

# Transitioning your group term life coverage to Lincoln

## Welcome to Lincoln!

As your new life insurance partner, we value your business and want to help your employees make a smooth transition from their current carrier to Lincoln Group Term Life Insurance.

Since employees classified as not actively at work have the most potential for coverage questions, we'll help you identify these situations, so you can assist your employees throughout the coverage transition. To make this transition as easy as possible, we've provided some key questions and possible options you and your employees may want to consider:

## Who may be considered not actively at work?

The basic premise of any employee benefits plan is that covered employees are actively at work on the plan effective date. Active work is defined as an employee's regular performance of all customary duties of his or her occupation at the employer's place of business.

When an employee is not at work on the date the plan transitions, coverage may not become effective until they resume active work. In some cases, the fact that the employee is not actively working on the coverage effective date **will not impact the effective date of coverage**. Examples include:

- Approved leave of absence, not due to the employee's own health condition
- Scheduled or unscheduled non-workday

The most common reasons that **may impact the coverage effective date** are:

- Leave of absence due to an employee's own health condition
- Disability
- Sick leave

## What are your employees' options?

You can help your employees determine their best options by providing them with the information they need as early as possible in the transition process.

## Employees expected to return to work

### Prior Insurance Credit Provision

If an employee is not working on the life insurance coverage effective date, the employee must meet the requirements of the Lincoln Prior Insurance Credit Provision to transition coverage. The Prior Insurance Credit Provision helps prevent the insured employee and any insured dependents from losing coverage during the transition from one carrier to another.

## Employees who are not expected to return to work or absent due to a serious health condition

Employees with serious health conditions who are not expected to return to work—or are unsure of returning—should consider the following options:

### **Waiver of Premium through current carrier, if available\***

Has the employee filed a Waiver of Premium claim? Verify the age requirement of the Waiver of Premium provision for the group life insurance under the current group term life policy, as this may be an important part of the decision process.

Filing and being approved for life Waiver of Premium with the current carrier provides employees with protection in case he or she is not able to return to work because of his or her disability. This allows employees to keep their group life insurance coverage in place.

Each policy defines the requirements for Waiver of Premium differently. Employees who may be considered totally disabled should apply for Waiver of Premium with their current carrier, even if they haven't yet satisfied the Waiver of Premium eligibility requirements. Please consult with your current carrier to determine eligibility.

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### **Conversion\***

Depending on the plan provisions with the current carrier, Waiver of Premium may not be an option. In these cases, employees who have serious health issues and are not actively at work should consider converting their life insurance in order to maintain life coverage.

Conversion allows insured employees and any insured dependents who are losing their group coverage to convert their life coverage to an individual life policy. A common scenario in which this may apply is as follows: A person over age 60 who is disabled with a serious condition at the time of a carrier transition and who is not eligible for Waiver of Premium. As the employer, it is your responsibility to notify these employees of their conversion rights.

\*To maintain the life insurance coverage, premium payments and other eligibility requirements must continue to be met.

## What's your next step?

Have a discussion with your Lincoln representative regarding any employees who may fit into scenarios that impact their coverage to help determine what their coverage options may be.

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