

# Conversion and portability for employees

## Keeping your life insurance active

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

When eligibility for coverage ends under the group contract, an insured may have the following two options to continue coverage without providing evidence of insurability (documentation of health history):

**Conversion:** An employee’s group term life insurance is converted to an individual permanent life insurance policy that can build cash value over time.

**Portability:** An employee’s group term life insurance is continued through a separate group plan. Accidental Death and Dismemberment (AD&D) coverage can also be ported alongside your life coverage. Portability (port) is typically a less expensive alternate to conversion.



Employees may be eligible to convert or port basic life, optional life, and dependent life coverage. Certain limits and restrictions apply to retiree life coverage; please refer to your policy for additional information regarding eligibility.

## How do conversion and portability compare?

Conversion	Portability
<p><b>Type of coverage</b> Individual life</p>	<p><b>Type of coverage</b> Term life insurance offered under a separate group plan</p>
<p><b>Coverage amount</b> An employee can 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.</p> <p>Conversion is <b>NOT</b> available on AD&amp;D coverage.</p>	<p><b>Coverage amount</b> Portability has both minimum and maximum coverage amounts.</p> <p>AD&amp;D coverage can also be ported alongside your life coverage.</p>

Conversion	Portability
<p><b>Eligibility</b>            An employee can convert their group life insurance coverages to an individual life insurance policy if their coverage terminates in whole, or in part, due to:</p> <ul style="list-style-type: none"> <li>▪ Retirement or termination of employment</li> <li>▪ Retiree coverage ended</li> <li>▪ Reduction in coverage due to age</li> <li>▪ A change in employee status that results in a loss of eligibility</li> </ul> <p>An employee's dependents and/or spouse can also continue their coverage due to:</p> <ul style="list-style-type: none"> <li>▪ Employee's death</li> <li>▪ Divorce from employee</li> <li>▪ When the employee's child is no longer a dependent</li> <li>▪ Employee approved for waiver</li> </ul>	<p><b>Eligibility</b>            An employee can port their group life insurance coverages to a separate group term life insurance policy if their coverage terminates in whole due to:</p> <ul style="list-style-type: none"> <li>▪ Termination of employment</li> <li>▪ Reduction in coverage due to age</li> <li>▪ A change in employee status that results in a loss of eligibility</li> </ul> <p>An employee's dependents and/or spouse can also continue their coverage due to:</p> <ul style="list-style-type: none"> <li>▪ Employee's death</li> <li>▪ Divorce from employee</li> <li>▪ When the employee's child is no longer a dependent</li> <li>▪ Employee approved for waiver</li> </ul> <p>Once retirement benefits commence, you are no longer eligible to port your coverage.</p>
<p><b>Evidence of insurability (<i>documentation of health history</i>) and cost of coverage</b>            Evidence of Insurability is not required.</p> <p>Several factors, including the individual's age, gender, state of residence and tobacco status at the time of conversion, determine the planned premium for the Individual policy. The policy features a flexible premium design that can change over time based on policy performance and adaption to the insured's changing needs.</p>	<p><b>Evidence of insurability (<i>documentation of health history</i>) and cost of coverage</b>            Evidence of insurability may be required based on whether standard rates or preferred rates are selected, and whether or not an increase is requested at the policy anniversary:</p> <ul style="list-style-type: none"> <li>▪ Standard rates: No evidence of insurability is needed</li> <li>▪ Preferred rates: Evidence of insurability is required</li> </ul> <p>Age-banded rates increase based on a five-year schedule.</p> <p>Dependent children will have a separate rate sheet which is provided in the portability packet.</p>

Conversion	Portability
<p><b>Increasing or decreasing coverage amounts after the initial application</b></p> <p>Once coverage is converted, employees may not increase the coverage amount selected at initial enrollment.</p>	<p><b>Increasing or decreasing coverage amounts after the initial application</b></p> <p>Coverage may be both increased and decreased, however specific rules apply to both increases and decreases, as follows:</p> <ul style="list-style-type: none"> <li>▪ Coverage can be decreased as needed, but not below \$10,000 (employee), \$5,000 (spouse) and \$2,500 (child)</li> <li>▪ Coverage can be increased by \$25,000 at the policy anniversary, but an increase will require evidence of insurability</li> </ul>
<p><b>Coverage reduction and termination</b></p> <p>Coverage will reduce or terminate at policy maturity. The following applies:</p> <ul style="list-style-type: none"> <li>▪ Policy maturity varies between ages 95 and 121, and this is based on premium contribution and the benefit amount selected; and</li> <li>▪ Cash value is paid out as a living benefit if the insured is alive on the policy maturity date.</li> </ul>	<p><b>Coverage reduction and termination</b></p> <ul style="list-style-type: none"> <li>▪ <b>Employee:</b> 70</li> <li>▪ <b>Spouse:</b> 70</li> <li>▪ <b>Child(ren):</b> 26</li> </ul>
<p><b>Cash value and loans</b></p> <p>Yes, the policy builds cash value. Insureds may borrow against the cash value on a tax-advantaged basis.</p>	<p><b>Cash value and loans</b></p> <p>No, this policy will not build a cash value. Since there is no cash value, loans are not permissible.</p>
<p><b>Surrendering the policy</b></p> <p>Policies can be surrendered for cash value.</p>	<p><b>Surrendering the policy</b></p> <p>As there is no cash value, there is no option to surrender. The employee may stop paying premiums at any time and the policy will lapse.</p>
<p><b>Canceling the policy</b></p> <p>The insured is the only one who can cancel a policy prior to the scheduled maturity date.</p> <ul style="list-style-type: none"> <li>▪ After the maturity date, the insurance company may also cancel the policy.</li> </ul>	<p><b>Canceling the policy</b></p> <p>The policy can be canceled by the policy holder or the insurance company with notice.</p>

## How do I apply?

Conversion	Portability
<p>Within 31 days from your loss of coverage, contact Lincoln Financial Group at 877-321-1015.</p>	<p>You will receive an application from your employer either directly or through the mail. Send your application (see address below) and first premium payment within 31 days of the date coverage would otherwise end.</p> <p>Lincoln Financial Group PO Box 0821 Carol Stream, IL 60132-0821</p>
<p><b>What happens after I submit my application?</b> Once we have received and processed your completed paperwork and premium, you will receive documentation of your new individual policy within three to four weeks.</p>	<p><b>What happens after I submit my application?</b> Your coverage continues as long as you pay the premiums, per the terms of coverage.</p>
<p><b>Additional questions?</b> Please contact the Customer Care Center at 877-321-1015.</p>	<p><b>Additional questions?</b> If you have additional questions regarding life portability, you may contact the Customer Care Center at 877-321-1015.</p>

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