

Portability and Conversion of Life Insurance

Portability

When coverage ends due to termination of employment, Portability allows Active Employees and their dependents to continue the Voluntary Term Life coverage by remitting premium directly to Dearborn National. Portability is not available to insureds who elect to convert coverage or whose coverage terminated due to retirement.

Provided premiums are paid when due, coverage will continue until either the insured's 65th birthday or the insured's request to terminate coverage.

Conversion

Conversion allows Employees and their covered dependents to convert some of their Basic Life and/or Voluntary Life insurance to an individual whole life policy if any portion of their Life insurance terminates by remitting premium directly to Dearborn National. Insureds who elect to port coverage are not eligible to convert.

Provided premiums are paid when due, coverage will continue until the insured's request to terminate coverage.

Rate Comparison

The following rates are per \$1,000 of coverage. The monthly premium assumes the insured is not a tobacco user, continues \$100,000 of coverage, and has premiums paid by EFT.

<u>Age</u>	<u>Port Monthly Premium</u>	<u>Conversion Monthly Premium</u>
30	\$17.00	\$86.95
45	\$57.00	\$178.44
60	\$259.00	\$410.18

Premium Examples

The following examples illustrate the total premium costs for an insured to continue coverage for the remainder of their life. This example assumes the insured is 45 years old, does not use tobacco, and continues \$100,000 of Life insurance.

Example 1: The insured chooses to port coverage at age 45. Coverage will term under port at age 65 at which time the insured converts the coverage.

Port premiums for coverage from age 45 to 65: \$34,440

Conversion premiums for coverage from age 65 to 98*: \$211,233

Example 2: The insured chooses to convert coverage at age 45.

Conversion premiums for coverage from age 45 to 98*: \$111,088

* Premiums are no longer due on conversion policies once the insured reaches age 98.



This summary is for illustrative purposes only and does not constitute a contract. The full terms and conditions of the coverage are contained in the policies provided to The University of Texas System. If there is any discrepancy between this benefit description and the policy, the terms of the policy will control.

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