



Prudential

CONTRACTHOLDER INFORMATION AND PROCEDURES ABSOLUTE ASSIGNMENTS

Introduction

Considering the irrevocability of an absolute assignment and in view of other important personal and legal matters, including a number of tax implications, anyone contemplating making an assignment of group life insurance should first secure legal advice from his or her own attorney.

An executed gift or value assignment results in all rights, both present and future, of the Insured in the coverage(s) assigned being irrevocably transferred to the assignee. Generally, the assigned rights over which the Insured loses all control include, but are not limited to, the following:

- The right to benefit payments that would otherwise be payable to the Insured.
- The right to name and/or change the beneficiary with respect to all benefits payable upon the death of the Insured or a dependent of the Insured. This applies only when, in the absence of the assignment, the Insured or dependent of the Insured could have made a beneficiary designation.
- The right to elect methods of settlement for the payment of insurance proceeds to a beneficiary.
- The right to make any further assignment.
- The right to make any application or election with respect to the assigned insurance, when and if the Insured would otherwise be eligible to make it.
- The right to any increases in the amounts of insurance.
- The right, where the plan calls for Insured contributions, to make required contributions.
- The right to receive notice of any conversion privilege, and to apply for the conversion.

The above rights which normally belong to the Insured would, following an assignment, become the exclusive rights of the assignee.

Procedures

1. When you receive a request for an assignment form:

- Provide the appropriate form to the Insured. Please note that we make these assignment forms available as an accommodation. We assume no obligation as to the validity or sufficiency of the assignment for any purpose whatsoever, or pass upon its legality.
- Caution the Insured to make his or her decisions concerning an assignment only after consulting with his or her personal attorney and/or financial advisor.
- Instruct the Insured to return two copies of the form to you after they have completed Parts Two and Three of the form.
- If the Insured has any questions on how to limit the assignment in ways other than those provided on the form, refer the Insured to his or her personal attorney.

2. When the Insured returns the form to you:

- Review it for proper completion. You may find the following Check Points helpful in your review.

Check Points:

⇒ Are all blank spaces filled in and all signatures provided?

⇒ Did the Insured select only one box to indicate the coverage(s) the Insured intends to assign? If the Insured selected the first box, the Insured intends to assign all coverages which apply to the Insured under the Group Contract. If the Insured selected the second box, the Insured intends to limit the assignment to certain coverage(s), and the Insured must indicate those coverage(s).

⇒ If the Insured limits the assignment to certain coverage(s), did the Insured use correct coverage names? The following coverage names are acceptable:

- ◇ Employee (or Member) Basic Term Life Coverage
- ◇ Employee (or Member) Optional Term Life Coverage
- ◇ Dependents Term Life Coverage
- ◇ Employee (or Member) Universal Life Coverage
- ◇ Dependents Universal Life Coverage
- ◇ Employee (or Member) Variable Universal Life Coverage
- ◇ Dependents Variable Universal Life Coverage
- ◇ Survivor Benefits Life Coverage
- ◇ Non-contributory Accidental Death and Dismemberment Coverage

- ◇ Voluntary Accidental Death and Dismemberment Coverage
- ◇ Personal Accident Coverage

⇒ Does the form refer to the correct Group Contract number? If the Insured limits the assignment to certain coverage(s), does the Group Contract referred to on the form contain those coverages? As explained in the instructions to the form, if the Insured intends to assign coverage(s) that are part of different Group Contracts, the Insured must complete a separate form for each Group Contract.

⇒ Did the assignee complete and sign the Designation of Beneficiary section of the form (Part Three)? The assignee's signature is required, even if the assignee does not indicate a beneficiary. See the instructions included with the Beneficiary Designation form for sample designation information.

⇒ Please call Donna Sousa of the Prudential Group Life Contract area at (973) 548-6487 if you have any questions during your review of the form.

3. When the form is properly completed:

- Have the authorized representative of the Contractholder sign under Part Four of the form.
- Record the assignment by marking the Insured's enrollment card and any other record which you have on the Insured with the notation "All Rights Assigned pursuant to Assignment dated", or "All Rights Assigned in connection with insurance coverage pursuant to Assignment dated"
- File a copy of the assignment form with the Insured's records.
- Return the original form to the Insured for delivery to the assignee.

4. After an assignment is recorded, please remain aware of the following:

- If new coverages which apply to the Insured are added to the Group Contract after the date of the assignment, those new coverages are included in the assignment when the Insured has not limited the assignment (i.e., the Insured selected the first box). But those new coverages are not included in the assignment when the Insured has limited the assignment to certain coverage(s) under that Group Contract, (i.e., the Insured selected the second box).
- The Insured is no longer entitled to act with respect to the assigned coverage(s). All actions with respect to the assigned coverage(s) must be taken by the assignee. This means, for example, that all forms such as requests for additional coverage,

requests for beneficiary changes and settlement option elections under an assigned coverage, must be completed and signed by the assignee.

- Any increases in benefits under assigned coverages that automatically become effective for the Insured after the date of the assignment are considered as included in the assignment as of the effective date of the increase. Likewise, if any assigned coverage ends or is reduced, the ending or reduction takes place automatically as of the date the coverage ends or is reduced. Give any applicable certificate riders or replacement certificates evidencing these changes to the assignee.
- If there are any questions concerning the payment of benefits covered by the assignment, please refer the questions to the Prudential Group Life Claim hotline at 1-800-524-0542. Attach to the claim papers a copy of the assignment form on file with you.
- Notify the assignee of any conversion privilege under the assigned coverage(s). Only the assignee (and not the Insured) has the right to apply for conversion. The assignee must supply any information concerning the Insured that is needed with respect to the conversion. If the assignee requests conversion of assigned benefits, instruct the assignee to call the Group Life Insurance Conversion Unit at (973) 548-6061. The Conversion Unit will help the assignee with the forms and procedures that apply.

Ed. 3-20-98