

## Non-U.S. Resident Guidelines

### An Example:

A U.S. citizen who has moved to Germany but returns to the U.S. periodically to visit family.

**NOTE: Citizenship is not a determining factor in defining a Non-U.S. Resident.**

### Non-U.S. Residents are defined as individuals who:

- Do not have a full-time permanent U.S. residence
- Reside outside of the U.S. for six months or more annually (even if they maintain dual residences in the U.S. and another country).
- Are immigrants from a foreign country, residing in the U.S. with intent to stay, but who do not have green cards and have been in the U.S. for less than one year.

### A case must:

- Have an issue age of 25-75 (70 for fully retained cases).
- Proposed Insured must be a business owner or professional individual working in medical, engineering, scientific, technological, or similar fields. Immediate family members may also be acceptable.
- Minimum policy face amount is \$250,000.
- The maximum special rating class is Class E (Class D for fully retained cases).

### To initiate the process, make sure to complete/consider:

- The Proposed Insured must have a minimum global net worth of US \$2 million.
- The Proposed insured must also have at least one meaningful tie/connection to the U.S. Examples of this U.S. nexus would be:
  - U.S. citizenship
  - Spouse is a U.S. citizen and/or U.S. resident (*U.S. residence of a family member other than a spouse, by itself, is not considered a meaningful tie*).
  - Ownership of real estate in the U.S.
  - Ownership of a business in the U.S. or employment by a U.S. company
  - Verifiable U.S. tax liability that will support the need for insurance
  - Ownership of verifiable U.S. assets for a minimum of 6 months and:
    - equal to 25% of total net worth **or**
    - minimum of \$500,000
- To complete the Non-U.S. Resident Disclosure Form (ORD 115136). This form must be completed at the point of sale, if either the proposed insured or proposed policyowner (including a trust and other entity) is not a resident of the United States. The purpose of this form is to confirm sales activity locations.
  - All aspects of the insurance transaction must be completed in the United States, including solicitation, completion of the application, medical examination, inspection, and contract delivery.
- For face amounts of \$1,000,000 or more,\* that the required third-party financial documentation, no more than one year old, is supplied.
- The required copy of the individual's visa, passport, and national ID card (or other similar document) is supplied. U.S. references are required, if available.
- For those individuals who cannot provide a Social Security number for the purposes of completing the tax certification, the required version of Form W-8 (BEN, ECI, EXP, IMY) is supplied. Usually Form W-8BEN is used.

\*A letter of reference from a major, international financial institution with all account values or a detailed bank statement is acceptable as proof of financial information.

## Important Tips:

- There should be enough time spent in the U.S. to facilitate information gathering and adequate time to complete the underwriting and policy delivery process.
- Individuals must have a record of ongoing health maintenance with the most recent visit having taken place within three years of the date on which the application was completed.
- Attending Physician's Statement (APS) records, including foreign APS records, should be secured. An APS is required at ages 50 and up.
- All applicants must be medically examined. Blood tests and ECGs will be required based on normal age and amount rules.
- A Data Verification Report (DVR) will be requested in ALL cases.
- Motor Vehicle Reports (MVRs) will be requested if the applicant has or previously had a U.S. driver's license.
- Additional special considerations for residents of mainland China:
  - A copy of their U.S. Consulate exam, if completed within the last two years.
  - A copy of financial information presented to U.S. Consulate, if within the last two years.
  - Third-party financial documentation, regardless of the face amount for which they have applied.
  - A copy of the individual's National ID card.
- Expect delays in obtaining information. Obtaining information on a Non-U.S. Resident applying for insurance may be difficult, but every effort must be made to secure the required information. The closer the ties to the U.S., the better the chances of obtaining meaningful medical and financial information in a timely fashion.
- Senior Assessment Exam and Financial Underwriting Requirements for applicants over the age of 70 are fully automated.
- All travel patterns will be carefully reviewed. Additional ratings may be assessed for travel outside the resident country.
- Contracts to be owned by third-party foreign persons or entities will seldom be acceptable since all aspects of the insurance transaction must be completed in the U.S.
- Once approval is granted by Underwriting, the application/worksheet should be submitted on a cash-on-delivery basis.
- Individuals will not be considered for life insurance coverage if they are currently active in foreign military, police, government, or judicial services within their resident country. In addition, political or union leaders may be excluded as well.
- Before submitting an application/worksheet an inquiry or advance phone call should be made to your Prudential underwriting contact. This will help you determine if there are any particular underwriting considerations you should be aware of, and the type of client information you need to provide. For example, some supplementary benefits (e.g., *Living Needs Benefit 1*) may not be available to residents of all countries.

## Available Coverage Amounts

Automatic limits of \$35,000,000 on individuals residing in acceptable countries may be considered depending on all facts of the case, including the age and health status of the proposed insured, product applied for, the reinsurance arrangement, in-force coverage, and available reinsurance. The minimum policy face amount for Non-U.S. Residents is \$250,000.

<sup>1</sup> The Living Needs Benefit SM is an accelerated death benefit and is not a health, nursing home, or long-term care insurance benefit and is not designed to eliminate the need for insurance of these types. There is no charge for this rider but, when a claim is paid under this rider, the death benefit is reduced for early payment, and a \$150 processing fee (\$100 in Florida) is deducted. If more than one policy is used for the claim, each policy will have a processing fee of up to \$150 (\$100 in Florida) deducted. Portions of the Living Needs Benefit payment may be taxable, and receiving an accelerated death benefit may affect eligibility for public assistance programs. The federal income tax treatment of payments made under this rider depends upon whether the insured is considered "terminally ill" or "chronically ill" and, if the policy is business related, whether the insured is receiving the benefits. We suggest that clients seek assistance from a personal tax advisor regarding the implications of receiving Living Needs Benefit payments. This rider is not available in Minnesota to new purchasers over age 65 until the policy has been in force for one year, and the nursing home option is not available in California, Connecticut, Florida, Massachusetts, New York, or the District of Columbia. This rider is not available in Washington state. In Oregon, term policies must include the waiver of premium benefit to be eligible for this rider.

Additional information may be required depending on the facts of the case. There may also be U.S. government restrictions regarding life insurance sales with residents of some countries. The countries with which we cannot conduct life insurance business include but are not limited to *Burma, Cuba, Iran, North Korea, and Sudan*.\*

For some countries, while there may not be legal or government restrictions preventing us from selling life insurance to their residents, the risks presented by those countries (e.g., crime, health and safety standards, political or economic instability, etc.) are considered too significant to price. These countries include but are not limited to *Afghanistan, Colombia, Cambodia, Haiti, Iraq, Lebanon, and Russia*.\*

While acceptable from a risk perspective, other countries have legal restrictions for the sale of insurance to their residents. Restrictions include product limitations and ownership limitations. These countries include but are not limited to *Argentina, Canada, Japan, France and Switzerland*\*.

There are many other countries whose residents may be underwritten in the U.S. The underwriting category for individuals who reside in these countries will vary depending upon the risks involved. Refer to the *Non-U.S. Foreign Residence Guidelines Chart (0253794)* for the most up-to-date country list and rating information. Applications for Green and Yellow countries will be accepted. Preferred rates may be available for Green countries. Non-Smoker Plus may be available for Yellow countries. Applications for Red countries will not be accepted. If the resident country is not listed on the chart, contact Underwriting BEFORE taking an application. The classifications were determined based on research conducted from a variety of government, travel, and reinsurance information sources.

Life insurance is issued by The Prudential Insurance Company of America, Pruco Life Insurance Company (except in NY and/or NJ), and Pruco Life Insurance Company of New Jersey (in NY and/or NJ). All are Prudential Financial companies located in Newark, NJ.

\* All country listings are subject to change.