



## Understanding Your Options

### Portability and Conversion

Leaving a job shouldn't mean losing your life insurance. With MedMutual Life's portability and conversion options, employees can take their life insurance coverage with them.

Life insurance is an important part of your employees' overall benefits. It gives them peace of mind in knowing their loved ones are protected. If an employee leaves their job or loses their job, MedMutual Life can help make sure that their current coverage, which you provide, goes along, too.

There are two easy, valuable, yet different options. Portability and conversion are two types of coverage that allow employees to keep their life insurance coverage even if they leave or lose their jobs. There are similarities and differences between the two options:

- Portability* coverage is a continuation of their group life coverage so many of the provisions of your group life plan continue to be the same.
- Conversion* coverage is individual life insurance coverage where the employee receives an individual life insurance policy. The policy has different terms and conditions than your group life plan.

### Portability Coverage

Portability allows employees to keep their current group life insurance coverage after they leave or lose their jobs. All they must do is to submit a portability application within 31 days of the date the job ended. They must be younger than age 65 at the time in order to get portability coverage. You also cannot port coverage if you are disabled and/or if you are retiring.

*Portability can be included as a feature of:*

- Supplemental life insurance plans
- Supplemental Dependent life insurance plans

The Certificate of Insurance will outline if you have the portability option available to you in your Employer's plan.

*Group rates your employees can afford*

- Portability coverage is billed at group life rates, in five-year age bands. Employees who elect portability coverage pay the trust portability pool rates
- Group life rates tend to be substantially lower than individual life insurance rates

*Choice of coverage amount – plans to fit employees' budgets*

- Employees can choose to continue their group life insurance coverage and the amount of their spouse and child's group life coverage
- Employees can choose to continue a lower amount

Limitations are outlined in your Employer's Certificate of Insurance

### *Life insurance coverage for the long term*

- Employees and their spouses can keep their group life insurance coverage under a portability option until they reach age 65

There are no health questions to answer and no medical examination is required

### *Billing choices for portability premiums*

- Portability coverage premiums are billed quarterly; however, we have options to bill annually or semi-annually

## **Conversion Coverage**

Conversion coverage allows employees to convert their group life insurance coverage to an individual whole life policy when their job ends – no matter what the reason for leaving or losing their jobs. To convert their group life insurance coverage after leaving or losing their jobs, employees just need to apply within the application period which is within 31 days of losing coverage. Employees can convert their coverage at any age – there is no maximum age limit.

### *Conversion coverage made easy*

- Employees can continue life insurance coverage for themselves, their spouses and their children when their life insurance coverage with the group ends
- Conversion is available for all life insurance plans, including Basic Group Term Life, Optional (Supplemental) Life and Voluntary Life
- There are no health questions to answer and no medical examination is required
- They can convert their entire coverage amount or a lower amount
- If employees lose coverage because the entire Group Policy ends, then the amount that can be converted to an individual whole life policy may be limited
- They can even switch from portability to conversion
- Employees can convert their portability coverage to an individual policy when it ends at age 65

### *Peace of mind for a lifetime*

- Once an employee converts his or her life insurance coverage, the employee and the employee's dependents will receive individual whole life insurance policies that continue in force for their lifetimes, as long as they continue to pay the premium.
- It's important to note that individual life insurance rates do tend to be higher than group life insurance rates.

### *Employees can combine portability and conversion options*

- For Basic Group Term Life coverage:
  - Employees can keep their Basic Group Term Life insurance coverage in force after leaving or losing a job by converting it to an individual policy.
- For Optional (Supplemental) Group Term Life and Voluntary Group Term Life coverage:
  - Employees can choose to convert their group coverage to individual policies or exercise their portability option.
- For employees with both types of policies:
  - Employees can choose a combination of the two: employees can convert their Basic Group Term Life coverage to an individual policy and also keep their Optional (Supplemental) or Voluntary Group Term life coverage in place with the portability option or conversion, whichever best meets their needs.
  - The maximum amount of insurance available to port under this provision is 100% of the amount of Supplemental Life Insurance in effect on the date your coverage ceases, less any amount converted under the Conversion of Life Insurance provision, to a maximum of \$100,000.

### *Billing choices for conversion premiums*

- MedMutual Life can bill for conversion life policy premiums annually, semi-annually or quarterly.

## Summary of Features of Portability and Conversion Options

Features	Portability	Conversion
<b>Types of coverage eligible</b>	<ul style="list-style-type: none"> <li>• Optional (Supplemental) Group Term Life</li> <li>• Voluntary Group Term Life</li> <li>• Dependent Optional (Supplemental) Group Term Life</li> <li>• Dependent Voluntary Group Term Life</li> </ul>	<ul style="list-style-type: none"> <li>• Basic Group Term Life</li> <li>• Dependent Basic Group Term Life</li> <li>• Optional (Supplemental) Group Term Life</li> <li>• Voluntary Group Term Life</li> <li>• Dependent Optional (Supplemental) Group Term Life</li> <li>• Dependent Voluntary Group Term Life</li> </ul>
<b>Rates</b>	Group life rates (group life portability pool)	Individual life rates
<b>Policy type</b>	Group policy	Individual whole life policy
<b>Health questions required</b>	No	No
<b>Coverage terminates</b>	Age 65	No maximum age
<b>Maximum age to elect</b>	Age 65	No maximum age
<b>Age reduction schedule</b>	No reduction formula due to age	No reduction in coverage due to age
<b>Premium billing options</b>	Quarterly, semi-annual, annual	Quarterly, semi-annual, annual

### Portability or Conversion – Which is Better?

Each employee's situation is unique – that's why it's important for each employee to carefully review both portability and conversion options when they lose their jobs. Employees should consult a financial advisor to determine which option fits their needs best.

### What if I Still Have Questions?

Helping you make the best decision for you and your family's needs is important to us. If you have any questions please call 1-866-925-2542.

This information provides an overview of portability and conversion. Benefits will be determined based on the administrative policies and procedures of MedMutual Life. This is not a contract of insurance. The contract or certificate will contain the complete listing of covered benefits.