



## SHOULD I PORT OR CONVERT MY COVERAGE?

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When your life insurance coverage is changing, whether leaving the organization or changing carriers, you may have the option to utilize a portability or conversion right within your insurance contract. The illustration below offers a detailed explanation and comparison of both porting and converting coverage. Confirm with your human resources department what your options are.

### Porting Life Insurance Coverage

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- Allows you to continue with a term life policy as you utilize the plan portability allowances.
- Group or company life policies are generally “term” policies that cover you for the year you are enrolled.
- Once ported, you as the terminated employee take responsibility for payment of this policy to keep it.
- Rates are generally lower **and you may not have to qualify again for coverage.**
- Premiums increase as you age.

### Converting Life Insurance Coverage

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- Allows you to convert the type of policy from a term policy to a whole life plan that is more permanent.
- Allows you to convert the type of policy from a term policy to a whole life plan that is more permanent.
- Generally can convert up to the amount you had with your employer **and you may not have to qualify again for coverage.**
- Initial premiums are higher (because of the cash balance) but stay the same throughout the plan.

## About Aldrich Benefits LP

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We assist employers with employee benefit consulting including medical, dental, group life, and disability insurance for their employees and executive benefits for high level and key employees. Our services include plan design, implementation, and annual review of benefits. Aldrich Benefits LP is known as Aldrich Insurance Solutions LP in California.

This document is not intended to be exhaustive nor should any discussion or opinions be construed as legal or financial advice. Readers should contact legal counsel for legal advice.