



## Understanding your options to continue life insurance coverage *Portability and Conversion*

You know that life insurance is an **important part of your overall financial planning package**. Now that your group insurance benefit eligibility has changed and your life insurance coverage 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 New York Life Group Benefit Solutions (NYL GBS). You may be able to continue term life coverage for yourself and your family through Portability of your group coverage or by Conversion of your group coverage to individual whole life insurance, and paying premiums directly to NYL GBS 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>	<ul style="list-style-type: none"><li>▪ When you port your coverage, you can keep the <b>group term life coverage</b> offered through an NYL GBS group insurance contract along with some, but not all of the optional benefits that were included. Benefits not available on ported coverage include Accidental Death and Dismemberment.</li><li>▪ 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).</li></ul>	<ul style="list-style-type: none"><li>▪ 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.</li><li>▪ Whole life insurance builds cash value that you can borrow against or use to pay future premiums. Please read your conversion brochure for more details.</li></ul>

	Portability (Port)	Conversion (Convert)
Does coverage reduce or terminate because of age?	<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 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.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Coverage can be maintained up to age 99, as long as premiums are paid.</li> <li>▪ There is no age reduction schedule on the individual whole life policy.</li> </ul>
Will I have to answer medical questions?	<ul style="list-style-type: none"> <li>▪ If you port your inforce amount - No.</li> <li>▪ If you increase your coverage – Yes.</li> </ul>	<ul style="list-style-type: none"> <li>▪ No.</li> </ul>
What is the maximum amount of coverage that can be continued?	<ul style="list-style-type: none"> <li>▪ You may be able port the amount you had in force upon termination of coverage under the group contract or request additional coverage up to the maximum specified for your class. Please check your group contract for specifics.</li> <li>▪ Any increases above the inforce amount will require you to provide evidence of good health, and be approved by the Insurance Company.</li> </ul>	<ul style="list-style-type: none"> <li>▪ You may convert all or a portion of the insurance you had in force upon termination of coverage under the group contract.</li> <li>▪ If the group policy is canceling, the amount available and the individuals eligible for conversion may be limited. Please check your group contract for specifics.</li> </ul>
Can I increase, decrease or cancel coverage amounts after the initial application period?	<ul style="list-style-type: none"> <li>▪ Yes, you can increase coverage up to the plan maximum subject to medical underwriting requirements.</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, you can only convert up to the amount of coverage you had inforce under the group contract.</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>
How do I enroll/apply for coverage?	<ul style="list-style-type: none"> <li>▪ You will receive notification from your Employer and given direction on how to obtain the applications required.</li> <li>▪ The application will include contact information if you have additional questions.</li> <li>▪ Your ported coverage will take effect the first of the month following the coverage end date.</li> </ul>	<ul style="list-style-type: none"> <li>▪ You will receive notification from your Employer and given direction on how to obtain the applications required</li> <li>▪ The application will include contact information if you have additional questions.</li> <li>▪ A separate Conversion application must be completed for each insured.</li> <li>▪ The converted policy will be effective 31 days after coverage under the group policy terminates. A separate policy is issued to each insured.</li> </ul>

	<b>Portability (Port)</b>	<b>Conversion (Convert)</b>
<b>When must I enroll/apply for coverage?</b>	<ul style="list-style-type: none"> <li>You have 31 days from the coverage end date to send the application to port your coverage. If you were not notified of your right to port your coverage within the first 15 days from your group coverage end date, you will have 15 days from the date of your notification of your right to convert/continue coverage. In no event, will the period to apply for ported coverage be more than 91 days from group your coverage end date.</li> </ul>	<ul style="list-style-type: none"> <li>You have 31 days from the coverage end date to send the application and premium payment to convert your coverage. If you were not notified of your right to convert your coverage within the first 15 days from your group coverage end date, you will have 15 days from the date of your notification of your right to convert/continue coverage. In no event will the period to apply for conversion coverage be more than 91 days from your group coverage end date.</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 are typically higher than what you paid under the group contract.</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 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. to age 99).</li> </ul>

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