

# Understanding your options to continue life insurance coverage

## Portability and Conversion



You know that life insurance is an **important part of your overall benefits package**. And, your employer may have offered you this coverage on a voluntary (employee paid) or basic (employer paid) basis. Now that your employment status has changed and your life insurance coverage through your employer has ended, you have **options** to continue your current life insurance coverage and **maintain your family's financial health**.

### Why you need to continue your life insurance

Life insurance helps by providing a set amount of money to your beneficiaries when you die. With the right amount of life insurance, you can help ensure that your family will be well-protected. Most people associate life insurance with death benefits, but the value of life insurance is much more than just paying for your funeral expenses. This coverage may help to:

- Pay off your mortgage loan and other debts
- Cover your family's living expenses
- Ensure your family doesn't lose anything more (like their home, their future, their hopes)
- Take care of your children's education
- Provide your spouse and family with financial stability
- Provide for family member with special needs

You now have **important decisions to make** about continuing your life insurance benefits with CIGNA. **You may be able to continue coverage for yourself and your family by "porting" your group coverage or by "converting" your coverage to whole life insurance, and paying premiums directly to CIGNA for either option. Here is some information about the differences between these two options to help you make this important decision.**

	Portability (Port)	Conversion (Convert)
<b>What is the difference between ported coverage and converted coverage?</b>	<p>When you port your coverage, you can keep the <b>group term life coverage</b> offered by your employer along with some, but not all of the optional benefits that were included. Benefits not available on ported coverage include Accidental Death and Dismemberment, Will Preparation and Healthy Rewards.</p> <p>Term life insurance provides coverage for a specific term (in the case of ported coverage – up to a certain age). The policy expires at the end of the term, and there is no side fund or cash accumulation vehicle. It pays only the death benefit in the event you die during the period (or term) of coverage, and it has no accumulated cash value or benefit should you outlive the contract period (or term).</p>	<p>When you convert your coverage, you are converting to an <b>individual whole life (or permanent life)</b> insurance policy. The converted policy only provides life insurance, and does not include the optional benefits such as Waiver of Premium, Accidental Death and Dismemberment, Will Preparation and Healthy Rewards.</p> <p>Whole life insurance builds cash value that you can borrow against or use to pay future premiums. Please read your conversion application for more details.</p>
<b>Does coverage reduce or terminate because of age?</b>	<ul style="list-style-type: none"> <li>▪ <b>Employee:</b> Your coverage amount will reduce if there is an age reduction schedule as you reach the age specified in your group contract. Coverage remains in force as long as premiums are paid up to the age specified in your contract. Often this is age 70.</li> <li>▪ <b>Spouse:</b> Coverage may also terminate upon you or your spouse reaching a certain age. Please consult your group contract for these ages.</li> <li>▪ <b>Child(ren):</b> Upon reaching the age of majority (no longer</li> </ul>	<p>You can maintain coverage up to age 99, as long as premiums are paid.</p>

	Portability (Port)	Conversion (Convert)
	eligible for dependent coverage) as specified in your group contract, ported coverage terminates for your children and conversion is offered. Some contracts allow children who have reached the age of majority to port their coverage separately. Please consult your contract.	
<b>Will I have to answer medical questions?</b>	<ul style="list-style-type: none"> <li>If you port your inforce amount - No.</li> <li>If you increase your coverage – Yes.</li> </ul>	No.
<b>What is the maximum amount of coverage that can be continued?</b>	<ul style="list-style-type: none"> <li>You may port the amount you had in force with your employer or request additional coverage -- up to the maximum specified for your class as stated in the group contract.</li> <li>Any increases above the inforce amount will need to be approved through medical underwriting.</li> </ul>	<ul style="list-style-type: none"> <li>You may convert all or a portion of the insurance you had while employed.</li> <li>If the group policy is canceling, the amount available and individuals eligible for conversion may be limited. Please check your group contract for specifics.</li> </ul>
<b>Can I increase, decrease or cancel coverage amounts after the initial application period?</b>	<ul style="list-style-type: none"> <li>Yes—you can increase coverage up to the plan maximum.</li> <li>Yes—you can decrease coverage within applicable limits.</li> <li>Yes—you can cancel coverage at any time.</li> </ul>	<ul style="list-style-type: none"> <li>No—you cannot increase your coverage at any time – you can only convert up to the amount of coverage you had while you were employed.</li> <li>Yes—you can decrease coverage on permanent life coverage as needed</li> <li>Yes, you can cancel coverage at any time.</li> </ul>
<b>What additional service(s) are available?</b>	<ul style="list-style-type: none"> <li>CIGNAssurance® for beneficiaries that offers bereavement, legal and financial counseling.</li> </ul>	<ul style="list-style-type: none"> <li>CIGNAssurance® for beneficiaries that offers bereavement, legal and financial counseling.</li> </ul>
<b>How do I enroll/apply for coverage?</b>	<ul style="list-style-type: none"> <li>You will receive a portability form from your employer. This form also includes contact information if you have additional questions.</li> <li>You have 31 days from the coverage termination to send the application and premium payment to port your coverage. If you were not notified of your right to port your coverage at least 15 days prior to the end of the 31-day period, you will have 15 days from the date the notice is given to apply for continued insurance. This period will not be extended more than an additional 60 days.</li> <li>Your ported coverage will take effect the first of the month following the Coverage Termination Date.</li> </ul>	<ul style="list-style-type: none"> <li>You will receive a conversion form from your employer. This form also includes contact information if you have additional questions.</li> <li>You have 31 days from the coverage termination to send the application and premium payment to convert your coverage. If you were not notified of your right to convert your coverage at least 15 days prior to the end of the 31-day period, you will have 15 days from the date the notice is given to apply for conversion insurance. This period will not be extended more than an additional 60 days.</li> <li>The converted policy will be effective 31 days after coverage under the group policy terminates.</li> </ul>
<b>Will the rates be different from the rates I paid while I was working?</b>	<ul style="list-style-type: none"> <li>The premium rates will differ from the rates you paid while employed.</li> <li>The premium rates for ported coverage increase with age and are not guaranteed.</li> <li>If you elect to port your coverage, you will enter a pool of other individuals who have ported their coverage. Rates are then based on the experience of this group. As with any group of insureds, rates may change.</li> </ul>	<ul style="list-style-type: none"> <li>The rates for conversion policies normally have a higher initial premium rate.</li> <li>The rate is based on your age at the time you convert your coverage and is guaranteed for life (i.e. it doesn't increase with age).</li> </ul>

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