

# ► UNDERSTANDING YOUR OPTIONS CONVERSION AND PORTABILITY

Group life insurance plans are issued by The Prudential Insurance Company of America (Prudential) include a conversion option which allows employees to convert all or part of their insurance coverage when it ends. Your plan may also include a portability provision that gives employees an alternative choice. This chart is designed to answer the most common questions about each option and provides a side-by-side comparison of both conversion and portability.

Group Life Conversion Unit 877-889-2070	Group Life Portability Unit 800-778-3827
1. Individual Whole Life policy <sup>1</sup>	1. Term Life policy (terms and conditions may be different from the employer's Group Contract)
2. Premium will be based upon the employee's attained age.	2. Rates for individuals who elect portable coverage will differ from the employer's rates. They will be based on Prudential's portable pool experience.
3. Typically carries a higher cost than porting coverage. Employees should compare costs for portability and conversion as each individual's situation may vary.	3. Typically carries a lower cost than converting.
4. Available on Basic Group Life (BGL), Optional Group Life (OGL), and Dependent Group Life (DGL) coverages. However, Accidental Death and Dismemberment (AD&D) is not eligible for conversion.	4. Available on Basic Group Life, Optional Group Life, Dependent Group Life and Optional Accidental Death & Dismemberment (OAD&D) coverages.
5. Available for employees who are retiring or disabled. Employees may convert existing coverage if they are sick or injured when their group coverage terminates. If the employee subsequently qualifies for and accepts Waiver of Premium benefits under the Group contract, this action would require the employee to relinquish the converted coverage. In this circumstance, the employee would receive a full refund of all premiums paid under the conversion coverage. An employee may elect to either keep the conversion or accept Waiver of Premium, but not both.	5. Standardly, not available to employees who are retiring or disabled.
6. Coverage is in effect until age 100, when the insured is expected to cash the policy in. If the insured does not cash in, his or her coverage would stay in force.	6. Coverage ends at age 80 (applicants must be under age 75 when they port if they reside in NY).
7. Cash value	7. No cash value

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8. Evidence of Insurability (EOI) is not required to determine rates.	8. Our standard portability product has an optional Evidence of Insurability requirement. (For a NY situated case, EOI is not permitted. Only standard rates apply.) This provides a participant the choice of whether or not to submit evidence of good health. A participant who submits satisfactory evidence will pay a lower rate than a person who either submits no evidence or unsatisfactory evidence. Medical evidence is not required for dependent child coverage.
9. The coverage amount must be high enough to generate a premium in the amount of \$15.00 per month. Employees may convert up to what they were covered for under the group plan unless converting because the Group Contract ends entirely or coverage for a group of people (a class) ends entirely, then it is the lesser of the amount not replaced by another carrier within 31 days of the termination of Prudential benefits and \$10,000 (individual states may vary). Amounts above \$1,000,000 are referred to the Conversion Unit for review.	9. Coverage amounts are subject to a minimum of \$20,000 and a maximum of five times the employee's annual earnings or \$1,000,000, whichever is less. There is no minimum amount for dependents.
10. There is no waiting period or minimum time person has to be covered before the Group Contract ends (or ends for an entire class of employees by amendment or otherwise). In this case, conversion is available only to those employees insured for the same coverage for at least five years (individual states may vary). <sup>1</sup>	10. There is no waiting period or minimum time a person has to be covered in order to convert, unless insurance ends because the person has to be covered in order to port.
11. Upon the employee's death, conversion may be available for dependent spouses and children who are enrolled for dependent life coverage.	11. Employees and dependents can elect portability if: the employees and spouses are under age 80; dependent children are under age 26; and employees are actively at work on the day before employment ends. A spouse can port if the employee ports or upon the employee's death or divorce. Children can port if the employee ports, or upon the employee's death if the spouse ports.

<sup>1</sup> In certain states (NY, WV and MN), term life insurance may be available. The Conversion Unit will provide details when the Notice is received.

This policy provides ACCIDENT insurance only. It does NOT provide basic hospital, basic medical or major medical insurance as defined by the New York State Department of Financial Services.

IMPORTANT NOTICE—THIS POLICY DOES NOT PROVIDE COVERAGE FOR SICKNESS.

**This coverage is not health insurance coverage (often referred to as “Major Medical Coverage”).**

**This type of plan is NOT considered “minimum essential coverage” under the Affordable Care Act and therefore does NOT satisfy the individual mandate that you have health insurance coverage. If you do not have other health insurance coverage, you may be subject to a federal tax penalty.**

Group Life and Accidental Death & Dismemberment (AD&D) Insurance coverages are issued by The Prudential Insurance Company of America, Newark, NJ. The Booklet-Certificate contains all details, including any policy exclusions, limitations, restrictions, which may apply. Contract Series: 83500.

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