



July 15, 2010

(CA) Policyholders to be Notified of ILTC1 Rate Increase

Prudential Long-Term Care (LTC) had previously communicated the intent to file for a premium rate increase on the first generation "ILTC1" long-term care insurance policies with the appropriate state insurance regulators. At that time, we provided you with background information, a producer toolkit and sample policyholder communications. For your convenience, the most recent versions of these documents are attached below. Please be aware that as we conclude the filing process with the states, we are preparing to send out first notice letters to policyholders in the state of **California**. Please note that this increase only applies to ILTC1 policies issued in California **prior to July 1, 2002**.

Letters will be mailed on **Monday, July 26, 2010**, to notify policyholders who purchased an ILTC1 policy in California, with an effective date prior to July 1, 2002, that a premium increase is scheduled to take effect beginning on the first modal premium due date after the effective date of the rate increase. LTC expects the first rate increase to be effective no earlier than **Monday, November 1, 2010**.

Amount of Premium Increase

The rate increase for ILTC1 policies in California is as follows:

Cash Benefit	Reimbursement
28%	18%

Policyholders on Claim

If policyholders are currently on claim and therefore not paying premiums due to the waiver of premium provision in their policy, this premium rate increase will not impact them until such a time as they are no longer on claim and return to premium-paying status. At that time, we will also provide insureds with options that may allow them to reduce the amount of the premium increase by reducing certain benefits under the policy.

Notification Letters

In addition to providing policyholders with information about the increase percentage, these first notice letters will also advise insureds that not less than 60 days prior to the effective date of the increase, we will be providing them with another letter outlining specific details about the premium increase as it relates to their policy. To date, ILTC1 policyholders in the following states have received a notification letter: AL, AK, AR, AZ, DE, GA, HI, IA, ID, IL, IN, KS, KY, LA, ND, MD, ME, MI, MN, MO, MS, MT, NC, NE, NH, NJ, NM, NV, OH, OR, PA, SC, SD, RI, TN, TX, UT, WA, WI, WV and WY.

Client Lists Available Upon Request

If you have not already received a personalized list of your clients who are affected by this premium increase, and would like one, please send an e-mail to PruLTC@Prudential.com with your full name and contract number, and the list will be e-mailed to you in a secure manner. You are not required to take any action, but may do so at your discretion.

Dedicated Customer Service Line Available

We have also set up a dedicated customer service line with specially trained staff to address producer and policyholder questions. If you have any questions, the phone number is (877) 214-6583, and representatives are available Monday through Friday, from 8:00 a.m. to 8:00 p.m. ET.

We plan to notify all ILTC1 policyholders of these increases as states act on our filings and we will continue to keep you informed of our progress.

Click below to view the related attachments:

[Sample Letter 1](#)

[Sample Letter 2](#)

[Producer Toolkit](#)

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