

NOTICE OF DISCONTINUANCE OF GROUP LIFE and/or DISABILITY INSURANCE

COMPANY NAME (subscriber):

TYPE OF INSURANCE COVERAGE: Group Life and/or Disability Insurance

DATE OF TERMINATION OF COVERAGE:

New York Employers: Notify covered employees at least nine days prior to the date of termination. See below for additional information.

Ohio and Florida Employers: See below for additional information.

All Other Employers: Notify covered employees as soon as practicable but in no event later than five working days of receipt of final discontinuance notice.

TO EMPLOYEES:

- a. Please be advised that your **group life (and/or disability)** insurance coverage will terminate on the above referenced date and you should refer to your certificate of insurance regarding your rights upon discontinuance. In particular, you should refer to any sections of your certificate of insurance entitled "Conversion" or When Insurance Ends" for an explanation of your coverage options, if any, after this group policy terminates.
- b. For cases with contributory coverage, if your employer (subscriber) continues to collect employees' contribution for coverage beyond discontinuance, the employer (subscriber) may be held solely liable for the benefits with respect to which the contribution had been collected.
- c. Unless otherwise provided in the contract or policy, the Prudential will not be liable for losses incurred after the above cancellation date.

Special provisions for employers in **New York, Ohio and Florida:**

For New York Employers:

Under Labor Law, section 217, and Part 55 of Title 11, Rules and Regulations of the State of New York, you must give written notice of the intended termination of a group accident or disability policy to each insured resident in New York State by hand-delivering or mailing to him a copy of the Notice of Discontinuance and a covering letter advising the certificate holders of the intended termination. The notice must be either (1) hand-delivered to the certificate holder at the certificateholder's place of employment

(e.g., by including the notice in the certificateholder's pay envelope) at least nine days prior to the intended date of termination; or mailed to each insured at his last known residential address at least nine days prior to the intended date of termination. You must also post a copy of the Notice and the required covering letter in conspicuous locations chosen as most likely to give notice to the insureds. The notice shall be posted at least nine days prior to the intended date of termination.

Section 217(3) of the Labor law shall not be deemed to apply if, at least 10 days prior to the date of the intended termination, you have (1) made full payment so that the intended termination is rendered null and void; or you have (2) contracted with another insurer to replace the existing insurer for the providing of similar coverage for the same certificateholders, and filed an affidavit with the Commissioner of Labor and Superintendent of Insurance to that effect.

(i) Affidavits filed with the Commissioner of Labor shall refer to Labor Law section 217 to be addressed to:

Director of Labor Standards Department of Labor Agency Building 12 State Office Building Campus Albany, New York 12240

(ii) Affidavits filed with the Superintendent of Insurance shall refer to Labor Law, section 217 and this Part, and shall be addressed to:

Chief, Health and Life Policy Bureau New York State Insurance Department Agency Building 1 Empire State Plaza Albany, New York 12223

For Florida Employers:

Section 627.5725 of the Florida Insurance Code requires that each certificateholder be notified when the master group life policy has expired or been canceled. As your Prudential group policy has terminated due to nonpayment of premium, we are exercising our election to have you provide the Notice. Please forward this Notice of Discontinuance, as soon as practicable to each certificateholder who was covered under the policy.

For Ohio employers:

If you fail to make a required premium payment or contribution on behalf of a certificate holder and that failure results in the termination of the group accident or disability coverage, you are obligated by Section 3999.32 of the Ohio Insurance Code to make a reasonable effort to notify every certificate holder, or certificate holder's designee, who is covered under that policy. You must mail or present the notice to the certificate holder or certificate holder's designee no later than five days after the date on which you receive final notice from Prudential that your group coverage has discontinued.