



# Continuation of Life Insurance

When an employee is no longer eligible for Principal Life Insurance Company's group basic or voluntary term life (VTL) insurance coverage, they have two options for continuing coverage – portability under the VTL contract (if offered) and conversion.<sup>1</sup>

	PORTABILITY	CONVERSION
Who is eligible?	<ul style="list-style-type: none"> <li>• An employee may port his/her current amount of voluntary term life coverage.</li> <li>• Dependents may port their current coverage amount if the employee also ports his/her coverage.</li> <li>• Portability is not available for basic term life coverage.</li> </ul>	<ul style="list-style-type: none"> <li>• An employee may convert his/her current basic term life and/or voluntary term life coverage.</li> <li>• Dependents may convert their coverage independent of the employee's conversion.</li> </ul>
Who is NOT eligible?	<ul style="list-style-type: none"> <li>• Anyone 75 years or older.</li> <li>• Dependents of a deceased employee.</li> <li>• Former spouse (ex-spouse).</li> <li>• Child who no longer qualifies as a dependent.</li> <li>• Participant who has received accelerated death benefits.</li> <li>• Participant whose coverage is continued under coverage during disability.</li> </ul>	<ul style="list-style-type: none"> <li>• An employee and dependents if the group policy is terminating and they have not been covered under the group policy for a minimum of five years.</li> <li>• An employee and dependents if they don't apply within 31 days of their termination date.</li> </ul>
When can you apply?	An employee may port coverage for him/herself and his/her dependents when the group coverage ends and is not replaced by another carrier or the employee ceases to meet the definition of a member (i.e. reduces hours below the minimum required for eligibility or terminates employment).	An employee and dependents may convert their coverage when their group coverage ends or the employee reduces hours below the minimum required for eligibility.
What coverage is available?	Portability insurance is a continuation of voluntary group term life insurance for employees and dependents.	Under conversion, an individual flexible premium universal life policy may be purchased. The full amount of insurance in force on the date of termination can be converted unless the group policy is terminated, at which time a maximum of \$10,000 <sup>2</sup> can be converted. <sup>3</sup> Group coverage lost to age reductions can't be converted. <sup>4</sup> Please refer to the conversion form for more information.

<sup>1</sup> Please note there are application deadlines.

<sup>2</sup> State variations may apply.

<sup>3</sup> NY, MT and WV allow an annual renewable term option for conversion.

<sup>4</sup> Doesn't apply in NY.

	PORTABILITY	CONVERSION
When does coverage start?	Port coverage becomes effective on the day following termination of insurance under the group policy.	Converted coverage becomes effective on the 32 <sup>nd</sup> day following termination of insurance under the group policy.
What coverage is not included?	Portability does not include coverage during disability (life premium waiver).	Conversion does not include accelerated death benefits, Accidental Death & Dismemberment or coverage during disability (life premium waiver).
Can I increase my coverage later?	Once the coverage is ported, the amount of coverage may be increased with evidence of insurability.	Amounts of universal life insurance may be increased with evidence of insurability.
What is the application deadline?	An employee has 60 days from his/her coverage termination date to apply for and pay the initial portability premium.	An employee has 31 days from his/her coverage termination date to apply for and pay the initial conversion premium.
What happens to my coverage if I am rehired?	An employee who has ported his/her coverage may continue the coverage even though he/she has returned to full-time status at the employer.	An employee that has converted his/her coverage to a Universal Life policy may continue the coverage even though he/she return to full-time status at the employer.
What is the premium?	The portability insurance coverage rates are the same as your group rates until May 1 following 12 months of separation. Thereafter, premium rates are set for Principal Life's portability block annually effective May 1.	Coverage is converted to a flexible premium universal life product. Individual rates are significantly higher than group rates. Please see the application for more information.
Does my coverage reduce in the future?	No age reductions apply to ported coverage.	Converted amounts do not reduce.
Where do I submit my application & payment?	See the instructions on the application.	

#### FOR MORE INFORMATION

Contact Principal Customer Service at 800-986-3343, say "company directory." If you have questions regarding portability, please dial extension 79994. If you have questions regarding conversion, please dial extension 76398.



WE'LL GIVE YOU AN EDGE®

Principal Life Insurance Company, Des Moines, Iowa 50392-0002, [www.principal.com](http://www.principal.com)

This summary is only intended as a general statement of the life insurance you can purchase from Principal Life Insurance Company under the terms of your current group insurance. It does not summarize all of the coverage provisions required by law nor does it contain all of the qualifications and limitations that apply to the insurance being offered to you. If any provision presented here is found to be in conflict with the applicable federal or state law, that provision will be applied to comply with the respective federal or state law. The policy determines all rights, benefits, exclusions and limitations of the insurance described here. For coverage details, see the benefit booklet that will be issued.