



True Portability & Conversion Questions and Answers

How are true portability and conversion different?

Portability allows eligible insureds to “port” (that is, continue) their Group Life insurance coverage when they are in danger of losing that coverage because their employment is being voluntarily or involuntarily terminated. We have established a portability trust for eligible terminated employees who were formerly covered under a Standard Insurance Company Group Life policy. True portability is a term Life policy, meaning the rates increase in five-year age bands (the coverages decrease at ages 65, 70 and 75). There is no cash value associated with the policy.

Under our true portability coverage, qualifying insureds may port their Life, Accidental Death & Dismemberment (AD&D), and 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. Ported Life insurance amounts may be kept in force indefinitely, as long as the member maintains premium payments. AD&D coverage terminates at age 65. **Benefits under the portability trust policy will be different from the original group policy and will be outlined in the portability certificate.**

Conversion allows eligible insureds to convert their Group Life coverage when their coverage is reduced or terminated for any reason other than non-payment of premiums. Converted policies are individual whole Life insurance policies, meaning the rates and coverage amounts never change and the policy builds cash value beginning in the third year following conversion of the group policy.

Qualified insureds may convert their Life and Dependents Life insurance if 1) they were covered under the group plan for at least 1 day, and 2) they are not losing coverage due to non-payment of premiums. AD&D coverage is not eligible for conversion. Converted Life insurance amounts may be kept in force indefinitely, as long as the member maintains premium payments. **Benefits under the conversion policy will be different from the original group policy and will be outlined in the conversion certificate.**

Which coverages can be ported?

- Basic Life
- Additional Life
- Supplemental Life
- Dependents Life
- AD&D (member only)

Which coverages can be converted?

- Basic Life
- Additional Life
- Supplemental Life
- Dependents Life

Can you port if the reason you are terminating is due to retirement?

Yes, providing the insured does not retain any portion of their Life insurance as part of a Retiree Class under the Employer Paid group policy.



What are the amounts eligible to port or convert?

The maximum amount eligible for portability for the member is the lesser of \$300,000 or the amount they had in force on the date their employment ended. For the spouse it's the lesser of \$100,000 or the amount in force on the date employment ends. For child coverage, it's the lesser of \$5,000 or the amount in force on the date employment ends.

The minimum Life insurance amount eligible for portability for the member is \$10,000 (if continued, the minimum amount eligible for AD&D is \$10,000). The minimum 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.

The maximum amount eligible to be converted is the amount in force on the date coverage terminates. The minimum amount is \$1,000. If the reason you are using your coverage is due to policy termination or amendment, there are limits on the amount you can convert.

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. Ported policies are billed on a quarterly basis. Please contact The Standard for detailed rate information.

Conversion rates are based on the state of residence and the age of the insured when they apply for coverage. Premiums can be paid annually, semi-annually, quarterly or monthly. Because rates vary by state, please contact The Standard for detailed rate information.

Are there administration fees that are charged for ported and converted members?

For ported members, no. Billing administration fees have been incorporated in the rates.

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

What time-frame does an insured have to apply for portability and conversion?

The deadline for applying for portability is 31 days following employment termination. This date might not be the same as the coverage end date; however, coverage has to be in force on the date employment terminates.

The deadline for applying for conversion is 31 days following coverage termination or reduction.

What options do insureds have if the group policy terminates?

If the insured is still employed when the group policy terminates, they may have the option to convert their coverage if 1) the group policy was with The Standard for at least five consecutive years, and 2) the insured was covered under the group policy for at least five consecutive years. However, the amount you can convert is limited.

If the insureds employment is terminated on the same date as the group policy, they may have the option to port their Group Life insurance coverage if 1) the group policy includes the portability option, and 2) the insured meets the eligibility requirements outlined above.