

**CONVERSION OF GROUP OR EMPLOYEE
LIFE INSURANCE TO AN INDIVIDUAL POLICY**

Life Insurance Company of North America



CIGNA Group Insurance
Life • Accident • Disability

What is the conversion privilege?

The right of an individual insured under the Group Life Insurance policy to replace all or part of his/her Life Insurance Benefit with an individual policy if all or part of his coverage under the group policy terminates. No medical examination or other evidence of good health is required for a conversion policy.

The converted policy will be effective 31 days after coverage under the group policy terminates. This 31-day period is referred to as the conversion period. The group policy and your certificate may specify a different conversion period. If a person insured under the group policy dies within the conversion period, any death benefit provided by the group policy will be paid.

When can you convert?

An individual eligible to convert, as described below, can convert during the conversion period, which follows immediately after the date s/he ceases to be eligible under the group policy.

Who is eligible to convert?

1. An Insured whose Life Insurance ends for any reason except for nonpayment of premiums is eligible to convert. If coverage ends because the group policy terminates, or because the class of insureds to which the insured belongs is terminated, the additional limitations, described below, apply.
2. An Insured whose Life Insurance is reduced or terminated because of age, retirement, or change in benefit amounts, is eligible to convert the amount reduced or terminated.
3. An Insured's covered dependent may convert if the dependent ceases to be eligible because the insured ceases to be eligible, or because the dependent ceases to be an eligible dependent, as defined in the Group Policy. Each dependent eligible to convert must complete an application for an individual policy.

How much can be converted?

1. An insured employee or an insured dependent, whose coverage terminates because the employee or the dependent ceases to be eligible under the group policy, may convert up to the amount of coverage terminating under the group policy.
2. If the group policy terminates, or if coverage for a class of employees terminates, insured employees and dependents who were covered under CIGNA's group policy for at least three years may convert \$10,000 or the amount of terminating group insurance, if less. Insurance regulations in some states require that an insured be permitted to convert after being insured under the group policy for a shorter period, or be permitted to convert a greater amount of terminating coverage. Please consult your Group Insurance Certificate or your Plan Administrator for details of your eligibility and amounts of coverage available to you.

Who receives the insurance benefits in the event of the insured's death?

The beneficiary(ies) named on the application will receive the death benefit of the insured person. If one person, the Primary Beneficiary, is named, that individual will receive the entire death benefit. If two or more persons are named, they will share equally in the death benefit unless a percentage is specified for each individual. A contingent beneficiary who will receive the benefits in case the Primary Beneficiary should die before or at the same time as the insured, may also be named. This should be indicated as follows:

Primary Beneficiary:	Mary J. Smith, wife*
Contingent Beneficiary:	William P. Smith, son

* If a beneficiary is a married woman, use her given name, for example, Mary J. Smith and not Mrs. William Smith. If there is no relationship between the insured and the beneficiary, the application should indicate "no relationship" and the beneficiary's address and social security number must be entered on the application.

What type of policy can you convert to?

Conversion may be to any permanent Life Insurance Policy, except term insurance, being offered by Life Insurance Company of North America. Benefits other than pure life insurance (such as Waiver of Premium, AD&D or Accelerated Benefits) are not included in the individual policy (unless specified in the group contract). ***The Plan offered in this brochure is for an Individual Ordinary Life Policy.***

Plan Description: The Ordinary Life Policy is a permanent life insurance plan with premiums payable for the lifetime of the insured. The benefit is paid to the designated beneficiary(ies) at the time of the insured's death. This policy begins to build up cash and loan values, based on the insured's age at issuance, and after a certain number of premium payments have been made. It is a nonparticipating plan (no dividends are paid).

What is the automatic premium loan provision?

After a certain number of premium payments, the individual policy begins to build up "cash value." If you elect the Automatic Premium Loan Provision and do not pay the premium when it is due, that premium will be met automatically by a loan against the cash value of the policy. Naturally, this procedure can continue only as long as there is enough cash value remaining to cover the premium due. There is no additional cost for this option and it can help protect the policy from being discontinued if you should forget to make a payment.

How to apply for conversion

1. Complete the front side of the conversion application; the last page of this document.
2. Be sure your former employer completes the Notice of Right to Convert (page 8 of this document). We cannot process your application and issue a policy without this information.
3. Select the amount of insurance you want to convert, and indicate this amount on the application question number 5. You may convert any amount (minimum amount \$2,000 unless your benefit was less than \$2,000) up to the full amount you had under your prior group plan. (Employees converting from a terminated plan may be subject to restrictions.)
4. Calculate your premium for the amount you selected. (See rates and instructions in this document.)
5. Send the completed application and premium payment to:

**NEBCO
P.O. Box 152501
Irving, TX 75015-2501**

The check or money order should be payable to **Life Insurance Company of North America.**
DO NOT SEND CASH.

Note: The completed application and premium must be sent to the address shown above within 31 days following termination of your group insurance coverage.

Instructions for Calculating Your Premiums

After you have selected the amount of insurance you wish to convert, you can calculate your premium as follows:

1. Determine the effective date of your new policy (usually 31 days immediately following your termination of your group insurance coverage unless stated otherwise in your certificate of insurance).
2. To determine the insurance age, add six months to the effective date of your new policy. If your birthday falls within that six-month period, you must add one year to your present age, otherwise use your present age.
3. To determine your annual premium rate, find your rate based on your "insurance age" on the rate table included in this document.
4. Calculate your premium using the work area below.

Calculate Your Premium Here

- | | |
|-----------------------------------------------------------------------------------------|-----------------|
| 1. Number of \$1,000 units of insurance being converted
(e.g., \$11,500 equals 11.5) | _____ |
| 2. Enter the rate determined by Step 3 above | _____ |
| 3. Multiply (1) X (2) | _____ |
| 4. Annual Policy Administration Fee | \$100.00 |
| 5. Annual Premium.....Add (3) & (4) | _____ |
| 6. Enter the appropriate factor: | |
| Annual Payment | x 1.00 |
| Semiannual Payment | x .50 |
| Quarterly Payment | x .25 |
| | _____ |
| 7. Multiply (5) x (6) | _____ |

This is the premium amount due. (Send check or money order for this amount payable to **Life Insurance Company of North America.**)

- * Premiums are also payable monthly, by using the Monthly Check-O-Matic option. An automatic monthly deduction would be made to your personal checking account to pay your premiums. If you are interested in this option, please indicate "yes" in the space provided on the application form. An authorization form will be sent to you upon receipt of your application. **Your initial premium payment must be for at least a quarterly amount and must accompany your application.**

Examples:

STEP	AGE 60 \$22,000 FACE ANNUAL PAYMENT	AGE 49 \$53,000 FACE SEMIANNUAL PAYMENT	AGE 36 \$8,500 FACE QUARTERLY PAYMENT
1	22.0	53.0	8.5
2	\$51.24	\$29.52	\$16.32
3	\$1,127.28	\$1,564.56	\$138.72
4	\$100.00	\$100.00	\$100.00
5	\$1,227.28	\$1,664.56	238.72
6	1.00	.50	.25
7	\$1,227.28	\$832.28	\$59.68

Special Notes:

- The rates provided only reflect rates up to age 70. If you are over age 70 and applying for conversion, please contact our office for the appropriate rate information (**1-800-423-1282**).
- If you were covered for Basic and Supplemental Life Insurance, and you are converting both benefit amounts, add the two amounts together and indicate the total amount on the application under item 5. Only one Ordinary Life Policy will be issued.
- The Annual Policy Administration Fee is an annual fee which will be included in your premium notice each year.

Checklist:

1. Did you calculate your correct insurance age?
2. Did you indicate the amount of insurance you wish to convert?
3. Did you double-check your premium calculation and indicate the mode of payment?
4. Did you assign your Beneficiary(ies) listing their relationship and social security numbers?
5. Have you signed your application and included your initial premium payment?

If you have any questions or need assistance in completing this application, please call our toll-free number 1-800-423-1282, Monday through Friday, 8:00 A.M. TO 5:30 P.M. (EST).

(Annual Rate per \$1,000)

AGE	RATE	AGE	RATE
Under 1	\$ 6.24	36	\$ 16.32
1	6.36	37	17.04
2	6.48	38	17.88
3	6.48	39	18.60
4	6.60	40	19.44
5	6.72	41	20.40
6	6.84	42	21.36
7	7.08	43	22.20
8	7.20	44	23.40
9	7.44	45	24.48
10	7.56	46	25.68
11	7.80	47	26.88
12	8.04	48	28.20
13	8.16	49	29.52
14	8.40	50	30.96
15	8.64	51	32.52
16	8.76	52	34.20
17	9.00	53	35.88
18	9.12	54	37.68
19	9.36	55	39.60
20	9.60	56	41.64
21	9.84	57	43.80
22	10.08	58	46.20
23	10.32	59	48.60
24	10.56	60	51.24
25	10.92	61	54.00
26	11.28	62	57.00
27	11.64	63	60.12
28	12.00	64	63.36
29	12.36	65	66.84
30	12.84	66	70.68
31	13.32	67	75.00
32	13.80	68	79.68
33	14.40	69	84.84
34	15.00	70	90.24
35	15.72	For rates over age 70, please contact our office at 1-800-423-1282.	

Application for Conversion of Group or Employee Life Insurance

The following information must be completed by the employee (Please print):

- 1. Full Name _____
(Last) (First) (MI) (Social Security No.)
- 2. Residence _____
(Street) (City) (State) (Zip Code)
- 3. Telephone Numbers _____
(Day) (Evening)
- 4. Date of Birth _____ Place of Birth _____
- 5. Amount of Coverage you wish to convert \$ _____
- 6. How shall premiums be payable: **ANNUAL SEMIANNUAL QUARTERLY**
Please indicate if you would like information on Check-O-Matic: Yes No
- 7. I elect the Automatic Premium Loan Provision: Yes No
- 8. Amount of Payment submitted with this application \$ _____
- 9. Beneficiary Information:
Primary Beneficiary _____
Relationship _____
Social Security Number _____
Contingent Beneficiary _____
Relationship _____
Social Security Number _____
- 10. Corrections and changes (**Office Use Only**) _____

THE UNDERSIGNED, HAVING READ THE ABOVE, DECLARES AND AGREES: (1) The information therein is complete and correct, and shall be the basis for and a part of any insurance issued; (2) the Company shall not be bound by any statement of the undersigned to any person, not contained therein, nor shall notice to or knowledge of any agent be notice to or knowledge of the Company; (3) errors and omissions therein may be corrected by the Company in Item No. 10 above, and acceptance of any policy issued hereon shall be ratification thereof, except that no change in amount of insurance or premium or classification, plan of insurance, or benefits shall be made without written agreement of the undersigned; (4) only the President, a Vice-President, the Secretary or an Assistant Secretary of the Company can make, modify, or discharge contracts, or waive any of the Company's rights or requirements.

Signature _____ Date _____

(Parent or Guardian signature if applicant is under age 18)

Notice of Right to Convert Group Life Insurance

The following must be completed by the Employer or the conversion application will be returned to the employee and the conversion process will be delayed.

1. Policyholder _____ Telephone Number _____
2. Address _____
(Street) (City) (State) (Zip Code)
3. Group Policy Number(s) _____ Certificate Number _____
4. Name of Employee _____
5. Termination Date of Insurance and/or Employment _____
6. Amount of Terminated Life Insurance: Basic \$ _____ Supplemental \$ _____
7. Reason for termination of group insurance:

Termination of Employment	Retirement
Change to Another Class	Reduction in Benefit
Cancellation of Group Contract	Disability

Date of Cancellation _____

Was Employee Covered Under this Group Policy for at Least Three Years? Yes No

Your eligibility for Life Insurance under the Group Insurance Policy issued by the Company to the Policyholder terminated on the Termination Date shown above. You are hereby notified that under the terms of said Policy, you may, subject to the terms set forth therein, convert your Life Insurance coverage under said Policy, evidenced by your certificate, to an individual Policy of Life Insurance (except term insurance) without disability or supplemental benefits, by making written application therefore and payment of the first premium thereon to the Company. Such application and premium payment must be made within 31 days after the Termination Date shown above, or within 15 days of the Date of this Notice, whichever date is later, but in any event, no later than 91 days from said Termination Date with Home Office approval.

Date of Notice ____/____/____ By _____ Title _____

Notes to Policyholder:

1. **Make a copy of this form for your file. This is for your own protection to ensure proper notification has been given.**
2. If the employee is under age 60 and totally disabled, s/he may be eligible for premium waiver under your group insurance policy instead of the conversion policy. Please check your group policy to determine whether or not you have elected Waiver of Premium, determine the eligibility, and process the application accordingly.
3. If the employee has eligible dependents covered by the group policy, an application for each eligible dependent must be completed and submitted for processing. The Ordinary Life Policy is an individual policy, therefore, each covered dependent will be issued a separate insurance policy.