

# Group LTD Conversion Facts



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## **Section I - LTD Conversion Facts**

### **Eligibility**

If you have been covered for Long Term Disability benefits under a group LTD plan sponsored by your employer for at least 12 consecutive months\* and your employment terminates while insured with First Unum, you may be eligible to convert and become insured under the First Unum Group Long Term Disability Conversion Policy.

\*These twelve (12) consecutive months include the time you were insured for group long term disability under both this policy and the former policy it replaced, if any.

To be eligible to convert, your coverage must have ceased due to termination of your employment. If you become insured under another group plan within 31 days after termination and have already applied for conversion coverage you are required to notify First Unum.

#### Date of Eligibility:

You will be eligible for insurance on the day your coverage terminates under the group plan.

#### When Does Insurance Start?

Insurance will be effective at 12:01 a.m. on the day your coverage under the group plan terminates, but only if your written application for insurance is:

1. on First Unum's Application for Conversion of Long Term Disability Insurance;
2. made within the 31 day enrollment period; and
3. remittance of premium and application fee has been received.

#### **Some Reasons Why You Cannot Convert:**

The conversion privilege is not available to you if:

1. your insurance under the group plan terminates for any of the following reasons:
  - a. the group plan terminates;
  - b. the group plan is amended to exclude from coverage the class of employees to which you belong;
  - c. you no longer belong to a class of employees eligible for coverage under the group plan;
  - d. you retire. (You retire when you receive payment from any employer's retirement plan as recognition of past services, OR you have concluded your working career.
2. you are or become insured for long term disability insurance under another insurance plan within 31 days after termination.
3. you failed to pay any required premium due.
4. you are disabled under the terms of the group plan.
5. you are currently out of work due to a mental or physical condition.
6. you recover from a disability and you do not return to work for this employer.
7. you are on a leave of absence.

## Section II - Summary of LTD Conversion Benefits

### Monthly Benefits:

Your benefit amount will be 60% of your last basic monthly earnings with this employer.

The monthly benefit will be reduced by the following other income benefits:

1. the amount of Disability Benefits under Workers' Compensation Law, occupational disease law, or any other act or law of like intent;
2. any disability income benefits you are eligible for under any compulsory benefit act or law;
3. any disability income benefits you are eligible for under any other group insurance plan or any governmental retirement system as a result of your job with any employer;
4. benefits from any employer's retirement plan which you:
  - a. receive as disability benefits;
  - b. voluntarily elect to receive as retirement benefits; or
  - c. are eligible to receive as retirement benefits when you reach the greater of age 62 or normal retirement age as defined in an employer's retirement plan.
5. the amount of disability or retirement benefits under the United States Social Security Act, The Canada Pension Plan, or The Quebec Pension Plan, or any similar plan or act.

### Minimum Monthly Benefit:

The minimum monthly benefit is the greater of \$50.00 or 10% of the monthly benefit before deductions for other income benefits.

### Elimination Period:

Conversion benefits will become payable after you have been disabled for 180 consecutive days.

### Maximum Benefit Period:

Age at Disability	Maximum Benefit Period
Less than age 60	to age 65 but not less than 60 months
60	60 months
61	48 months
62	42 months
63	36 months
64	30 months
65	24 months
66	21 months
67	18 months
68	15 months
69 and over	12 months

### Maximum Benefit Period for Partial Disability:

The monthly benefit for Partial Disability will not be paid beyond the earlier of the 24th month after the end of the elimination period, or the end of the above maximum benefit period.

### General Exclusions:

The Conversion Policy will not cover any disability due to:

1. war, declared or undeclared, or any act of war;
2. intentionally self-inflicted injuries; or
3. active participation in a riot.

**Mental Illness Limitation:**

Benefits for disability due to mental illness will not exceed 24 months of monthly disability payments unless you meet one of these situations:

- 1. you are in a hospital or institution at the end of the 24 month period. The monthly benefit will be paid during the confinement.

If you are still disabled when discharged, the monthly benefit will be paid for a recovery period of up to 90 days.

If you become reconfined during the recovery period for at least 14 days in a row, benefits will be paid for the confinement and another recovery period up to 90 more days.

- 2. You continue to be disabled and become confined:
  - a. after the 24 month period; and
  - b. for at least 14 days in a row.

**Termination Provisions:**

You will cease to be insured on the earliest of the following dates:

- 1. the date the Group Conversion policy terminates;
- 2. the end of the period for which your last contribution for your insurance has been paid; or
- 3. the date you retire. (You retire when you receive payment from any employer’s retirement plan as recognition of past services, OR you have concluded your working career.)

**Section III - Policy Terms You Should Know**

**Definition of Disability:**

“Disability” and “disabled” mean that because of injury or sickness:

- 1. you cannot perform each of the material duties of your regular occupation; and
- 2. after benefits have been paid for 24 months, you cannot perform each of the material duties of any gainful occupation for which you are reasonably fitted by training, education and experience.

**Definition of Partial Disability:**

We will pay a monthly benefit for partial disability during the first 24 months following the elimination period if we receive proof that you are partially disabled within 31 days of the end of the period during which you received disability benefits.

The partial disability must result from the injury or sickness that caused disability. But we will not pay any longer than the maximum benefit period shown in the plan outline.

“Partial disability ” and “partially disabled” mean that, because of injury or sickness you, while unable to perform all the material duties of your regular occupation on a full-time basis, are:

- 1. performing at least one of the material duties of your regular occupation on a part-time or full-time basis; and
- 2. currently earning at least 20% less per month than your basic monthly earnings due to that same injury or sickness.

**PLEASE NOTE: THIS IS NOT A CONTRACT OF INSURANCE**

**ONCE APPROVED, COMPLETE DETAILS OF COVERAGE INCLUDING EXCLUSIONS AND LIMITATIONS WILL BE EXPLAINED IN YOUR LONG TERM DISABILITY BENEFITS CONVERSION CERTIFICATE.**

## **Section IV - How to Apply for Long Term Disability Conversion Coverage**

You must apply for LTD Conversion Coverage within 31 days of the date your group Long Term Disability coverage cancelled.

Just follow these five steps:

1. Read Sections I through III. These pages outline eligibility requirements and benefits under our conversion coverage. Please review these pages carefully to find out if you qualify for conversion coverage.
2. Have your **employer** fill out the section on the back of the ***Application for Conversion for Long Term Disability Insurance*** located in this pamphlet. Your application will not be processed if this section is not completed.
3. Complete the ***Application for Conversion for Long Term Disability Insurance*** located in this pamphlet.
4. Calculate your quarterly premium amount, by following the instructions in Section V on how to calculate your premium.
5. Send the completed ***Application for Conversion for Long Term Disability***, your first quarterly premium check, and the \$25.00 non-refundable application fee to:

First Unum Life Insurance Company  
Portability/Conversion Unit  
2211 Congress Street  
Portland, ME 04122-1760

**NOTE: YOU MUST SUBMIT THE APPLICATION FEE AND YOUR FIRST QUARTERLY PREMIUM FOR YOUR APPLICATION TO BE PROCESSED.**

## Section V - Calculating Premiums

### Will Premium Payments Ever Change:

Your premium payments for your coverage will change:

1. When you reach a new age category;
2. When the schedule of premium rates is changed; or
3. When the terms of the conversion policy are changed.

We will make the premium adjustment on the billing statement covering the period in which the change occurs.

We will notify you in writing at least 31 days in advance of the date on which the premium rate change becomes effective.

### Premium Rates for LTD Conversion Coverage:

Quarterly rates per \$100 of Monthly Benefit

Age	Quarterly Rate
Less than 25	\$ 1.67
25-29	2.52
30-34	3.87
35-39	5.97
40-44	7.32
45-49	10.80
50-54	17.15
55-59	21.14
60 and over	21.27

Plus a one time non-refundable Application Fee: \$25.00.

### How to Calculate Your Premium:

**Example:** Quarterly premium for an individual age 30 with basic monthly earnings of \$2,000:

$$60\% \text{ of } \$2,000 = \$1,200; 1,200 \div 100 = 12; 12 \times \$3.87 = \$46.64$$

Quarterly mode is the only premium frequency available. Rates are not guaranteed and may be changed at any time with a 31-day notice.

### Premium Worksheet:

A. Current Age \_\_\_\_\_

B. Quarterly Rate (from premium rate chart, based on your age) \_\_\_\_\_

C. Your last basic monthly earnings (see #15 on the Conversion Application) under the group plan before termination \$ \_\_\_\_\_

D. Take 60%\* of the last basic monthly earnings \$ \_\_\_\_\_ . If this dollar amount exceeds \$4,000\*, your benefit amount will be limited to \$4,000\*.

\*If your group plan's maximum monthly benefit is less than \$4,000, or if your benefit percentage is less than 60%, use the same maximum monthly benefit or benefit percentage as the group plan.

E. Divide #D by 100 = \$ \_\_\_\_\_

F. Multiply #E by #B = \$ \_\_\_\_\_ (This equals your quarterly premium amount.)

When applying for Conversion, please remit the amount in #F, plus the \$25.00 non-refundable Application Fee.

If you have any questions, you may contact your First Unum Sales Office, or call the Portability/Conversion Unit, in Portland, Maine at 1-800-421-0344.



# APPLICATION FOR CONVERSION OF LONG TERM DISABILITY INSURANCE

Underwritten by: First Unum Life Insurance Company

## PLEASE PRINT OR TYPE ALL INFORMATION

### To Be Completed By The Employee

- **If you are currently disabled under the terms of your group policy, you should apply for disability benefits not conversion.**
- To apply for this coverage you must submit this completed application, the \$25.00 application fee and your first quarterly premium to First Unum's Conversion Unit.
- The application must be received by First Unum within 31 days after termination of coverage (last day of active employment).
- If you become eligible for or covered under any other Group Long Term Disability policy within the 31-day period in which you must apply for this Conversion Privilege, you cannot convert to this coverage.

1.) Name (Last, First, Middle Initial)	2.) Sex	3.) Social Security Number
4.) Home Address (Street, City, State, Zip)		5.) Date of Birth ____/____/____

6.) Group LTD Plan Number \_\_\_\_\_

7.) Monthly benefit you are applying for \$ \_\_\_\_\_

The maximum monthly benefit = \$4,000  
(See your Conversion Fact book for further explanation.)

**Note: If the maximum monthly benefit amount under the group plan from which you are converting is less than the above, then you will convert to that lesser amount.**

The statements above are true to the best of my knowledge and belief, and I agree that they shall form a part of the contract of insurance applied for.

8.) Dated At \_\_\_\_\_ On \_\_\_\_/\_\_\_\_/\_\_\_\_  
City and State Month Day Year

Signature of Applicant \_\_\_\_\_

Upon approval of this application, a certificate of coverage will be sent directly to you at the address provided.

Note: Employer **MUST** complete information required on the reverse side.

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**To Be Completed By Employer**

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9.) Employer (Firm Name and Division)

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10.) Address (Street, City, State, Zip)

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11.) Group LTD Plan Number

12.) Group LTD Plan Maximum Benefit

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13.) Was the individual covered under your present Group Plan or under a combination of your present and prior Group Plans for at least 12 consecutive months?  Yes  No

If yes, the individual's effective date:

\_\_\_ / \_\_\_ / \_\_\_\_\_

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14.) Date employee terminated  
(last day of active employment)

\_\_\_ / \_\_\_ / \_\_\_\_\_

15.) Employee's basic monthly earnings  
at time of termination

\$ \_\_\_\_\_

16.) Employee's occupation at time of termination

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17.) Reason for employee  
termination:18.) Is employee terminating employment as a result of retirement or leave of absence?  
 Yes  NoIf yes, the employee is not eligible for coverage under the terms of the contract.

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19.) The date notice of Conversion Privilege was given to the employee:

\_\_\_ / \_\_\_ / \_\_\_\_\_

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20.) Employer Representative Signature

Date

\_\_\_ / \_\_\_ / \_\_\_\_\_

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This Section is not a part of the application for conversion.

**Note: Employee must complete the application on the reverse side.**

## **Reminder**

Send the following items to: **First Unum Life Insurance Company  
Portability/Conversion Unit  
2211 Congress Street  
Portland, ME 04122-1760**

- **Application form which has been completed by both you and your Employer.**
- **Your first quarterly payment.**
- **\$25.00 non-refundable application fee.**



First Unum Life Insurance Company