

FAQs

FREQUENTLY ASKED QUESTIONS ABOUT AAO ENDORSED GROUP DISABILITY INCOME INSURANCE

■ What is Disability Income Insurance and why do I need it?

Disability insurance can provide a steady stream of monthly income if you become totally disabled. Total disability means that, due to a covered illness or injury, you are unable to perform the substantial duties of your own occupation as a specialist in orthodontics for which you have been specifically educated and trained. You must also be under a doctor's care and not working at any gainful occupation to be considered totally disabled. While many people don't realize it, disability insurance is one of the most valuable types of insurance because in the U.S., a disabling injury occurs every 1 second.¹

■ Who is eligible for this benefit?

All AAO members in good standing who are residents of the U.S., under age 65, actively working (at least 20 hours per week), and not in full-time military service may apply for AAO Endorsed Disability Income coverage. All coverage is subject to approval by New York Life Insurance Company (NY, NY 10010).

■ How much can I apply for?

The benefit amount you apply for under this plan, up to \$12,500 per month, in combination with all other disability insurance in force or applied for, can't exceed 60% of your basic monthly earned income. Earned income, if you are self-employed, is net monthly earnings after business expenses, and before taxes. If you have incorporated, earned income includes the cost to the corporation of your fringe benefits and the share of total contributions to corporate surplus for the preceding 12 months. Income from investments, royalties, commissions, other insurance, overtime, and bonuses is not included in earned income.

■ When do benefits begin?

You decide when you would like benefits to begin: after 30, 90, or 180 days of a covered disability. Just compare your current savings versus your expenses, and select a waiting period that best suits your needs. If your savings can only meet one or two weeks worth of expenses during a disabling accident or illness, then select the 30-day waiting period. However, if you can meet your expenses for a longer period of time, then choose a 90- or 180-day waiting period. (See enclosed "Plan Details" for how long benefits can be paid.)

■ How much income will I need?

That's your decision, and no two families are alike. This plan gives you the flexibility to choose a coverage amount that fits your lifestyle and current income level. Members under age 50 can select to receive anywhere from \$1000 to \$12,500 in \$100 increments a month, subject to income ratios. (See enclosed "Plan Details" for maximum issue and participation limits.)

■ How do I calculate this?

Just estimate what you would need to cover your necessary expenses if you were not receiving your regular paycheck. Don't forget to include your mortgage or rent payment, utilities, car payments, groceries, credit cards, and other regular living expenses. Remember that you may have additional medical costs to cover. Quarterly rates are included in the attached Rate Schedule.

■ What valuable features does this plan provide?

More details of plan features and benefits can be found in the Certificate of Insurance (Policy Form GMR-FACE/G-14242-3) and the "Plan Details," or call 1-800-622-0344. This document is only meant to provide an overview.

(continued on next page)

¹ National Safety Council, *Injury Facts* 2008 Ed

Future Purchase Option: If you are under age 50, you can increase your monthly benefit amount without evidence of insurability. This option offers amounts of \$500 to \$2,000 to applicants who meet the eligibility and insurability of the policy, does not exceed 60% of the monthly income, and who pay the additional premium. (See enclosed “Plan Details” for more information.)

Cost of Living Adjustment Option: With this additional option, after the first year of your paid monthly benefit amount, you would receive an adjustment in the amount that reflects changes in the cost of living based on the Consumer Price Index for all Urban Consumers (CPI-U). The maximum yearly increase is 8%, and overall maximum increase for a single disability is 100%.

Residual Benefits: If you return to work after a covered disability, you may be entitled to a percentage of your total disability benefit equal to the percentage reduction of monthly earnings. For every month that the percentage reduction is 75% or more, the plan will pay the full total disability benefit. (See enclosed “Plan Details” for more information.)

Communicable Disease: If you contract a “communicable disease” before age 65 years old and are unable to treat patients, and thereby prevented from earning more than 75% of your average monthly income, you may be eligible for residual disability benefits even though you are not totally disabled. Communicable diseases are defined as Acute Viral Hepatitis of a non A type, Human Immunodeficiency Virus (“HIV”), Acquired Immune Deficiency Syndrome (“AIDS”) or tuberculosis.

Rehabilitation Provision: This feature can pay the expenses of a personalized rehabilitation plan, including the costs of retraining, additional education, medical assessment and modifications to your practice. Regular plan benefits would continue during the rehabilitation plan.

Waiver of Premium: If you become totally disabled while insured before age 60 and remain so for 3 consecutive months, you will not have to pay further premiums to continue your coverage while staying disabled.

Organ Transplant Donor: If you donate an organ after coverage has been in force for at least 6 months, benefits will be paid from the first day of the resulting disability.

Terminal Disability Benefits: If you die on a day for which a total disability benefit is payable for a total disability which lasted at least 30 days, your beneficiary is paid a lump sum of 30 times the benefit for that day.

■ **Any exclusions or limitations I should be aware of?**

No benefits will be paid for any period of disability during which you are not under the direct care and treatment of a licensed physician. No benefits will be paid for any disability due to: incarceration or participation in the commission of a felony, an illegal occupation or activity, an insurrection, terrorist activity or riot; military service, specific conditions for which an impairment restriction has been placed on your coverage, and pregnancy (except specific complications of pregnancy). Benefits will be limited to maximum benefit period of 24 months for disabilities that are the result of psychiatric or psychological disorder and/or substance abuse. Benefits are not paid during the applicable waiting period.

Applying is as easy as 1-2-3.

1. Complete both sides of the application form, date and sign it.
2. Indicate your choice of benefit level (in \$100 increments) and waiting period.
3. Mail your completed application in the postage-paid Business Reply Envelope enclosed, or to:
Plan Administration Office
159 E. County Line Road, Hatboro, PA 19040-1218

Any questions? Call 1-800-622-0344.

The AAO will receive a 2.7% premium royalty as a result of participating in this program.

Underwritten by:

New York Life Insurance Co.

The underwriting risks, financial, and contractual obligations associated with products issued by New York Life are its responsibility.

Administered by AON

Affinity Insurance Services, Inc., 159 E. County Line Rd., Hatboro, PA 19040-1218

Administered by Affinity Insurance Services, Inc. in all states except: AIS Affinity Insurance Agency in NY and NH; AIS Affinity Insurance Agency, Inc. in MN and OK; AIS Affinity Insurance Agency, Inc. dba Aon Direct Insurance Administrators in CA (License #0795465).

This FAQ is a brief summary of benefits only and is subject to the terms, conditions, exclusions and limitations of Group Policy #G14242-3. Coverage may vary and may not be available in all states.

Endorsed by:
American Association of
Orthodontists

