Is this Plan right for me?

It may be because when you set up your practice you planned for everything. But, the one thing you probably didn’t plan on was being disabled. Hopefully, the disability plan you have already selected will provide the coverage you need. But does your disability plan cover the overhead expenses that you must pay to keep your practice open while you’re disabled? Probably not!

That’s why the AAO is pleased to make available to its members Professional Overhead Expense Insurance underwritten by New York Life Insurance Company (NY, NY 10010). With this coverage as a part of your financial portfolio, you may be protected for up to $20,000 of monthly office expenses for any covered event should you become disabled. Plus, with this coverage, you can avoid using your savings or diverting your regular disability benefits to stay in business.

Due to AAO’s group purchasing power the cost of this coverage is very competitive. The cost may be deducted as a business expense under current IRS rules, if you are self-employed. Of course, tax considerations should be discussed with your attorney or accountant. Am I eligible for coverage?

Am I eligible for coverage?

If you are an orthodontist under age 65 residing in the U.S. and an AAO member who regularly works at least 20 hours a week, or a full-time student member, then you are eligible for coverage. All coverage is subject to approval by New York Life.

How much coverage is available to me?

You can apply for coverage from $500 to up to $20,000 in $100 units. But the plan won’t pay a benefit that exceeds the least of:

- The overhead expenses actually incurred
- The monthly average of overhead expenses incurred in the 6 months before disability
- The monthly benefit level in force

How do I determine how much coverage I need?

To determine how much coverage you may require simply calculate your average monthly overhead for the past 6 months. These are the expenses that you must pay to keep your practice up and running in your absence.

Covered Expenses include:

- Rent
- Principal and interest payments on outstanding business debts
- Utilities (heat, water, electricity, telephone, etc)
- Uniform and auto allowance
- Employees’ salaries and payroll taxes
- Postage and stationery
- Equipment maintenance
- Monthly average of taxes on premises
- Accounting fees
- Professional membership dues/subscriptions
- Insurance premiums for:
  - Professional Liability/Malpractice
  - Workers’ Compensation
  - Employee Taxes
  - Employee Medical Plans or
  - General Liability
Expenses not covered:

- Salaries, fees, drawing accounts, profits or other remuneration to you or a partner
- Salaries of all persons hired after your disability began
- Charges for professional services of individuals in your profession
- Cost of goods, merchandise or office equipment
- Income taxes, or any expenses you would not reasonably be expected to incur while disabled
- Equipment depreciation

**Note:** If you are incorporated, or a partner, or a joint tenant, overhead expenses include only your share.

**How is disability defined for this plan and, what is successive disability?**

**Definition of Disability** - You are totally disabled if, 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 physician's care and not working at any gainful occupation.

**Definition of Successive Disability** -Successive Disabilities are considered as one continuous disability unless separated by 180 days of active full-time work or due to entirely unrelated causes.

**When are benefits paid?**

Benefits start on the 31st day of total covered disability and continue for up to 24 months while continuously disabled.

**How will I know I’m approved for coverage?**

Once you are approved you will receive a Certificate describing your coverage under Group Policy G-14242-4 Policy Form GMR/FACE.

**When will my coverage begin?**

In order to become insured, you must provide satisfactory evidence of insurability and pay the required premium. Insurance will take effect on the first day of the month following the date your coverage is approved by New York Life provided the initial premium deposit is paid to the Plan Administration Office within 31 days of that date and you are actively working full-time (at least 20 hours per week) on the date of approval.

**When would my coverage end?**

New York Life cannot terminate coverage or change premiums on an individual basis; it may only do so on a class-wide basis. A class is a group of people with the same age or gender. The benefits provided under the group policy may be changed upon agreement between New York Life and AAO. New York Life has agreed not to exercise its right to terminate the group policy as long as AAO continues to endorse only the New York Life plan. While the group policy continues in force, you may renew your coverage until age 72. But coverage will terminate earlier if you cease active full-time work (at least 20 hours per week) before that time. You must continue to be an AAO member and pay your premium on time to renew your coverage.

**Are there any other plan benefits or plan features that are a part this plan’s coverage?**

**Future Increase Option**

Yes there are. This Plan includes a Future Increase Option that allows you to receive additional benefit amounts, as long as you are under age 50, with no medical underwriting, provided you are not disabled on the effective date of the increase. Two hundred dollars ($200) of monthly benefits may be issued to you on any October 1st billing date prior to age 50, not to exceed a combined total of $1,000 per month. Obtaining additional coverage under this option is subject to the plan’s benefit maximum of $20,000 and the requirement that all overhead expense insurance under this and other plans does not exceed your actual monthly overhead expenses.

**Premium Waiver**

If you become totally disabled while insured before age 60 and remain so for 6 consecutive months, you may not have to pay premiums to continue your coverage while you remain disabled. This benefit is retroactive to the first day of disability.
What are the premiums for this plan?
Please refer to rate chart for annual premiums

Are there any exclusions or limitations associated with this plan?
Yes. Benefits are not paid for disabilities resulting from: war or military service; self-inflicted injuries (unless the injury is caused by an attempted suicide while insane); committing a crime or attempting to do so; pregnancy, except for specific complications; or conditions for which an impairment restriction has been placed on your coverage. Benefits are not paid for the first 30 days of a disability.

IMPORTANT NOTICE - How New York Life Underwrites Your Request for Insurance
Information regarding insurability will be treated as confidential. In considering your request for insurance, we will rely on the medical information you provide, and on the information you authorize us to obtain from your doctor, other medical practitioners and facilities, other insurance companies to which you have applied for insurance and MIB, Inc. (formerly known as Medical Information Bureau). New York Life will not disclose such information to anyone except those you authorize or where required or permitted by law. We may make a brief report to MIB; however, we will not disclose our underwriting decision. Information in our files may be seen by New York Life and Plan Administrator employees, but only on a “need to know” basis in considering your request. Upon receipt of all requested information we will make a determination as to whether your request for coverage can be approved.

MIB is a not for profit, membership organization of insurance companies which operates an information exchange on behalf of its members. When you apply for insurance or submit a claim for benefits to a MIB member company, medical or non-medical information may be given to the Bureau, which may then be furnished to member companies.

If we cannot provide the coverage you requested, we will tell you why. If you feel our information is inaccurate, you will be given a chance to correct or complete the information in our files. Upon written request to New York Life or MIB, you will be provided with non-medical information, generally medical information will be given either directly to the proposed insured or to a medical professional designated by the proposed insured. Your request is handled in accordance with the Federal Fair Credit Reporting Act Procedures. If you question the accuracy of the information provided by MIB, you may contact MIB and seek a correction. MIB’s information office is MIB, Inc. 50 Braintree Hill Park, Suite 400, Braintree, MA 02184-8734. Toll Free Number is 866-692-6901 or TTY 866-346-3642 for the hearing impaired. For Canadian residents, the address is MIB, Inc. MIB Information Office, 330 University Avenue, Suite 501, Toronto, Ontario, Canada M5G 1R7, telephone (416)-597-0590. Information for consumers about MIB may be obtained on its website at www.mib.com.

For NM Residents, PROTECTED PERSONS (1) have a right of access to certain CONFIDENTIAL ABUSE INFORMATION (2) we maintain our files and they may choose to receive such information directly. You have the right to register as a PROTECTED PERSON by sending a signed request to the Administrator at the address listed on the application. Please include your full name, date of birth and address.

(1) PROTECTED PERSON means a victim of domestic abuse: who has notified us that he/she or is has been a victim of domestic abuse; and who is an insured or prospective insured.

(2) CONFIDENTIAL ABUSE INFORMATION means information about: acts of domestic abuse of abuse status; the work or home address or telephone number of a victim of domestic abuse; or the status of an applicant or insured as family member, employer or associate of a victim of domestic abuse or a person with whom an applicant or insured is known to have a direct, close personal, family or abuse-related counseling relationship.

If we can provide the coverage you requested, we will inform you as to when such coverage will be effective. Under no circumstances will coverage be effective prior to this date. Payment of a premium contribution with your application does not mean there is any insurance in force before the effective date is determined by New York Life.

New York Life Insurance Company