



Group Life Waiver of Premium: FAQs

This brief overview answers some basic questions about Sun Life's Waiver of Premium provision. Your Group policy provides you with more information. If you have additional questions about Waiver of Premium, please contact your local Sun Life service representative.

What is "Waiver of Premium?"

The Waiver of Premium provision allows Group Life insurance coverage to continue without premium payments for employees who are Totally Disabled, as defined in the Group policy. Coverage is continued without further premium payments from the employee or employer until the employee reaches the maximum age, is no longer disabled, or retires.

The Waiver of Premium provision varies by policy. Please refer to your Group policy for details.

Who is eligible?

Generally, employees who are insured under the policy and Totally Disabled are eligible. Total Disability must begin before the employee retires or reaches the maximum age. (Please check your Group policy for the maximum Waiver of Premium age.)

What is Total Disability?

Generally, under the Waiver of Premium provision for Life coverage, a person is considered Totally Disabled if he or she is unable to perform the material and substantial duties of any occupation for which he or she is qualified (or becomes reasonably qualified) due to education, training, or experience. The disability must be caused by an injury or sickness.

It is important not to confuse the definition of Total Disability for Waiver of Premium with the definition of Total Disability for Long-Term Disability (LTD) coverage. For most standard LTD benefits, a person is considered Totally Disabled if he or she is unable to perform the material and substantial duties of his or her own occupation during the first two years of disability. The LTD definition of Total Disability may vary by policy. Refer to your Group LTD policy for exact information.

Sun Life requires objective medical evidence to support the claim for Total Disability.

Is the employee automatically considered to be Totally Disabled if approved for Social Security disability?

No. Sun Life does not rely on the Social Security Administration's decision. We perform our own in-depth medical and policy eligibility review to determine if the claimant is Totally Disabled according to the terms of our Policy. We require objective medical evidence to support any disability claim.

Is it possible to be approved for Long-Term Disability benefits, but not for Waiver of Premium benefits?

Yes. Most Long-Term Disability coverage requires that the disability prevent an individual from performing his or her own occupation for the first two years of disability. With Waiver of Premium, the individual must be unable to perform any occupation. Thus, a person may be receiving LTD benefits for an LTD Total Disability, but not be eligible for Waiver of Premium.

What is the Elimination Period for Waiver of Premium with Sun Life?

There is no Elimination Period for Waiver of Premium benefits. An employee can apply as soon as he or she becomes Totally Disabled.

What are the requirements for Notice and Proof of claim?

Notice of Claim that the employee has become Totally Disabled, while insured, must be provided within 12 months after the employee ceases to be actively at work (the day that the employee was last physically present at work). The employee must give notice of claim during their lifetime.

Proof of Claim that the employee has become Totally Disabled, while insured, must be provided within 15 months after the employee ceases to be actively at work.

Please note: waiting too long to give Notice of Claim (beyond 12 months) may cause the employee to lose eligibility for Waiver of Premium.

When does the Waiver of Premium provision terminate?

Generally, Waiver of Premium terminates under any one of the following conditions:

- The employee ceases to be totally disabled
- The employee fails to provide required proof of continued disability
- The employee ceases to be under the regular and continuing care of a physician

For some policies, Waiver of Premium terminates:

- When the employee retires
- When the employee reaches the maximum age under the policy.

For the purposes of the Waiver of Premium provision, an employee is generally considered to be retired when he or she receives any compensation from a retirement or pension plan of the employer, or when he or she reaches age 70, whichever is earlier. The specific terms and conditions of eligibility and terminations are outlined in your Group policy.

What if the employee is not eligible for Waiver of Premium, or reaches the maximum age?

The employee may have the option to elect Life Conversion within 31 days of the termination of Group Life insurance. This allows the employee to purchase an individual Life Insurance policy.

What if the employee also has Dependent Life and/or AD&D coverage?

Some policies allow for continuation of the dependent and AD&D, on a premium paying basis, when an employee is on waiver. Please refer to the Termination of Employee's Insurance provision in the group policy or the employee booklet. The employee has the option of applying for life conversion of the dependent coverage within 31 days of the coverage termination subject to policy terms. AD&D coverage cannot be converted.

Do age reductions for Life insurance apply?

Yes. Where the schedule of benefits provides for reductions of the benefit amount at certain ages, these same reductions will apply to any amount continued under the Waiver of Premium provision.

Can the employer simply terminate the employee from the Group Life policy?

Yes. However, if the employee is out of work due to sickness or injury, the employer may continue Group Life coverage if the appropriate premium is paid for the employee for up to 12 months.

Employers, who are continuing an employee's insurance under the 12-month continuation provision, must wait to receive notice from Sun Life that the employee's Waiver of Premium has been approved, before making any premium adjustments

If you receive notice that the employee's Waiver of Premium has been declined, while he is still insured under the policy, the disabled employee still may have the option of applying for Life Conversion when his coverage under the policy terminates.

When can the employer stop paying premiums for the employee?

Premium can be continued for up to 12 months for the employee or until Sun Life notifies the employer that Waiver of Premium has been approved, whichever comes first. We also will notify the employer of any credits that can be taken on the premium statement.

What if an employee has applied for Waiver of Premium, but the employer terminates the Group policy before a decision is made?

If an employee, who is insured under the policy and not actively at work, is found to be ineligible for Waiver of Premium and the employer has terminated the Group policy with Sun Life, the employee may still have the option to apply for Life Conversion. However, the conversion option in the event of policy termination may be limited and may not be available under certain circumstances. Therefore, an employee in this position should apply for coverage under the new group policy's continuity of coverage provision.

If the employee is found to be eligible for Waiver of Premium, Sun Life will continue the employee's Life coverage until his or her eligibility ends, at which time the employee will be eligible to convert to an individual life insurance policy. The terminated Group policy provisions will still apply to that employee.

What if the employee had not applied for Waiver of Premium but was Totally Disabled at the time the employer terminated coverage with Sun Life?

An employee's rights to any Waiver of Premium benefits are not affected by the subsequent termination of the Group policy. As part of the transition process, the employer must facilitate the application process for Waiver of Premium. If the employee can provide proof of claim within 15 months of the date of disability and the employee was insured under the Sun Life policy on the date of disability, he or she could be eligible for Waiver of Premium benefits. For example:

- ABC Company terminates its Group policy on December 1, 2010.
- An employee files a claim and Sun Life receives it on January 1, 2011.
- The employee was disabled on November 1, 2010, and has proof of disability.
- The employee is found to be Totally Disabled and is eligible for Waiver of Premium.

Please note: To be eligible for Waiver of Premium, the employee must file Notice of Claim within 12 months of the date he or she was last physically at work. Proof of Claim must be provided within 15 months.

For more information about Waiver of Premium, please contact your Sun Life Service Representative.

Group insurance policies are underwritten by Sun Life Assurance Company of Canada (Wellesley Hills, MA) in all states, except New York, under Policy Form Series 93P-LH, 12-GP-01, and 12-DI-C-01. In New York, group life and disability insurance policies are underwritten by Sun Life and Health Insurance Company (U.S.) (Lansing, MI) under Policy Form Series 13-GP-LF-01, 13-LF-C-01, 07P-LH-PT/07C-LH-PT, 13-GP-LH-01, 13-ADD-C-01, 12-DI-C-01, 13-LTD-C-01, 12-STD-C-01, 12-GPPort-01, 13-LFPort-C-01, 13-ADDPort-C-01 and 12-STDPort-C-01. Product offerings may not be available in all states and may vary depending on state laws and regulations.

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