Coverage continuation options for employees

Keeping your life insurance active

Stay protected. Keep life insurance active by electing conversion or portability/continuation.

When eligibility for coverage ends under the group contract, an insured person may have the following two options:

Conversion: An employee's group term life insurance is converted to an individual permanent life insurance policy. Accidental death and dismemberment (AD&D) coverage is not available.

Portability/continuation: An employee's group term life insurance is continued through direct billing with Lincoln. AD&D may be eligible to continue along with your life coverage.



Employees may be eligible to convert or port basic life, optional/voluntary life, and dependent life coverage. Certain limitations and restrictions apply.

How do conversion and portability/continuation compare?

Conversion	Portability/continuation
Type of coverage Individual life	**Type of coverage** Term life insurance offered under a separate direct bill plan
Coverage amount An employee may apply for individual life insurance coverage equal to or less than the benefit amount of the group term life insurance that was in effect with the employer when the coverage ended. Conversion is **not** available on AD&D coverage.	**Coverage amount** Portability/continuation may have minimum and maximum coverage amounts. AD&D may be eligible to continue with your life coverage.

Conversion	Portability/continuation
Eligibility An employee may convert their group life insurance coverages to an individual life insurance policy if their coverage terminates in whole or in part due to: ▪ Retirement or termination of employment ▪ Retiree coverage ending ▪ Reduction in coverage due to age ▪ A change in employee status that results in a loss of eligibility An employee's dependent spouse or child(ren) may also continue their coverage due to: ▪ Employee's death ▪ Divorce from employee ▪ When the employee's child is no longer a dependent ▪ Employee approved for waiver	**Eligibility** An employee may be eligible to port their employee life and/or dependent spouse and/or child(ren) coverage to a separate direct bill group life insurance plan if their coverage terminates. Eligibility may require a minimum number of months covered under the group plan. Eligible coverage termination reasons may include but are not limited to employment termination, retirement prior to SSNRA, and reduction in hours. Individual's age and the group or port plan rates determine the plan premium for the continued coverage.
Evidence of insurability (documentation of health history) **and cost of coverage** Evidence of insurability is not required. Several factors, including the individual's age, gender, state of residence, and tobacco status at the time of conversion, determine the plan premium for the individual policy.	**Evidence of insurability** (documentation of health history) **and cost of coverage** Evidence of insurability may or may not be required based on the level of coverage applied for.
Increasing or decreasing coverage amounts after the initial application Once coverage is converted, employees may not increase the coverage amount. Options to decrease coverage may be available at the time of application for conversion. If decreasing after policy placement, contact the Customer Care Center.	**Increasing or decreasing coverage amounts after the initial application** Coverage amounts may be increased or decreased depending on the group plan owner's contractual provisions.
Coverage reduction and termination Coverage will terminate at policy maturity. ▪ Policy maturity varies between ages 95 and 121, based on premium contribution and the benefit amount selected. ▪ Cash value is paid out as a living benefit if the insured person is alive on the policy maturity date.	**Coverage reduction and termination** ▪ **Employee:** variable ▪ **Spouse:** variable ▪ **Child(ren):** variable
Cash value and loans If the policy was converted to a universal life individual policy, it will build cash value.	**Cash value and loans** This plan will not build a cash value. Because of this, loans are not permissible.
Surrendering the policy Converted policies to an individual universal life insurance policy can be surrendered for cash value.	**Surrendering the plan** As there is no cash value, there is no option to surrender. The employee may stop paying premiums at any time and the plan will lapse.
Canceling the policy The insured person may cancel a policy before the scheduled maturity date. The insurance company may also cancel the policy due to nonpayment of premium.	**Canceling the plan** The plan can be canceled by the plan owner by written request or by the insurance company due to nonpayment of premium.

How do employees apply?

Conversion	Portability/continuation
Within 31 days from their loss of coverage, an employee should contact Lincoln Financial Group at **877-321-1015** with their employer-completed forms.	Employers are responsible for providing notice of portability/continuation either directly or through the mail. An employee should send their application and first premium payment to the address below within 31 days of the date coverage would otherwise end. Lincoln Financial Group P.O. Box 0821 Carol Stream, IL 60132-0821
What happens after an employee submits their application? Once Lincoln has received and processed their completed paperwork and premium, they'll receive new individual policy documents within three to four weeks.	**What happens after an employee submits their application?** Coverage continues as long as premiums are paid, per the terms of coverage.
Additional questions? Employees may contact the Customer Care Center at **877-321-1015** with additional questions about life conversion.	**Additional questions?** Employees may contact the Customer Care Center at **877-321-1015** with additional questions about life portability/continuation.

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Always refer to your contract first to determine if an employee qualifies for portability/continuation or conversion. Policy language may differ; please refer to your policy for actual language. State limitations may also apply.

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