



## UNDERWRITING

## Prudential Rate Reduction Program

### Good News for Table A and B Rated Applications

Prudential's revised Rate Reduction Program has now been implemented, effective November 1, 2019. The program allows certain Table A and B rated new business applications to be automatically issued at Standard rates (Nonsmoker or Smoker), without the need for the producer to request submission through it. In-force contracts are not eligible to be put through this program.

The Rate Reduction Program is not a table shave program (which commonly does not consider underwriting risk factors or judgment). It allows for certain low substandard risks to be improved using positive risk attributes resulting in an improved offer.

### What Is Eligible for this Program?

The Rate Reduction Program eligibility parameters include:

#### US RESIDENTS ONLY

- **AGES:** 18 – 70
- **MINIMUM FACE AMOUNT:** \$100,000
- **PROGRAM MAXIMUM COVERAGE:** \$10,000,000\*
- **PRODUCTS:** All traditionally underwritten products
- **RISKS:** Single impairment Table A and B risk assessments (after all applied credits), excluding conditions listed on Page 2
- **CHANNELS:** For all Prudential distribution channels

\* For survivorship, the full face amount is used in determining the maximum coverage.

### Will the Rate Reduction Program be Available?

Case can be reduced to standard Nonsmoker/Smoker rate class if it meets the following:

- Eligible for the Rate Reduction Program based on the criteria above
- The single ratable condition is not listed on the Exclusions Page 2
- The case otherwise meets the criteria for Preferred Non-tobacco/Preferred Smoker (refer to the *Underwriting Estimator* 100322).

Program scenario examples:

- PI1 currently has \$5,000,000 individual coverage in force at Nonsmoker using the Rate Reduction Program. Applying for an additional \$5,000,000 survivorship contract with spouse. PI1 has again been assessed a Table B due to build, PI2 approved Nonsmoker Plus. For PI1, all Preferred criteria, other than build, meet the Preferred Non-tobacco criteria. PI1 approved through the Rate Reduction Program at Nonsmoker, PI2 approved at Nonsmoker Plus. PI1 now has the maximum amount of coverage in the Rate Reduction Program, PI2 continues to have \$0.
- PI applying for \$500,000 term coverage and is assessed Table A rates for elevated liver function tests on the blood test. PI meets all Preferred Non-tobacco criteria except for build, which meets Nonsmoker Plus rates. The program is not available because the PI's build only meets Nonsmoker Plus requirements and the case is approved with a Table A rating.



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## Conditions Excluded From the Rate Reduction Program

- Any rating or flat extra assessed for a non-medical reason, i.e. aviation, avocation, criminal activity, driving history or occupation
- The following medical conditions are excluded from submission through the Rate Reduction Program:

Alcohol abuse	Hepatitis D
Anti-psychotic medication, use of	Hydrocephalus
Athletic Heart	Hypercoagulable states
Bi-polar disorders	Interstitial Lung Disease (ILD)
Buerger's Disease	Idiopathic Thrombocytopenia (ITP)
Coronary Artery Disease	Laboratory tests – elevated BNP / NTPro-BNP
Cancer history	Left Ventricular Diastolic (Dys)Function
Cardiomyopathy / Hypertrophic Cardiomyopathy (HCM)	Long QT Syndrome
Central Nervous System (CNS) vascular abnormalities	Multiple Sclerosis
Cirrhosis	NASH (steatohepatitis) / Hepatomegaly
Congenital heart disease (except Atrial Septal Defect)	Neutropenia/ granulocytopenia
Conn's Syndrome	Osler-Weber-Rendu Syndrome
Chronic Obstructive Pulmonary Disease (includes chronic bronchitis)	Parkinson's Disease
Cerebrovascular Accident (CVA)	Polycystic Kidney Disease (PKD)
Deep Vein Thrombosis (DVT)	Polyposis syndrome
Diabetes (only with a smoker classification)	Porphyria
Drug abuse or current use (includes marijuana)	Psychiatric disorders (except mild-mod anxiety /depression)
Dysplastic Nevus Syndrome	Pulmonary Embolism (PE)
Familial Atypical Mole Syndrome	Sarcoidosis
Familial Adenomatous Polyposis (FAP)	Systemic Lupus Erythematosus
Giant Cell Arteritis (Temporal, Cranial Arteritis)	Tumor history
Glomerular Disease/ Glomerulonephritis	Valvular Surgery
Heart Block / First degree Atrioventricular Block	Varices
Hemolytic Anemia	Wegener's Granulomatosis
Hemophilia A/B	Wilson's Disease
Hepatitis C (untreated)	

Any other condition which requires Individual Consideration within current medical guidelines

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