

## Prudential ILTC Employer Sponsored Group Program

Changes for Jan - 2009

	ESP Simplified Underwriting Program	ESP Full Underwriting Program (using Affiliation Group Discount)
<b>What is the premium discount for the program?</b>	5%	5%
<b>What is the minimum number of eligible employees that a group must have to be eligible for the program?</b>	7	2
<b>What is the minimum participation rate that is required for the program?</b>	For groups with 7 - 200 eligible employees: 7 employees must be issued. For groups with 201 or more: 4% of eligible employees must be issued. We will no longer require 100% of the eligible class/group to be issued. Spouses/Partners will no longer count towards the participation rates.	There is no minimum participation rate required with this program. The premium discount will still be applied even if only 1 policy gets issued.
<b>How much are commissions reduced by?</b>	5% year 1, 2% years 2 - 10, 0% thereafter {for the 10% premium discount; 7.5% year 1, 5% years 2 - 10, 1% thereafter}	5% year 1, 2% years 2 - 10, 0% thereafter
<b>What employer groups (or class of employees) are eligible for the program?</b>	The employer (or class of employees) must have a favorable occupation and demographic profile. The group must exist for a reason other than insurance.	
<b>What must be provided by the employer group?</b>	The employer must certify the accuracy of a required employee census and will support the program offering.	The employer must support the program offering. The employee census is not required.
<b>What is required to be considered an eligible employee?</b>	Employee must be actively at work for a minimum of 25 hours per week.	Employee must be actively at work. No minimum hours per week is required.
<b>What are the underwriting requirements for the eligible employees?</b>	<i>Simplified Underwriting</i> - Must meet all of these requirements: 1) Issue ages 18 - 65, 2) purchasing within the 60 day enrollment period, 3) benefits selected must be within the limits allowed. <i>Full Underwriting</i> - All other employees.	All employees must go through full underwriting.
<b>What are the underwriting requirements for the spouses/partners?</b>	<i>Simplified Underwriting</i> - Must meet all of these requirements: 1) Issue ages 18 - 65, 2) purchasing within the 60 day enrollment period, 3) benefits selected must be within the limits allowed, 4) must provide an affidavit to prove that they are actively at work for a minimum of 25 hours per week, and 5) the employer is paying the minimum premium requirements. <i>Full Underwriting</i> - All other spouses/partners.	All spouses/partners must go through full underwriting.
<b>What are the minimum premium requirements needed for spouses/partners to be considered for simplified underwriting?</b>	The employer must be paying at least a portion of the employees premium and elects to pay one of the following options for spouses/partners: 1) 100% of premium for a core benefit, 2) 25%, or more, of the total premium, or 3) \$250, or more, per year.	Not applicable.
<b>What are the underwriting requirements for new hires and their spouses/partners?</b>	New hires and their spouses/partners are eligible for simplified underwriting if they meet the requirements shown above, but their enrollment period is within 30 days of their employment date. All other new hires and their spouses/partners must go through full underwriting.	All new hires and their spouses/partners must go through full underwriting.
<b>What are the underwriting requirements for other family members?</b>	All other family members must go through full underwriting.	
<b>What premium risk classes are available for eligible employees?</b>	Standard I only, even if the employee is fully underwritten.	Preferred, Standard I, II and III are all available.
<b>What premium risk classes are available for spouses/partners?</b>	Standard I only - If full underwriting is required for all spouses/partners and applicant meets the requirements for Preferred, then the ESP discount can be dropped and the applicant can be issued with the preferred discount.	Preferred, Standard I, II and III are all available.
<b>What premium risk classes are available for other family members?</b>	Standard I only - If applicant meets the requirements for Preferred, then the ESP discount can be dropped and the applicant can be issued with the preferred discount.	Preferred, Standard I, II and III are all available.

Please note that additional changes were made to the simplified underwritten health application. These changes will be implemented for both ILTC3 and ILTC4 as it becomes available.