Portability and conversion: How employees can continue their life insurance

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:

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.

Convert:

Complete Section 1 of the state-specific life conversion form (rates included on the form).
Have employee complete Section 2 of the conversion form.

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.

Port:

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 life/AD&D portability form.

Employer role and responsibility:

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

Can convert coverage	Can port coverage	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.
Yes	Yes	Retiring from the company
Yes	Yes	Employment has been terminated
Yes	Yes	Hours have been reduced so no longer qualify for coverage
Yes*	No***	Leaving because of an illness or injury or because of hospital/home confinement
Yes**	No	Employer has canceled the group policy or Unum has made changes that make them ineligible for coverage
Yes	No	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)
Yes	No	Amounts that an employee or spouse loses due to age reduction

NEXT STEPS

Have the employee submit the appropriate form **within 31 days** after their coverage ends to:
Unum, 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 automatic payment or quarterly, semi-annually or annually by check or money order.

Communication decisions are provided directly to employees.

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

Coverage available to convert or port: CONVERSION Life insurance only | PORTABILITY Life insurance and AD&D

Questions your employees may have: **Dependents' options**

	CONVERSION	PORTABILITY
When can dependents convert or port coverage?	• Dependents can convert their coverage if the employee is eligible to convert, or if the employee dies while covered under the group plan. • Dependents can convert even if the employee does not. • Dependents can convert if they no longer meet the eligibility requirements under the plan.	• 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. • 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.
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.	If allowed under the certificate of coverage, dependents can be added at any time for amounts allowed under the group plan (subject to evidence of insurability).

Questions your employees may have: **Maximum coverage amounts**

	CONVERSION	PORTABILITY
What are the maximum coverage amounts for employees?	Maximum coverage amount is the amount for which your employee was insured under the group plan. If the employee has been insured for at least five years and you canceled the group policy, or Unum has made changes that make the employee ineligible for coverage, the maximum will be the lesser of: $10,000; or the employee's coverage amount under the plan minus any other group coverage that you as the employer makes available within 31 days.	The maximum coverage amount is the lesser of: The group maximum benefit; five times the employee's annual salary; or $750,000 from all Unum life and AD&D plans combined. If your group policy offers a "retiree" class of coverage, the employee can port the difference between the group and retiree coverage amounts. AD&D cannot exceed the ported life amount.
What are the maximum coverage amounts for dependents?	Same as for employees.	Spouse: The highest amount of life insurance available for a 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. Child: The highest amount of life insurance available for a 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.

Questions your employees may have: **Rate and coverage changes**

	CONVERSION	PORTABILITY
Will my rates change?	The rate will be different when an employee converts the policy from a group to an individual policy. After that, the employee will pay the same premium for the life of the policy.	The employee's rate may change when they port the coverage. Also, because life premiums are based on age, premiums will automatically increase at each 5-year age increment (for example, at age 55, then again at 60) after they port.
Will my coverage be reduced as I get older?	No. The employee's benefit will remain the same.	Yes. Employee and dependent coverage will reduce on an age-related schedule, according to the group plan. ***Note:*** The employee can convert the difference between the age-reduced coverage amount and the prior amount. Coverage may not be able to be ported after the age of 70 and ported coverage may terminate at age 75. Refer to the certificate of coverage to determine if these restrictions apply.
Can I increase my coverage?	No. Once the employee has converted your coverage, they cannot increase it.	If allowed under the certificate of coverage, employees can increase their coverage up to the amounts shown above (subject to evidence of insurability). Employees may also decrease coverage as long as it remains within plan guidelines.

* State variations apply.
** Available only if the employee has been insured under the plan for at least five years. The employee 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 or the home/hospital confinement provision.
Refer to the certificate of coverage for more information.
The policy or its provisions may vary or be unavailable in some states. The policy has exclusions and limitations which may affect any benefits payable.
See the actual policy or your Unum representative for specific provisions and details of availability.
Group life insurance is underwritten by Unum Life Insurance Company of America, Portland, ME
In New York, underwritten by First Unum Life Insurance Company, Garden City, NY. Individual Whole Life insurance will be underwritten by one of Unum Group's insuring affiliates.
For complete details of coverage and availability, please refer to Policy Form C.FP-1 et al.



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