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Prudential Fined $100M Over US Healthcare Claims

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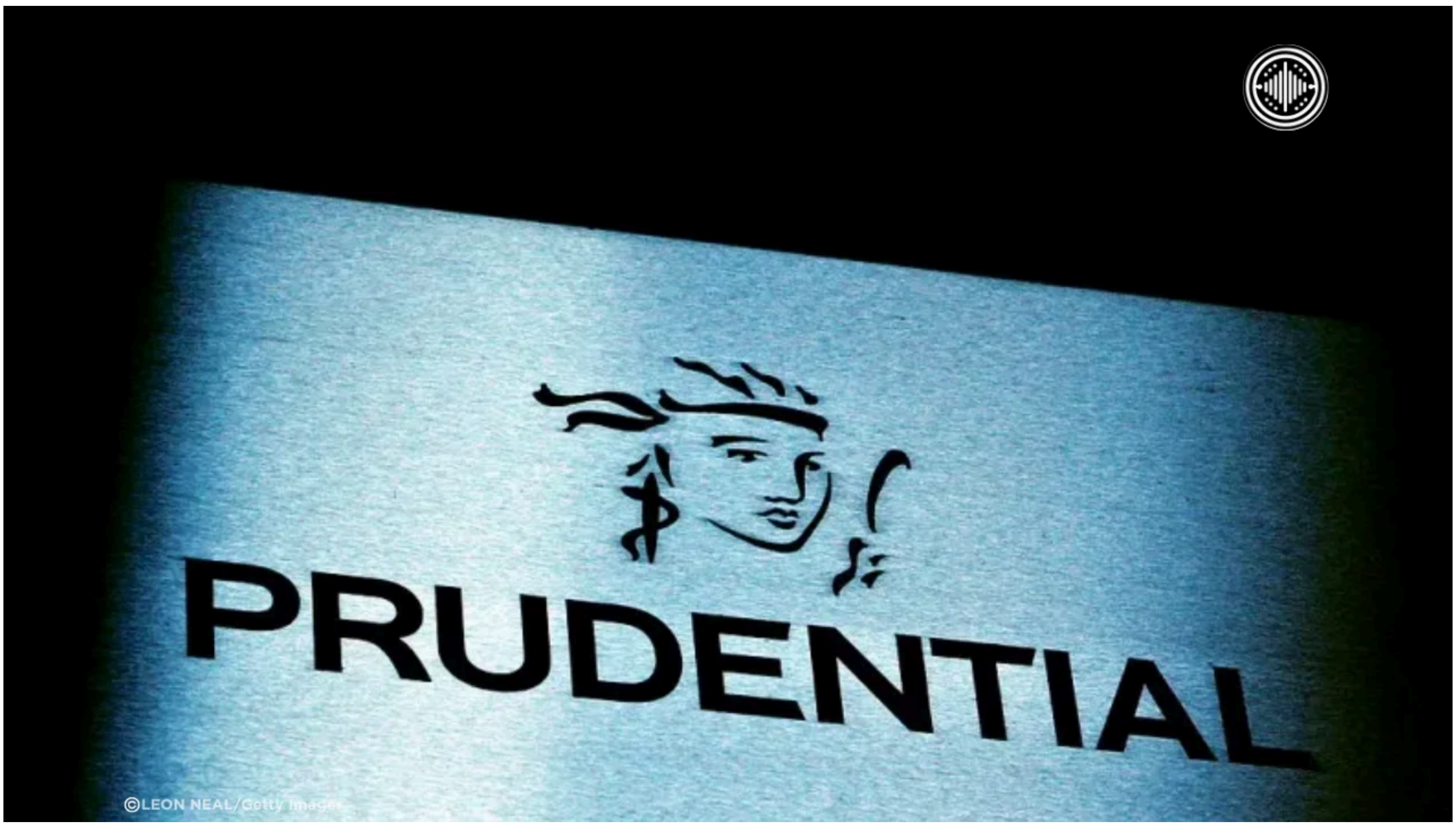

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US financial giant Prudential Financial has agreed to pay **$100 million** to settle allegations made by the **Federal Trade Commission (FTC)** and the **Department of Labor** regarding its handling of life insurance payouts tied to healthcare-related promises.

The investigation centred on Prudential's alleged failure to properly inform beneficiaries of their options for receiving life insurance payments. The company reportedly defaulted policyholders into using its “**retained asset accounts**”, a method where death benefits were not paid as lump sums but placed into interest-bearing accounts controlled by Prudential.

The **FTC** argued this practice misled consumers into thinking they were receiving lump-sum payouts when, in reality, Prudential continued to earn interest on the funds while issuing chequebooks to beneficiaries. Many were unaware they could immediately request the full balance.

According to the settlement terms, **$50 million** will go directly to affected consumers, with the remaining funds earmarked for compliance improvements and penalties. The **Department of Labor** also stated that Prudential’s handling of insurance proceeds may have breached its fiduciary duties under federal employee benefit laws.

Although Prudential has not admitted to any wrongdoing, it has agreed to overhaul its procedures. The company issued a statement saying it remains committed to transparency and is “taking steps to ensure policyholders are provided with clear, accessible options going forward.”

This case reflects broader regulatory scrutiny in the US over how financial services firms manage consumer products tied to sensitive life events, such as health insurance, death benefits, and retirement savings.

Prudential, one of the largest insurance and investment firms in the United States, manages hundreds of billions in assets globally. The outcome of this case may prompt other insurers to reassess similar practices under pressure from consumer protection agencies.