



200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202  
Main Dial: 410-468-2000 1-800-492-6116 TTY: 1-800-735-2258  
[www.insurance.maryland.gov](http://www.insurance.maryland.gov)

## GROUP LIFE INSURANCE TERMINATIONS FREQUENTLY ASKED QUESTIONS

Revised January 23, 2015

### 1. What are my options when my employer terminates my group life insurance policy ?

The insurance company issuing the policy must give you the option of converting that group life insurance policy from your employer to an individual life insurance policy provided the following conditions apply:

- The insurance company has issued the group policy to your employer under a fully insured plan, as opposed to a self insured plan (Ask your employer which one applies)
- You have been insured for at least five years prior to the date your group policy is terminated by your employer.

If you convert to an individual policy, that means you personally, instead of your employer, will be entering into a new contract directly with the insurance company. You will be responsible for paying the premiums of this individual policy directly to the insurance company. The benefit of converting to an individual policy in these situations is that the insurance company may not deny you coverage for medical reasons.

### 2. How much of my life insurance policy can I convert to an individual policy?

Usually, the insurance company allows you to convert the entire amount of insurance that you had under your group contract to an individual policy. However, the insurance company also is permitted to limit the amount of the new individual policy to whichever is less:

- The same amount of insurance you had under your group policy; or
- \$10,000.

### 3. Can I convert to any type of plan offered by the insurance company?

The insurance company is not required to offer a *term* insurance policy even if that is what you had before. However, the insurance company must make available for conversion any other plan of life insurance (For example, a *whole* or *universal life* policy) for which you would otherwise be eligible with no medical questions.

**4. How much time do I have in order to decide whether or not I wish to convert to my own policy?**

The insurance company sends each member of the terminated group a notice of the right to convert to an individual policy. The notice you receive states the deadline for making the selection of an individual policy. The insurance company must allow you at least 31 days after your group coverage ends in which to make a decision.

**5. Can the life insurer refuse to accept me if I am in poor health?**

If you are a member of the group who qualifies to convert to an individual life insurance policy (because you've had more than 5 years of previous coverage prior to the date of termination), the insurance company must offer you an individual life insurance policy regardless of your health condition(s).

**6. How much will I have to pay in premiums for the individual policy?**

The premium you pay is based on the amount of insurance provided by the policy and your age at the time that you convert to the individual policy. The insurance company probably indicated what your premium would be for an individual policy when they notified you of your rights to convert. If not, you need to check with the insurance company for your exact premium amount. Also, if you are in good health, you should consider shopping around to see if you can get better rates.

**7. I can't afford the premium for the amount of coverage that I am being offered. Can I reduce the amount in order to make it more affordable?**

Yes, you may request a lower amount of insurance that would be more affordable. However, you should be aware that an insurance company can require you to purchase a minimum amount of coverage. The minimum amount of coverage can vary based on the type of policy the company offers you. If the premium amount is a concern for you, you should discuss your options with a representative of the insurance company. You also could shop for your own policy among other insurance companies.

**8. If my employer's plan provided for additional benefits, such as *accidental death* or *disability*, does the insurer have to offer these in the converted policy?**

No, the insurance company is not required to offer any additional supplementary benefits, such as accidental death and dismemberment, in the converted policy.

<p><b>Persons with disabilities may request this document in an alternative format.</b> Any reproductions of this material must be made in conformance with the MIA's Policy for Reproduction of Publications, available on the Consumer Publications page of our web site.</p>
---