



January 23, 2012

LTC3SM Sales Temporarily Suspended in California

As you may know, Prudential Long-Term Care (LTC) is in the process of filing and seeking approval for refreshed rates on its LTC3SM product nationwide.

For the **State of California**, we've made a decision to temporarily suspend sales of LTC3 effective **March 1, 2012**, until such time that we receive approval from the California Department of Insurance (DOI) for our refreshed LTC3 rates and certain plan design adjustments. These adjustments, once approved by the State of California, include the removal of the Cash Alternative Benefit and 150% Home Care option.

Individual LTC3 Business

Applications for the current version of the LTC3 product in California must be received in the Prudential Long-Term Care New Business area by **Wednesday, February 29, 2012** to be considered for issuance. Individual applications received **March 1, 2012**, or later, will not be accepted.

Please note that this action does not affect in-force LTC3 policies in California; nor does it affect the availability of LTC products in any other state.

ESP and Affiliation LTC3 Cases

For our Employer Sponsored Program (ESP), new cases approved in the State of California on or prior to Wednesday, February 29, 2012, will have 60 days* beginning on the open enrollment start date to submit LTC3 applications. Once the open enrollment period ends, applications will not be accepted for the State of California until such time as the refreshed rates and plan design updates become effective in the state.

New Affiliation cases approved prior to Wednesday, February 29, 2012, will have no more than 60 days* from the date of the Affiliation approval to submit LTC3 applications. After 60 days, applications will not be accepted for the State of California until such time as the refreshed rates and plan design updates become effective in the state.

We regret taking this action but feel it is appropriate and an important part of responsibly managing our LTC business in light of our recent analysis showing significantly worse claims experience in California than elsewhere. We are working diligently with the State of California to obtain approval on our filing as quickly as possible.

Once we receive approval of our rate-refreshed LTC3 product and advertising filings by the California DOI, we will re-launch LTC3 in the state and will notify you through our regular field communications. While we are hopeful that this approval will come very soon, we have no way of estimating when the California DOI will approve this filing.

We appreciate your business and your patience as we await resolution of this matter in California.

If you have any questions, please contact your Prudential LTCi Regional Sales Manager.

* Please note that the 60-day period only applies to new ESP and affiliation cases that have not yet gone through the open enrollment period. New business on existing Affiliation and ESP cases will be subject to the March 1, 2012 effective date.

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