



## Portability & Conversion

### Conversion

Conversion is available to an employee and eligible spouses and dependent children if his or her life insurance, or a portion of it, terminates. An employee may convert to an individual policy without evidence of insurability, provided the application and premium payment is made within 31 days following termination of coverage.

### Portability

Portability allows an insured employee and eligible spouses and dependent children to take their term life coverage that is similar to what is offered by the employer with them, if their coverage terminates for reasons other than divorce, disability, or termination of the group policy.

### FREQUENTLY ASKED QUESTIONS CONTINUED

The following side-by-side comparison chart answers the most frequently asked questions about each option.

	Conversion	Portability
<b>Can you port and convert coverage?</b>	No, employees and dependents can either port or convert coverage, not both. However, if an employee elects the portability benefit, any amounts of life insurance that are not ported may be converted.	
<b>Can an employee designate a new beneficiary when he or she ports or converts coverage?</b>	Yes, employees can designate a new beneficiary at any time. Both the conversion and portability forms include a beneficiary designation section.	
<b>Will medical questions need to be answered to apply for coverage?</b>	Evidence of insurability will not be required.	Employees may continue an amount up to the full amount of his or her term life benefit without evidence of insurability.
<b>How do you apply for portability or conversion?</b>	Your employer will provide portability and conversion forms to employees. These forms can also be found on bcbsmt.com. We must receive a written application and first premium for the life insurance policy within 31 days after life insurance under the policy ceased.	
<b>Does ported or converted life coverage generate cash value?</b>	Conversion replaces group life insurance with a whole life policy, which can generate cash value after being in force for a number of years.	There is no cash value associated with a ported policy of coverage.
<b>Are portability and conversion rates different from the group policy rates?</b>	Yes, insureds are charged the standard conversion age-banded rates based on their age at the time of application. The rate does not change as the insured ages.	Yes, insureds are charged the standard portability age-banded rates based on their age at the time of application. Portability rates change (rise) as the insured ages.

*This piece is for comparison purposes only and is not a contract. The policy provides the actual terms of the policy, including any exclusions, conditions and limitations to coverage. If there is a conflict between the terms and conditions of the insurance policy and certificate and the statements in these document, the policy and certificate will control.*

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## FREQUENTLY ASKED QUESTIONS CONTINUED

	Conversion	Portability
<b>What requirements must the employee meet to be eligible to port or convert coverage?</b>	<p>An employee may convert if the termination of coverage is a result of termination of employment or the employee is no longer in a class that is eligible for life insurance. In either situation, the converted amount may not exceed the amount in force at the date of termination.</p> <p>The employee must have been covered for group term life for the preceding 5 years.</p>	<ol style="list-style-type: none"> <li>(1) Been insured for a specified period of time, usually one year</li> <li>(2) Be younger than 60 years of age unless otherwise stated in the certificate</li> <li>(3) Life coverage, or a portion of it, must have terminated for reasons other than sickness, injury, retirement or termination of the master policy</li> <li>(4) Must be able to perform the material and substantial duties of any gainful occupation for which they are qualified for by education, training and experience</li> <li>(5) Must not have exercised the right to convert, under the conversion of life insurance provision, the amount of life insurance he or she elects under the portability benefit. If he or she elects the portability benefit, any amounts of Life Insurance that are not ported may be converted</li> </ol>
<b>When does portability or conversion coverage end?</b>	<p>Conversion coverage will end on the date the insured fails to pay premium when due; the date the insured requests conversion coverage to be cancelled; or the date the insured reaches age 99 or dies, whichever occurs first.</p>	<p>Portability coverage will end:</p> <ul style="list-style-type: none"> <li>• When attaining the limiting age</li> <li>• The date the employee returns to work</li> <li>• The date the dependent ceases to meet the definition of an eligible dependent</li> <li>• The date the insured requests portability coverage to be cancelled</li> </ul>
<b>If the group plan terminates, will the portability coverage also terminate?</b>	N/A	No, this is not the case under our standard contract.
<b>When an employee is terminated, will he or she receive a letter in the mail offering portability and conversion options?</b>	<p>No, the employer is responsible for advising employees of their portability and conversion rights.</p> <p>Your employer will provide portability or conversion forms to employees. These forms can also be found on <a href="http://bcbsmt.com">bcbsmt.com</a>.</p>	
<b>If a full-time employee becomes part-time, can he or she port or convert his or her coverage?</b>	Yes	Yes
<b>When an employee's benefit reduces due to a salary change, can the employee port or convert the amount he or she is reduced by?</b>	No	No

Coverage options may not be available in all states and may vary by group. This piece is for illustrative purposes only and is not a contract. It is intended to provide only a brief summary of the policy advertised. The policy provides the actual terms of the policy, including any exclusions, conditions and limitations to coverage. If there is a conflict between the terms and conditions of the insurance policy and certificate and the statements in this document, the policy and certificate will control.