the elimination period and are receiving benefits, you recover for 6 months or less and, while still covered under the conversion trust, later become totally disabled for the same or a related condition, benefits will resume immediately. You will not need to satisfy a new elimination period.

Limiting Age:

Coverage terminates on your 70th birthday.

Maximum Benefit Duration:

Benefits are payable to your normal retirement age under the Social Security Act. However, if you become disabled at age 60 or later, benefits may continue beyond your normal retirement age, as follows:

Age at Disability	Maximum Benefit Duration
Under age 61	To your normal retirement age, but not less than 60 months
61	To your normal retirement age, but not less than 48 months
62	To your normal retirement age, but not less than 42 months
63	To your normal retirement age, but not less than 36 months
64	To your normal retirement age, but not less than 30 months
65	24 months
66	21 months
67	18 months
68	15 months
69	12 months

Benefit Duration for Mental and Nervous Conditions:

Benefits are payable for up to 24 months for disabilities caused, at least in part, by a mental, psychoneurotic or personality disorder. If you are hospitalized at the end of this 24 month period, benefits continue for the duration of the confinement plus three months. If, after benefits have expired under this provision, you are later hospitalized for one of these disorders for 14 days or more, benefits may resume for the duration of the confinement and up to three additional months following discharge.

These resumed benefits will not continue beyond the maximum benefit duration. A nursing home, convalescent center, home for the aged or similar institution is not considered a "hospital".

Benefits for Expenses of Rehabilitation:

While you are disabled and receiving benefits, you may participate in a rehabilitation program aimed at returning to full-time employment. Benefits may be available under this provision, with Prudential's approval, to pay some of the expenses associated with rehabilitation.

Partial Disability:

While you are totally disabled and receiving LTD benefits, you may recover sufficiently to resume some employment. You may return to work and continue to receive benefits as long as your earnings do not exceed 80% of your monthly earnings at the time you obtained coverage. The partial disability benefit paid will equal the percent of earnings lost times your adjusted benefit, but not less than \$50.00 per month. (For Missouri residents, the minimum adjusted benefit is the greater of 15% of the Scheduled Benefit and \$50.00)

Exclusions:

Benefits will not be paid for any period of disability that is caused by:

- ◆ Any intentionally self-inflicted injury or attempted suicide while sane.
- ◆ Any war or act of war, including undeclared war and resistance to armed aggression.
- ◆ Participation in the commission of, or an attempt to commit, a felony.

In addition, no benefits will be paid for any period of disability that occurs while:

- ◆ You are outside the United States, its territories and possessions, and Canada.

Termination of Coverage:

Your coverage under this policy terminates at the earliest of:

- ◆ Your attainment of age 70, or
- ◆ The first day you are eligible for LTD coverage through another group plan, or
- ◆ The first day you choose to withdraw from the plan, or
- ◆ The first day for which you fail to pay the required premium, or
- ◆ The termination of the Group Contract providing this coverage.

PREMIUM INFORMATION

Rates Effective: January 1, 1993

The Quarterly Premium Rate for coverage under Prudential Group Long Term Disability Conversion Insurance Trust is based on your attained age (as of the premium due date) and your Scheduled Benefit, as follows:

Attained Age	Quarterly Premium* per \$100 LTD Scheduled Benefit
Under age 30	\$1.70
30-39	2.50
40-44	4.40
45-49	7.00
50-54	11.20
55-59	15.50
60-64	15.50
65-69	11.00

*These rates are not guaranteed and may change in the future. You will be notified at least 31 days (45 days for Florida residents) in advance of any change in the premium rates.

Premiums are payable on a quarterly basis. To obtain coverage, the first quarterly premium must be submitted with your enrollment form and received within 31 days of termination of coverage under the prior group plan. Subsequent premium payments are due on the first day of each calendar quarter (1/1, 4/1, 7/1, 10/1). Premium amounts will be adjusted as of each premium due date where your attained age places you in a new age category. The new premium amount will be indicated on your quarterly premium statement.

You will receive a quarterly premium statement approximately 15 days prior to each due date. Payment should be remitted promptly to ensure timely receipt. If payment is not received within 31 days of any due date, coverage will be terminated. No reinstatement of coverage will be permitted.

PREMIUM WORKSHEET

To calculate your quarterly premium payment, follow these steps:

1. Indicate the Scheduled Benefit you are enrolling for, as determined on the Enrollment Form: \$ _____.
2. Determine the premium rate, based on your age, from the chart below:

Age	Premium Rate
Under age 30	.0170
30-39	.0250
40-44	.0440
45-49	.0700
50-54	.1120
55-59	.1550
60-64	.1550
65-69	.1100

Premium Rate: _____

3. Multiply the Premium Rate (2) by your Scheduled Benefit (1): \$ _____.

This is your quarterly premium amount.

4. No Scheduled Benefit amounts greater than \$4,000 will become effective until you are notified of approval by Prudential. If you are enrolling for a Scheduled Benefit exceeding \$4,000, calculate the first quarterly premium as follows:

Multiply the Premium Rate (2) by \$4,000: \$ _____.

5. Submit your check for the lesser of (3) and (4) above, payable to "Prudential", with your Enrollment Form. If you have applied for a Scheduled Benefit amount in excess of \$4,000 and it is approved by Prudential, your quarterly premium payment will be adjusted accordingly.

QUESTIONS AND ANSWERS

When will my coverage become effective?

Coverage under the Prudential Group Long Term Disability Insurance Conversion Trust becomes effective on the day following the last day you are covered under the group plan, as long as you pay the first premium within 31 days of that date. However, if you enroll for a Scheduled Benefit greater than \$4,000, only the first \$4,000 becomes effective on this date. The additional amount will not become effective until it has been approved by Prudential. You will be notified, in writing, of your effective date for the additional coverage.

Can I convert my employer Group LTD coverage to the Prudential LTD Insurance Conversion Plan if I become disabled?

No, a person who is disabled under the terms of the employer's group coverage, is not eligible for coverage under the LTD Insurance Conversion Plan.

Is this an individual policy?

No, this is a group plan.

Can I change the plan design?

No, the plan design is not adjustable.

If my current Scheduled Benefit is more than \$4,000, do I have to apply for that amount and submit medical evidence of insurability?

You are not required to elect a Scheduled Benefit greater than \$4,000 even if your current Scheduled Benefit exceeds that amount. You can simply check off "Option 1" on the Enrollment Form to enroll for the \$4,000 Scheduled Benefit.

How do I enroll for a Scheduled Benefit greater than \$4,000?

Check "Option 2" on the Enrollment Form and you will be sent an Evidence of Insurability Form to complete.

Can I enroll for a Scheduled Benefit that is greater than the amount provided under my group plan?

No, your Scheduled Benefit under the LTD Insurance Conversion Plan cannot exceed the amount you were covered for under the group plan.

What if I enroll for Option 1 (\$4,000) and change my mind? Can I increase my Scheduled Benefit to Option 2?

No, you cannot change the option selected once you have enrolled for coverage. Your Scheduled Benefit will remain the same as long as you are covered under the plan.

If my current Scheduled Benefit is less than 60% of my monthly salary, can I enroll for the 60% Scheduled Benefit up to a \$4,000.00 maximum?

No, you are only able to enroll for a benefit equal to the Scheduled Benefit you had with your former employer, but not to exceed the LTD Insurance Conversion Plan of benefits.

When will my premium rate change?

Your premium rate will change whenever your birthday places you in a new "attained age" category. Your premium bill will be automatically adjusted when this occurs. Also, Prudential may revise the current premium rates at any time. You will be notified at least 31 days in advance of any rate changes (45 days for residents of Florida).

Whom do I call with questions about my premium bill?

All billing inquiries should be directed to 800-304-9553. Please note that your first premium check should be included with your application.

What should I do if I become disabled?

Call Prudential at 800-304-9553 as soon as you have been disabled for six weeks. You will be provided with the forms needed to submit a disability claim.

Where will my disability claim be handled?

All LTD claims under the LTD Insurance Conversion Plan will be administered by:

Group Insurance
Prudential Disability Management Services
P.O. Box 2300
Parsippany, NJ 07054
800-842-1718

Be sure to include your control number, GD 22560, on any correspondence.

When does my LTD coverage terminate?

LTD coverage under the LTD Insurance Conversion Plan terminates when the first of the following occurs:

- ◆ You elect to withdraw from the plan.
- ◆ You are eligible for coverage under another group plan.
- ◆ You fail to pay any quarterly premium when due.
- ◆ You attain age 70.
- ◆ The Group Contract providing this coverage ends.

New York Lives: This policy provides disability income insurance only. It does NOT provide basic hospital, basic medical or major medical insurance as defined by the New York State Insurance Department.

North Carolina Lives: THIS PLAN IS NOT A MEDICARE SUPPLEMENT. If you are eligible for Medicare, review the Guide to Health Insurance for People with Medicare, which is available from the company.

Long Term Disability coverage is underwritten by The Prudential Insurance Company of America, 751 Broad Street, Newark, NJ 07102, 1-800-290-5903. This brochure is a communication piece only. A Booklet-Certificate, with complete plan information, including provisions, limitations and exclusions will be provided. If there is a discrepancy between this document and the Group Contract/Booklet-Certificate issued by Prudential, the terms of the Group Contract will govern. Contract Series: 83500.

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NOTES



Employee's Statement

Your name (Please Print) _____ Social Security No. _____ Sex M F Date of Birth ____/____/____

Your home address
No. Street _____ City _____ State _____ Zip _____ Home Phone Number () _____

Your mailing address (if different from home address)
No. Street _____ City _____ State _____ Zip _____

Employment Information

Employer / Contract Holder: _____

Your Occupation: _____

Job Duties: _____

Date coverage began under the Group LTD Plan: ____/____/____ Date coverage terminated under the Group LTD Plan: ____/____/____	Reason for termination of coverage <input type="checkbox"/> Employment Terminated <input type="checkbox"/> Other (explain) _____ _____	Monthly earnings at termination of coverage \$ _____
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Conversion Information

Are you eligible for coverage under any other Group Long Term Disability Plan? Yes No

Are you enrolled for coverage under any other Group Long Term Disability Plan? Yes No

Scheduled Benefit Selected (check one):

- Option 1: **Standard Maximum:** 60% of your monthly earnings as of the date your LTD coverage terminated under the Group Plan, to a maximum of \$4,000.*
- Option 2: **High Maximum:** 60% of your monthly earnings as of the date your LTD coverage terminated under the Group Plan, to a maximum of \$8,000.* To enroll for this option, you are required to submit medical evidence of insurability and undergo a blood test. The amount in excess of \$4,000 will not become effective until you are notified of acceptance by Prudential.

*If your Scheduled Benefit under the Group Plan you are converting is less than the amount determined under the option you have selected, you are only eligible to enroll for that lesser amount.

Enrollment Information

Amount of Scheduled Benefit enrolling for \$ _____

If you selected Option 2 above, an Evidence of Insurability form will be sent to you to complete. In addition, please indicate:
 Physician's Name _____
 Address _____
 Phone Number () _____

Premium Amount enclosed (from worksheet) \$ _____

The statements above are true to the best of my knowledge and belief, and I agree that they shall form a part of the contract of insurance enrolled for. In addition, my enrollment establishes my participation in the Prudential Group Long Term Disability Conversion Insurance Trust.

Signature _____ Date ____/____/____

Contract Holder's Statement

Control No. _____ Branch _____
Employee's Name _____ Social Security Number _____

Coverage Information

Coverage is being terminated due to

Employment Terminated

Date of Termination ____/____/____ or

Other (explain) _____

Date coverage began under the Group Plan ____/____/____

Date coverage terminated under the Group Plan ____/____/____

Date employee notified of conversion privilege ____/____/____

Was the employee covered under your LTD plan (present plan or combination of present and prior plans) for 12 months or more? Yes No

Employment Information

Employee's monthly earnings at termination of coverage \$ _____

Employee's occupation _____

Plan Information

Scheduled Benefit percent under the Group LTD Plan (e.g., 40%, 50%, 60%, 66 2/3%) _____

Maximum Monthly Benefit \$ _____

The information provided is correct and complete to the best of my knowledge.

Signature _____

Date ____/____/____

Name of Contract Holder _____

Address _____

Telephone (____) _____ Ext _____

Mail Enrollment Form to:

Prudential Long Term Disability Insurance Conversion Plan
IBS/Cobra Operations
P.O. Box 34640
Louisville, Kentucky 40232-4640

Important Notice

Arkansas Residents: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

Colorado Residents: It is unlawful to knowingly provide false, incomplete or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policy holder or claimant with regards to a settlement of award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

District of Columbia Residents: WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

Florida Residents: Any person who knowingly and with intent to injure, defraud or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

Kentucky Residents: Any person who knowingly and with intent to defraud any insurance company or other person files a statement of claim containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

Maine Residents: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

Maryland Residents: Any person who knowingly gives false or deceptive information, when completing this application, for the purpose of defrauding the company may be found guilty of insurance fraud.

New Jersey Residents: Any person who includes any false or misleading information on an application on an insurance policy is subject to criminal and civil penalties.

New Mexico Residents: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

New York Residents: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

Ohio Residents: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

Pennsylvania Residents: Any person who knowingly and with intent to defraud any insurance company or person files an application of insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

Tennessee Residents: It is a crime to knowingly provide false, incomplete, or misleading information to any party to a workers' compensation transaction for the purpose of committing fraud. Penalties include imprisonment, fines, and denial of insurance benefits.

Virginia Residents: It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines, and denial of insurance benefits.

The Long Term Disability Coverage is underwritten by The Prudential Insurance Company of America, 751 Broad Street, Newark, NJ 07102. Please refer to the Booklet-Certificate for all plan details, including any exclusions, limitations and restrictions which may apply. Contract Series: 83500.

The Prudential Insurance Company of America,
751 Broad Street, Newark, NJ 07102.



INST-A002112-A
Cat# 1108073
8/2003-PDF