

Portability and conversion: How employees can continue their life insurance

Decisions to make,
steps they can take.

When can an employee convert or port life insurance?

This table shows the circumstances under which they are eligible to convert or port their coverage.

	Can convert coverage	Can port coverage
Retiring from the company	X	X
Employment has been terminated	X	X
Hours have been reduced so no longer qualify for your coverage	X	X
Leaving because of an illness or injury that impacts life expectancy	X*	X***
Employer has cancelled the group policy, or Unum has made changes that make them ineligible for coverage	X**	
Child is aging out of dependent status (when a child reaches maximum age as outlined in the contract or up to the specific policy's age limitation for full-time student status)	X	

Important: After coverage ends, employees have just 31 days to apply.
If employees have questions: Please refer them to (800) 421-0344.

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When employees' life insurance coverage is ending — either because they are leaving the company, they've become disabled, or they are no longer eligible for coverage — there are steps they can take to preserve their life coverage.

Depending on their circumstances, employees have two options for keeping their coverage:

1. Conversion

Change their group term life coverage to an individual whole life policy, which builds cash value. They pay the premium at individual rates. The right to convert their policy is guaranteed by law under certain circumstances.

2. Portability

Take their group term life coverage with them and pay for it at group rates. This coverage does not build any cash value. This option is also called "porting" coverage.

Employer role and responsibility:

Notify employee of continuation opportunity within 31 days of the loss of coverage date.

Convert	Port
Complete Section 1 of the state-specific life conversion form (rates included on the form).	Complete Section 1 of the life/AD&D portability form (rates available through AskUnum@unum.com if needed).
Have employee complete Section 2 of the conversion form.	Have employee complete Section 2 of the life/AD&D portability form.

Next steps

Have employee submit their initial premium payment[†] with the appropriate form within 31 days after their coverage ends to:

**Unum Life Insurance Company of America
Portability and Conversion Unit
2211 Congress Street
Portland, ME 04122**

Remind employees that they need to designate a beneficiary and sign and date the election form.

They have four ways to pay:
Monthly auto-pay by ACH or quarterly, semi-annually or annually by check or money order.

Communication decisions are provided directly to employees.

* State variations apply.

** Available only if you have been insured under the plan for at least five years. You can convert to a policy with a maximum benefit of \$10,000.

***Portability may be available if the policy does not include the sickness and injury provision. Refer to the certificate of coverage for more information.

† In NY premiums are not required at the time when the portability application is sent in. Group life insurance is underwritten by Unum Life Insurance Company of America, Portland, Maine In New York, underwritten by First Unum Life Insurance Company, New York, New York

Questions your employees may have	Conversion	Portability
Coverage available to convert or port	Life insurance only	Life insurance and AD&D
Dependents' options		
When can dependents convert or port coverage?	<p>Dependents can convert their coverage if the employee is eligible to convert, or if the employee dies while covered under the group plan.</p> <p>Dependents can convert even if the employee does not.</p> <p>Dependents can convert if they no longer meet the eligibility requirements under the plan.</p>	<ul style="list-style-type: none"> • Dependents can port their coverage if the employee ports. • If the employee dies, the spouse must port coverage in order to port children's coverage. • Spouses can port coverage for themselves and their children if they are divorced from the employee. However, children's coverage can be ported under the employee's or spouse's coverage, but not both. <p>Once children lose their dependent status (when they reach the maximum age as outlined in the contract or up to the specific policy's age limitation for full-time student status), their coverage ceases.</p>
Can dependents be added after coverage is converted or ported?	No. Dependents who did not convert their coverage when the employee did can't be added or convert their coverage later.	Yes. Dependents may be added at any time for the amounts allowed under the group plan (subject to evidence of insurability).
Maximum coverage amounts		
What are the maximum coverage amounts for employees?	<p>Maximum coverage amount is the amount for which you were insured under the group plan.</p> <p>If you have been insured for at least five years and your employer has cancelled the group policy, or Unum has made changes that make you ineligible for coverage, the maximum will be the lesser of:</p> <ul style="list-style-type: none"> • \$10,000; or • Your coverage amount under the plan minus any other group coverage that your employer makes available with 31 days. 	<p>The maximum coverage amount is the lesser of:</p> <ul style="list-style-type: none"> • Your group maximum benefit; • Five times your annual salary; or • \$750,000 from all Unum life and AD&D plans combined. <p>If your group policy offers a "retiree" class or coverage, you can port the difference between the group and retiree coverage amounts.</p> <p>AD&D cannot exceed the ported life amount.</p>
What are the maximum coverage amounts for dependents?	Same as for employees.	<p>Spouse: The highest amount of life insurance available for your spouse under the plan; or 50% or 100% of the employee's ported coverage depending on the group contract; or \$750,000 from all Unum group life and accidental death and dismemberment plans combined, whichever is less.</p> <p>Child: The highest amount of life insurance available for your child under the plan; or 50% or 100% of the employee's amount (varies by contract); or \$20,000, whichever is less (actual amount may differ based on plan design). AD&D cannot exceed the ported life amount.</p>
Rate and coverage changes		
Will my rates change?	Your rate will be different when you convert the policy from a group to an individual policy. After that, you will pay the same premium for the life of the policy.	Your rate may change when you port the coverage. Also, because life premiums are based on age, your premiums will automatically increase every five years after you port.
Will my coverage be reduced as I get older?	No. Your benefit will remain the same.	<p>Yes. Employee and dependent coverage will reduce on an age-related schedule, according to the group plan.</p> <p>Note: The employee can convert the difference between the age-reduced coverage amount and the prior amount.</p>
Can I increase my coverage?	No. Once you have converted your coverage, you cannot increase it.	Yes. Life insurance coverage may be increased with evidence of insurability (medical exam and/or questions) up to the maximums shown above. You may also decrease your coverage, as long as it remains within plan guidelines.

For complete details, refer to the policy.