

## PRUDENTIAL

### GROUP LIFE INSURANCE PAYMENT OPTIONS

Prudential's Alliance Account® is available to you for group life insurance payments, subject to a minimum account opening balance as Prudential may determine. When group life insurance benefits are settled through Prudential's Alliance Account® settlement option and the Division of Pensions & Benefits approves your claim, the full amount of the proceeds payable to you is paid in a single distribution by establishing an interest-bearing Alliance Account in your name.<sup>1</sup> If you choose an Alliance Account, you will receive an Alliance Kit within 7-10 working days from the date the Division of Pensions & Benefits approves payment of the insurance benefit.

Upon receipt of a draft book ("checkbook"), beneficiaries can withdraw all or part of the proceeds immediately, write checks as needed, or leave the funds in the account to earn interest. You will be mailed statements at least quarterly and as frequently as monthly depending on activity in the Account. State law requires that if there is no account activity and we have had no contact with you regarding your Alliance Account after a number of years (which time period varies by state), your Alliance Account may be considered dormant. If your Alliance Account becomes dormant, you will be mailed a check for the remaining balance plus interest, at your last address shown on our records. If you do not timely cash that check, your funds will be transferred to the state as unclaimed property. If your funds are transferred to the state, you may claim those funds from the state but you may be charged a fee by the state. Once your funds are transferred to the state, we no longer have any liability or responsibility with respect to your Alliance Account.

#### **Advantages of the Alliance Account**

- **Convenience and Flexibility:** When your claim is paid by way of the Alliance Account, you can take as much time as you need to consider all of your options. Important financial decisions, even under the best of circumstances, should not be made quickly. You can leave the funds in the account for as long as you wish, access any or all of your funds, and transfer funds to another available settlement option at any time and at no cost. The Alliance Account is the only payment option that gives you immediate access to the funds while keeping ALL of these options available for you to consider when you are ready.
- **Easy and Immediate Access:** Personalized checks, which you use as you would use your bank checks, are provided with your account. Additional checks can be ordered at any time at no charge. (Certain businesses may have their own policies and procedures for accepting checks.)
- **Multiple Payments—One Account:** If you are the beneficiary on more than one life insurance policy or annuity contract, proceeds will be paid into one Alliance Account. If you already have an Alliance Account, proceeds from this claim will be placed into that account and the transaction confirmation will appear on your next statement.
- **Interest on Your Funds:**<sup>2</sup> The funds in an Alliance Account begin earning interest immediately and will continue to earn interest until all funds are withdrawn. Interest is accrued daily, compounded daily and credited every month. The interest rate may change and will vary over time, subject to a minimum rate that will not change more than once every 90 days. You will be advised in advance of any change to the minimum interest rate via your quarterly Alliance Account statement or by calling Customer Support. The current interest rate is 0.50 percent, subject to a current minimum of 0.25 percent.
- **Your Funds are Secure:** The Alliance Account is a settlement option under the original life insurance policy and is backed by the financial strength of The Prudential Insurance Company of America—one of the largest insurance companies in the U.S. All funds are held within Prudential's general account. It is not FDIC insured because it is not a bank account or a bank product. Funds held in the Alliance Account are guaranteed by State Guaranty Associations. Please contact the National Organization of Life and Health Insurance Guaranty Associations ([www.nolhga.com](http://www.nolhga.com)) to learn more about coverage or limitations on your account. State Guaranty Fund coverages are not determined by Prudential. For further information, you may also contact your State Department of Insurance.
- **No Usage Fees:** The Alliance Account has no monthly charges, per check charges or check reorder fees. Some special services, however, such as requests to stop a check, will incur a charge. There are fees, which are subject to change, for special services as follows:

ITEM	FEE
Stop Payment Fee	\$12 each; \$25 maximum for three or more per day
Statement Copy Fee	\$2 per statement
Check Copy Fee	\$2 per check
Insufficient Funds Check Fee	\$10 per check
Overnight Delivery	Variable fee schedule

- **Dedicated Customer Support:** You can speak directly with a customer service representative between 8:00 a.m. and 8:00 p.m. Eastern Time, Monday through Friday by calling 877-255-4262. You can also call our automated voice-response system 24 hours a day to check your account balance, request additional checks and more. You can also write to us at Prudential Alliance Account, P.O. Box 41582, Philadelphia, PA 19176.

You may choose one of the following settlement or payment options as an alternative to the Alliance Account:

**Payment for a Fixed Period/Lifetime**

For beneficiaries of Active Members of the State of New Jersey, the death benefit may be paid over a fixed number of years (five to 20) or as a Lifetime annuity on a monthly basis. The payment amount will be higher or lower depending on the period selected. You may withdraw the total value of payments not yet made at any time.

**Beneficiaries of Retired Members of the State of New Jersey and Minor Beneficiaries of Active or Retired Members are not eligible for the fixed period/lifetime payment option.**

**Lump Sum**

Receive the full death benefit in a single lump sum check. For beneficiaries of Active Members, you may not convert this to an annuity once the lump sum payment is disbursed.

If you elect one of these settlement options, the tax treatment of the Death Benefit may be different than it would have been had the option not been elected. Please consult your tax advisor for advice.

**Please contact the New Jersey Division of Pensions & Benefits (NJDPB) at 609-292-7524 if you wish to discuss any of these options. You may also advise the NJDBP in writing of your choice when returning completed forms and death certificate(s).**

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<sup>1</sup> *The Alliance Account is not available for payments less than \$5,000. These will be paid by check. You should consult with a tax, investment or other financial advisor for tax information or other available investment options; we cannot provide tax advice.*

<sup>2</sup> *The interest rate credited to your Alliance Account is adjusted by Prudential at its discretion based on variable economic factors (including, but not limited to, prevailing market rates for short term demand deposit accounts, bank money market rates and Federal Reserve Interest rates) and may be more or less than the rate Prudential earns on the funds in the account. Interest may be taxable. The Alliance Account is a separate arrangement between you and Prudential. Prudential's Alliance Account is a registered trademark of The Prudential Insurance Company of America.*

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