Frequently Asked Questions About 24-Month Portability and Conversion[1]

What Does Portability and Conversion Mean?



Portability allows eligible insured employees to continue their Group Life insurance coverage under your group policy with Standard Insurance Company (The Standard) for up to 24 months when they are losing coverage because their employment is being voluntarily or involuntarily terminated.[2] Dependents Life coverage may also be continued.

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. There are eligibility restrictions when the group policy is terminated or amended, and more details are provided below.

Accidental Death and Dismemberment coverage is not eligible for portability or conversion.

What Are the Eligibility Requirements?

Under our portability provision, insured employees whose employment is terminating may port their Life, as well as any Dependents Life insurance amounts, if they are:[3]

1. Not terminating employment due to retirement,
2. Have been insured for at least 12 consecutive months (coverage under the prior plan qualifies) and
3. Are able to perform the material duties of at least one gainful occupation.

If employees do not continue Life insurance for themselves, they may not continue 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 group policy,
2. Their insurance is ending or reducing and
3. They are not losing coverage due to the non-payment of premiums.

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 your group policy on the day before their employment ended.

Can Insured Employees Port If Their Termination Is Due to Retirement?

No, insured employees cannot port if their termination is due to retirement.

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.

What Are The Minimum and Maximum Amounts for Porting or Converting?

Employees may port the amount of insurance they had in force for themselves, their spouses and children up to the maximum amount stated in the Insurance Eligible for Portability of Insurance section of your Group Insurance policy.

Employees may port a lesser amount of insurance than they had in force for themselves, their spouses and children, but the amounts cannot be below the minimum amount stated in the Insurance Eligible for Portability of Insurance section of your Group Insurance certificate.

For conversion, the maximum amount eligible is the amount in force on the date coverage terminates. The minimum amount is $2,000 for the employee and their spouse and $1,000 for their children. If an insured employee loses coverage because of a policy termination or amendment, only those covered under the policy for a specified period will be eligible to convert, and there are limits on the amount that can then be converted. These limits vary by state and are shown in your group insurance policy.

How Much Does It Cost to Port or Convert?

Portability has age-graded rates. These rates will be in the group policy under portability premium. 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.

What Is My Responsibility for the Employer Statement?

You are responsible for completing the Employer Statement and returning it along with applicable enrollment forms to employees, so that they may submit the information with their application for coverage.

How Much Time Does an Insured Employee Have to Apply for Portability and Conversion?

The deadline for an insured employee to apply and pay the premium for portability is 31 days after employment termination.[4] For conversion, the deadline for an insured employee to apply and pay the premium is 31 days after coverage was reduced or ended.[4] Please note that the termination date for employment may differ from the termination date for coverage.

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

Do Employers Need to Keep a Record of Providing Portability/Conversion Information?

Yes. Employers must maintain documentation confirming that employees were provided the required portability and conversion information.

To make this easier, we've developed a Port/Conversion Notification Record that you may use for this purpose. You may also continue using your own internal documentation process, as long as it captures all the information outlined in the Notification Record. We will only ask for copies of your documentation if we need them.

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

2 Coverage under this provision terminates at the end of the 24-month continuation period, when the employee becomes insured under another group life insurance plan, when you terminate your Group Life insurance plan with The Standard, when the employee fails to pay premiums, or on the date it would otherwise end under your group policy, whichever comes first.

3 In Massachusetts, an insured employee is eligible if their employment terminates. In North Carolina, an insured employee is eligible if their employment terminates, they have been insured for at least 12 months and they are under age 65. In Minnesota, an employee is eligible once their Minnesota Extension of Life Insurance Benefit has terminated, and they are under age 65.

4 This period varies by policy.

GP190-LIFE/S399, GP899-LIFE, GP190-LIFE/A997/S399, GP190-LIFE/S214, GP411-LIFE

These policies have exclusions, limitations, reduction of benefits, and terms under which the policy may be continued in force or terminated. Please contact The Standard for additional information, including costs and complete details of coverage.

The Standard is a marketing name for StanCorp Financial Group, Inc. and subsidiaries. Insurance products are offered by Standard Insurance Company of Portland, Oregon, in all states except New York. Product features and availability vary by state and are solely the responsibility of Standard Insurance Company.