

## Frequently Asked Questions About True Portability And Conversion

### What Does “True Portability” And “Conversion” Mean?

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Portability allows eligible insured employees to “port” (or buy) Group Life insurance coverage when they are losing coverage because their employment is being voluntarily or involuntarily terminated. The portable group insurance coverage offers group term Life, Accidental Death and Dismemberment (AD&D) for members and their dependents, as well as Dependents Life insurance.<sup>1</sup>

Conversion allows eligible insured employees to convert some or all of their Group Life coverage to an individual whole Life insurance policy when their coverage is reduced or terminated for any reason other than non-payment of premiums.<sup>2</sup>

### What Are The Eligibility Requirements?

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Under our true portability provision, insured employees may port their Life, Accidental Death and Dismemberment (AD&D) for themselves and their dependents, as well as any Dependents Life insurance amounts, if they are:

- 1) Under the age of 65,
- 2) Have been insured for at least 12 consecutive months (coverage under the employer’s prior plan qualifies), and
- 3) Able to perform the material duties of at least one gainful occupation.

If employees do not buy Life insurance for themselves, they may not purchase any other insurance coverages.

Under our conversion provision, insured employees may convert their Life and Dependents Life insurance if:

- 1) They were insured under the employer’s group policy,
- 2) Their insurance is ending or reducing, and
- 3) They are not losing coverage due to the non-payment of premiums.

AD&D coverage is not eligible for conversion.

If the group policy is terminated or amended to reduce or eliminate coverage while the insured employee is still employed, he or she may be eligible to convert a portion of their coverage if the insured was covered under the policy for a specific period of time. The specific period of time varies by state and is stated in the group policy.

If insured employees meet the eligibility requirements for both portability and conversion, they may port and convert their coverage. However, the combined amounts of insurance purchased under the portability coverage and the conversion coverage cannot exceed the amount in effect under the employer’s group policy on the day before their employment ended.

### Which Benefits Can Be Ported?

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- Life (Basic, Voluntary and Supplemental)
- Dependents Life
- AD&D (members and dependents)

1 Provided that these coverages are available under the employer’s Group Life policy with The Standard, and were elected by the insured employees.

2 Please consult your policy for availability, terms and conditions in your state.

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## **Which Benefits Can Be Converted?**

- Life (Basic, Voluntary and Supplemental)
- Dependents Life

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## **Can Insured Employees Port If Their Termination Is Due To Retirement?**

Yes, providing the insured employee does not retain any portion of his or her Life insurance as part of a retiree class under the employer-paid group policy, and he or she meets the eligibility requirements to port.

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## **Can An Insured Employee Convert If Their Termination Is Due To Retirement?**

Yes, he or she can convert any amount that is ending or reducing, except any portion of their Life insurance that is continued as part of a retiree class under the employer-paid group policy.

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## **What Are The Minimum And Maximum Amounts For Porting Or Converting?**

For insured employees, the maximum amount eligible for portability of Life is the same as it is for AD&D, which is the lesser of \$500,000 or the amount they had in force on the date their employment ended. For spouse Life and AD&D coverage, it's the lesser of \$250,000 or the amount in force on the date employment ends. For child Life and AD&D coverage, it's the lesser of \$10,000 or the amount in force on the date employment ends.

For insured employees, the minimum amount eligible for portability of Life is \$10,000, the same as it is for AD&D. The minimum amount eligible for a spouse is \$5,000 and \$1,000 for a child. The member must port at least the minimum amount of Life insurance on themselves to port any other coverages.

For conversion, the maximum amount eligible is the amount in force on the date coverage terminates. The minimum amount is \$1,000. If an insured employee loses coverage because of a policy termination or amendment, there are limits on the amount he or she can convert. These limits vary by state and are disclosed within the group policy.

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## **How Much Does It Cost To Port Or Convert?**

Portability has smoker and non-smoker rates. These rates may be different than the rates used in the group policy. Conversion rates are based on the state of residence and the age of the insured when they apply for coverage. Please contact The Standard for detailed rate information.

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## **Are There Administration Fees For Ported And Converted Members?**

For portability, no. Administration fees are built into the rates.

For conversion, yes. There is a \$40 annual fee in addition to the premium rates. Additional fees will be added if a billing schedule other than annual is selected.

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## **How Much Time Does An Insured Employee Have To Apply For Portability And Conversion?**

The deadline for an insured employee to apply and pay premium for portability is 45 days after the date your insurance under the Group Policy terminates.<sup>3</sup> For conversion, the deadline for an insured employee to apply and pay premium is 45 days after coverage was reduced or ended.<sup>3</sup> Please note that the termination date for employment may differ from the termination date for coverage.

The employer should give notification of the options to port or convert as soon as possible from the date of employment termination or the termination or reduction of coverage, so that insured employees can respond in a timely manner.

<sup>3</sup> This period varies by policy