



## **CONVERSION OF GROUP LIFE INSURANCE TO AN INDIVIDUAL POLICY**

Life Insurance Company of North America (LINA)

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# LIFE INSURANCE COMPANY OF NORTH AMERICA

## YOUR RIGHTS UPON TERMINATION OR REDUCTION OF YOUR LIFE INSURANCE

### Conversion Privilege

Your group life insurance policy contains a **conversion privilege**. This means that if your group life insurance ends due to termination of employment or termination of membership in an eligible class under the group policy, you have a right to purchase an individual whole life insurance policy, with an amount of life insurance not exceeding the amount of group life insurance which has terminated.

You do not need to provide proof of good health. However, you must apply for this policy, and pay the first premium, within 31 days of the date that your group life insurance ended.

This policy will be an individual whole life insurance policy. This policy is noncancellable and premium rates are guaranteed. Premium rates are based on your age when you purchase the individual policy and do not increase as you get older. The policy will, if it is kept in force, build cash value, which can be used for policy loans, or to provide a reduced amount of life insurance that is paid-up (i.e. no further premium payments are required).

### Portability

Your group life insurance policy may also provide for a **portability feature**, which allows for group term life insurance to be continued on a direct bill basis, if your life insurance ends due to termination of employment or membership in an eligible class. Premium rates are based on our claim experience for all former employees continuing life insurance through portability, and are generally higher than premium rates charged for active employees under the group policy. Initial premium rates are generally lower than initial premium rates for an individual whole life insurance policy issued under the conversion privilege, but are not guaranteed, and will increase with age. This insurance is term life insurance, which does not build cash value.

Please read your certificate of insurance to find out if your group life insurance policy provides this portability feature, and how much life insurance can be continued. If your group life insurance policy provides for portability, you must choose whether to exercise this portability right, or to purchase an individual whole life insurance policy. You cannot choose both, unless the group policy permits portability for only part of the group life insurance cover-age (e.g. voluntary life insurance), in which case you can choose portability to the extent it is permitted, and convert the rest of the terminating life insurance to an individual policy.

### What If My Life Insurance Is Reduced?

If your group life insurance coverage is reduced due to a change in eligible class (e.g. from active employee to retiree), you may convert the amount of coverage that is reduced to an individual whole life insurance policy.

Please refer to your certificate of insurance to see if reductions in life insurance in other circumstances will allow you to convert. Generally, reductions in life insurance cannot be converted if they are due to (1) reaching a certain age, e.g. age 65; or (2) amendment of the group insurance policy. Reductions in life insurance due to reduction in your earnings (where group life insurance is based on your earnings), or reduction in your hours (unless this causes you to become insured under a different class of employees, e.g. part-time employees), cannot be converted.

Portability is only available if your employment terminates, or if your life insurance ends due to loss of eligibility. Portability is not permitted for reductions of group life insurance.

### What If The Group Policy Is Terminated Or Amended?

If your group life insurance ends because the group policy has been terminated or amended, you may have a right to convert a portion of the life insurance to an individual whole life insurance policy. Generally, the amount of life insurance that can be converted is limited to \$10,000, and is only available to employees who were insured under the group policy (or another group policy issued to the same employer) for three years or more. Please refer to your certificate of insurance for details.

If the terminated group life insurance is replaced within 31 days, the amount of life insurance that you can convert will not exceed the amount by which group life insurance was reduced, if any. For example, if your employer terminates its Cigna group life insurance policy, and replaces it with another group life insurance policy that provides an equal or greater amount of life insurance, the conversion privilege is not available.

Portability is not available if coverage ends due to termination or amendment of the group insurance policy.

## **What If My Life Insurance Has Been Continued Under The Group Insurance Policy's Waiver of Premium Feature?**

Some group life insurance policies provide that group life insurance may be continued for totally disabled employees under the waiver of premium feature. This coverage will end when you reach a maximum age limit (usually, age 65), or fail to provide proof that you continue to be disabled. If your continued group life insurance ends due to one of these reasons, you can convert to an individual whole life insurance policy. The application process is the same, except that, if included, you do not need to have the employer section of the application completed.

### **How Long Do I Have To Convert?**

In general, you must apply for, and pay the first premium for, the individual whole life insurance policy within 31 days after your group life insurance ends (or is reduced, if applicable).

If you do not receive written notice of the right to convert (e.g. this brochure, or other information provided by your employer or its administrator) at least 15 days before the end of this 31-day period, you will have an additional time in which to convert. In general, this right must be exercised by the earlier of 15 days after you receive written notice, or 91 days after your group life insurance ends.

The right to convert will end 91 days after your group life insurance ends, whether or not you have received this brochure or other written notice.

If your group life insurance policy includes the portability feature, that right may be exercised during the same period of time in which you have to exercise the conversion privilege.

### **What About My Dependents?**

The right to convert group life insurance to an individual whole life policy is also available to your insured dependent spouse and children, in the following circumstances:

1. Your group life insurance ends.
2. Your spouse's group life insurance ends due to divorce, legal separation, or reaching the age limit in the group policy.
3. A dependent child's coverage ends due to reaching the maximum eligibility age provided for in the policy (e.g. age 26), or due to marriage or ceasing to be financially dependent. (Refer to your certificate of insurance to see when a dependent child's coverage ends.)
4. Your spouse's or a dependent child's coverage ends due to your death.

Each person (you, your spouse, or your dependent children) who is eligible to convert will be issued his or her own individual whole life insurance policy.

A dependent's right to purchase an individual whole life insurance policy must be exercised within 31 days of termination of group life insurance.

The group life insurance policy may provide that dependents will have the right to exercise the portability feature. Please refer to your certificate of insurance to see if this option is available. If this option is provided:

1. If you choose to exercise the portability feature due to termination of your employment, or membership in an eligible class, you may also choose to insure any dependents (spouse or children) who were insured when your group life insurance ended.
2. Your spouse may choose to exercise the portability feature if his or her life insurance ends due to divorce or legal separation.
3. Each dependent child whose life insurance ends due to reaching the age limit (or otherwise no longer being eligible for group life insurance, e.g. due to marriage) can choose to exercise the portability feature for himself or herself.
4. If your spouse's group life insurance ends due to your death, your spouse may continue life insurance for himself or herself, and may also continue insurance for any dependent children who were insured under the group policy on your date of death.

## How Much Does This Life Insurance Cost? And How Do I Apply?

A table of rates, and a premium calculation worksheet, for the individual whole life insurance policy is included with this brochure.

If your group life insurance policy includes a portability feature, you should have also been provided a table of rates for continuing group life insurance. Please note, these rates are generally higher than premium rates under the policy for active employees.

An application for an individual whole life insurance policy is included, and also an application to continue life insurance under the portability feature, if applicable.

Each insured must complete, sign and date a separate application for conversion of Group Life Insurance. You must calculate your insurance age and premium for the amount you selected. (See the instructions for calculating your insurance age and premium, included in this booklet.)

If your certificate of insurance includes the portability feature, but a portability application was not provided to you, please contact your employer.

**Please note that the application includes a section that must be completed by your employer.** This may have been filled out by your employer before it was given to you. If it is blank, please go ahead and submit the application without this section completed and we will obtain the required information from your employer. If you received a cover letter from a Cigna claim or customer service center, or your former employer, please provide that letter along with your application.

Please submit the completed application(s), and the initial quarterly premium payment(s) made payable to **Life Insurance Company of North America (LINA)**, to the address shown below by the deadline. Payments should be made via check or money order, we cannot accept cash.

**AmWINS Group Benefits, Inc.**  
**P.O. Box 152501**  
**Irving, TX 75015-2501**

or

**AmWINS Group Benefits, Inc. (Overnight Address only)**  
**8505 Freeport Parkway South**  
**Suite 500**  
**Irving, TX 75063**

## How Long Can This Life Insurance Be Continued In Force?

If you purchase an individual whole life insurance policy under the conversion privilege, that policy can be continued in force for your lifetime, or age 100, provided that you pay premiums when due. Coverage will not reduce due to age.

If you continue life insurance under the portability feature, coverage can generally be continued in force until you reach age 70, provided that you pay premiums when due. Coverage may reduce due to age, if provided for by the group policy. In most cases, if you have continued group life insurance under the group policy, it may be continued even after the group policy has terminated. However, if the group policy provides that continued group life insurance will end if the group policy is terminated, you will have a right to purchase an individual whole life insurance policy under the conversion privilege at that time. Please refer to your certificate of insurance for specific information.

## To Whom Will Life Insurance Benefits Be Paid?

You must designate a new life insurance beneficiary (or beneficiaries) when you convert to an individual whole life insurance policy, or exercise the right to portability. Any beneficiary designation which you made under the group life insurance policy will not automatically carry forward. Space to designate beneficiaries is included in the conversion and portability applications.

## When Does Converted or Continued Insurance Go Into Effect? What Happens If I Die Before Then?

If you purchase an individual whole life insurance policy under the conversion privilege, that policy will go into effect on the 32nd day after your group life insurance ends. This is the effective date (and premiums will start as of that date) whether you apply early, or if you apply after 31 days but before the deadline.

If you die during the first 31 days after your group life insurance ends, the group life insurance policy provides that a death benefit will be paid, to your beneficiary (or beneficiaries) in effect under the group life insurance policy. The amount of this death benefit will be the amount that you could have converted. (Depending on the reason that you are eligible to convert, this might be less than the amount of life insurance that was provided to you under the group life insurance policy.) This death benefit will end 31 days after your group life insurance ends, even if your deadline to convert has been extended based on when you received this brochure or other written notice.

If you instead choose to exercise the portability feature, you will be required to pay premiums from the first of the month following the date that your group life insurance eligibility ended.

## Instructions for Calculating Your Insurance Age and Premium.

After you have selected the amount of insurance you wish to convert, you can calculate your Insurance Age and premium using the example below:

### Calculate your Insurance Age:

1. Determine the effective date of your new policy, which is usually 31 days immediately following your termination of your group life insurance coverage.
2. The age you will be six months from the effective of the new whole life insurance policy is your "Insurance Age". If your birthday falls within that six-month period, you must add one year to your present age, otherwise use your present age.

For example:

Date of Birth:	March 1, 1973
Age in March 2013:	40
Date Group Insurance Ended:	November 14, 2013
Effective Date of New Policy:	December 16, 2013
Six Months from December 16, 2013:	June 16, 2014
Insurance Age:	41

3. To determine your annual premium rate, first determine your "Insurance Age" as defined in step 2. Then refer to the rate table included in this document.
4. Calculate your premium using the included worksheet.

### Calculate Your Premium:

1. Number of \$1,000 units of insurance being converted, up to the amount terminating under your group life Insurance policy (e.g., \$11,500 equals 11.5) \_\_\_\_\_
2. Enter the rate per Unit for insurance age from the rate table \_\_\_\_\_
3. Annual Premium...Multiply (1) X (2) \_\_\_\_\_
4. Annual Policy Administration Fee \_\_\_\_\_
5. Annual Payment...Add (3) & (4) \_\_\_\_\_
6. Enter the appropriate payment frequency factor:  
Annual Payment           x 1.00  
Semi-Annual Payment   x 0.50  
Quarterly Payment       x 0.25  
\_\_\_\_\_
7. Total Payment Due .... Multiply (5) x (6) \_\_\_\_\_

This is your total initial payment amount due. Send a check or money order for this amount payable to **Life Insurance Company of North America (LINA)**.

Monthly payments are also available by using the **Electronic Funds Transfer (EFT)** option. An automatic monthly deduction would be made from your personal checking account to pay your premiums. If you are interested in this option, please indicate "yes" in the space provided on the application form. An authorization form will be sent to you upon receipt of your application. **Your initial payment must be for at least the quarterly amount and must be included with your application.**

**Examples:**

<b>STEP</b>	<b>AGE 60 \$22,000 FACE ANNUAL PAYMENT</b>	<b>AGE 49 \$53,000 FACE SEMIANNUAL PAYMENT</b>	<b>AGE 36 \$8,500 FACE QUARTERLY PAYMENT</b>
1	22	53	8.5
2	\$51.24	\$29.52	\$16.32
3	\$1,127.28	\$1,564.56	\$138.72
4	\$100.00	\$100.00	\$100.00
5	\$1,227.28	\$1,664.56	\$238.72
6	1.00	.50	.25
7	\$1,227.28	\$832.28	\$59.68

**Special Notes:**

- If you were covered for Basic and Supplemental Life Insurance and you are converting both benefit amounts, add the two amounts together and indicate the total amount on the application. Only one Individual Whole Life insurance policy will be issued.
- The Annual Policy Administration Fee is an annual fee which is included in the calculation of your payment.
- You cannot increase your Individual Whole Life insurance coverage once issued.

**Checklist:**

1. Did you calculate your correct Insurance Age?
2. Did you indicate the amount of insurance you wish to convert?
3. Did you double-check your premium calculation and indicate the mode of payment?
4. Did you designate your Beneficiary(ies)?
5. Has each Insured signed and dated their own conversion application and included their initial payment?

***If you have any questions or need assistance in completing this application, please call our toll-free number 1-800-423-1282, Monday through Friday, 8:00 A.M. to 4:30 P.M. (CST).***

### ANNUAL RATE PER \$1,000

<b>INSURANCE AGE</b>	<b>RATE</b>	<b>INSURANCE AGE</b>	<b>RATE</b>	<b>INSURANCE AGE</b>	<b>RATE</b>
Under 1	6.24	34	15.00	68	79.68
1	6.36	35	15.72	69	84.84
2	6.48	36	16.32	70	90.24
3	6.48	37	17.04	71	95.59
4	6.60	38	17.88	72	101.28
5	6.72	39	18.60	73	107.34
6	6.84	40	19.44	74	113.83
7	7.08	41	20.40	75	120.82
8	7.20	42	21.36	76	128.34
9	7.44	43	22.20	77	136.45
10	7.56	44	23.40	78	145.16
11	7.80	45	24.48	79	154.44
12	8.04	46	25.68	80	164.30
13	8.16	47	26.88	81	174.75
14	8.40	48	28.20	82	185.79
15	8.64	49	29.52	83	197.51
16	8.76	50	30.96	84	209.98
17	9.00	51	32.52	85	223.35
18	9.12	52	34.20	86	237.79
19	9.36	53	35.88	87	253.51
20	9.60	54	37.68	88	270.84
21	9.84	55	39.60	89	290.20
22	10.08	56	41.64	90	312.14
23	10.32	57	43.80	91	337.44
24	10.56	58	46.20	92	367.21
25	10.92	59	48.60	93	403.17
26	11.28	60	51.24	94	448.15
27	11.64	61	54.00	95	507.56
28	12.00	62	57.00	96	591.41
29	12.36	63	60.12	97	719.08
30	12.84	64	63.36	98	919.40
31	13.32	65	66.84	99	1,173.58
32	13.80	66	70.68		
33	14.40	67	75.00		



## Application for Conversion of Group Life Insurance

**Underwritten by Life Insurance Company of North America**  
(Herein called the Insurance Company)

Each insured must complete, sign and date a separate Application for Conversion of Group Life Insurance (copies of this form are acceptable). The following information must be completed by each insured or the owner of this coverage if coverage was previously assigned.

### **IMPORTANT**

- **If you or any of your dependents had to submit medical evidence of good health for any part of the Life Insurance amount, please provide a copy of the approval letter, and/or any other related documentation that you received regarding the decision rendered.**

Employer Name: \_\_\_\_\_ Group Policy Number: \_\_\_\_\_

Insured Name: \_\_\_\_\_ Social Security Number: \_\_\_\_\_  
(Last) (First) (MI)

Address: \_\_\_\_\_  
(Street) (City) (State) (Zip Code)

Date of Birth: \_\_\_\_\_ Gender:  Female  Male Relationship to Employee: \_\_\_\_\_  
Month/Day/Year

Phone Number - Day \_\_\_\_\_ Phone Number - Evening \_\_\_\_\_

### **COMPLETE THE NEXT 2 LINES FOR CONVERSION OF EMPLOYEE COVERAGE ONLY**

Employee's Last Day Worked \_\_\_\_\_ Were you disabled on your Coverage End Date?  Yes  No

Reason for leaving work \_\_\_\_\_

Total amount of Coverage you wish to convert \$ \_\_\_\_\_

How shall premiums be payable:  **ANNUALLY**  **SEMI-ANNUALLY**  **QUARTERLY (default)**

Amount of Payment submitted with this application (minimum is quarterly) \$ \_\_\_\_\_

I elect the Automatic Premium Loan Provision:  Yes  No

Please indicate if you would like information on Electronic Funds Transfer (EFT)  Yes  No

**Note: Your initial payment must be for at least the quarterly amount and must be included with your application before the monthly EFT can become effective.**

Have you applied for: (check all that apply)

Waiver of Premium

Application Date: \_\_\_\_\_  
(Month/Day/Year)

Accelerated Death Benefit (ADB)

Application Date: \_\_\_\_\_  
(Month/Day/Year)




Insured Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

**Beneficiary Information**

The Employee or the Assignee (if the Employee has Assigned ownership) must specify a beneficiary(ies) by completing the section below. When specifying multiple beneficiaries, the insured must indicate the percentage of distribution for each and the total must equal 100%. Any benefits that remain undesignated will be paid in accordance with the applicable provisions of the policy/certificate. If there is not enough room to specify all beneficiaries (e.g. Primary and Contingent beneficiaries), attach, sign and date a separate sheet of paper using the format below.

Primary Beneficiary Name, Address, Phone #	Percentage <i>Must equal 100 %</i>	Social Security #	Date of Birth <i>Month/Day/Year</i>	Relationship
Contingent Beneficiary Name, Address, Phone #	Percentage <i>Must equal 100 %</i>	Social Security #	Date of Birth <i>Month/Day/Year</i>	Relationship

**Community Property Laws** - If you are married, reside in a community property state (Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, and Wisconsin), and name someone other than your spouse as beneficiary, it is possible that payment of benefits may be delayed or disputed unless your spouse also signs the beneficiary designation.


 Spouse Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
Month/Day/Year

**IMPORTANT NOTICE TO THE EMPLOYEE**

Your eligibility for Life Insurance under the Group Insurance Policy issued by Life Insurance Company of North America to the Policyholder has ceased. You are hereby notified that under the terms of the Group Policy, you may, subject to the terms of the Policy, convert all or part of your Life Insurance coverage under the said Policy to an Individual Whole Life policy. The Individual Whole Life policy will not contain disability or supplemental benefits. Your application and payment must be submitted within 31 days after the coverage end date or within 15 days of the date of this notice, whichever date is later, but in no event will an application be accepted beyond 91 days from said coverage end date.

I have read the above questions and answers, and hereby declare that they are complete and true, and I agree that this application shall form a part of any policy issued. I understand that I am eligible to convert an amount not to exceed the amount of coverage in effect on the date my group life insurance ended. I represent that the amount of coverage applied for above does not exceed the amount I am eligible to convert. I further agree that while my application to convert under the terms of the group policy is being reviewed, the Insurance Company may deposit the payment submitted with the application. If I am later determined not to be eligible to convert my group insurance, the sole obligation of the Insurance Company shall be to refund the payment paid.

If any changes or corrections are made by the Insurance Company as noted below, acceptance by the Owner of a policy to which a copy of the modified application is attached will ratify such changes or corrections.

 Insured Signature \_\_\_\_\_ Date: \_\_\_\_\_  
(Parent or Guardian signature if applicant is under age 18) Month/Day/Year

**Please note: Each applicant must complete and sign a separate application for conversion of the group coverage.**

Corrections and changes (**Office Use Only**) \_\_\_\_\_

Send the completed application, a copy of your notification letter (if applicable), the Employer Notice of Right to Convert page and initial payment made payable to **Life Insurance Company of North America (LINA)** to the address shown below. Payments should be made via check or money order, we cannot accept cash.

**AmWINS Group Benefits, Inc.**  
**P.O. Box 152501**  
**Irving, TX 75015-2501**

or

**AmWINS Group Benefits, Inc. (Overnight Address only)**  
**8505 Freeport Parkway South**  
**Suite 500**  
**Irving, TX 75063**



**Important Information to Policyholder/Employer**

1. **Make a copy of this form for your file. This is for your own protection to ensure proper notification has been given.**
2. If the employee is under age 60 and totally disabled, he/she may be eligible for premium waiver under the group policy instead of the conversion policy. Please check your group policy to determine whether or not you have elected Waiver of Premium, determine the eligibility, and process the application accordingly.
3. If the employee has eligible dependents covered by the group policy, an application for each eligible dependent must be completed, signed, dated and submitted for processing. The converted policy is an Individual Whole Life policy, therefore each covered dependent will be issued a separate insurance policy.
4. This form must be completed in its entirety. If any portion is incomplete or incorrect, it could result in delays or rejection of this valuable coverage for the employee and/or his/her dependents.
5. Has an assignment been recorded on any of the coverage?  Yes  No
  - a. *If an assignment has been recorded for the coverage, you will need to provide notice to the assignee and not the employee.*

**IF THE INSURED HAS PREVIOUSLY ASSIGNED OWNERSHIP OF HIS/HER GROUP INSURANCE COVERAGE TO ANOTHER PERSON - COMPLETE THE FOLLOWING INFORMATION AND PROVIDE A COPY OF THE COMPLETED ASSIGNMENT FORMS.**

**Owner** - The Owner is the person who has the right to assign, borrow, surrender, and exercise all other rights contained in the Policy. If no other Owner is designated, the insured shall be the Owner. All correspondence and premium notices will be mailed to the Owner.

<b>Owner Name:</b> _____	<b>Tax I.D./Social Security Number:</b> _____
<b>Street Address:</b> _____	<b>Telephone Number:</b> _____
<b>City:</b> _____	<b>State:</b> _____ <b>Zip Code:</b> _____

**Please sign and date here**



**Owner's Signature:** \_\_\_\_\_  
*(Must be signed by Owner if other than employee.)*

**Date:** \_\_\_\_\_  
*(Month/Day/Year)*

