

Frequently Asked Questions

■ 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. AAO offers a true “own occupation” plan, which helps to protect your income if you are disabled and no longer able to work in the position for which you were trained... even if you are working in another occupation. While many people don’t realize it, disability insurance is one of the most valuable they can have. That’s because over 1 in 4 of today’s 20-year-olds will become disabled before they retire.¹ And the risk rises with age.²

■ 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 Group Disability Income Insurance. 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 \$15,000 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 illness or injury, 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 “Plan Details” for how long benefits can be paid.)

■ How much coverage 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 55 can select to receive anywhere from \$1,000 to \$15,000 in \$100 increments a month, subject to income ratios. (See “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. Semiannual rates are included in the Rate Schedule.

■ What valuable features does this plan provide?

Complete details, including features, costs, eligibility, renewability, limitations, and exclusions are in the Certificate of Insurance. This document is only meant to provide an overview.

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 \$2,500 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 “Plan Details” for more information.)

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¹ “Disability Statistics,” Council for Disability Awareness, 28 March 2018.

² “Chart Book: Social Security Disability Insurance,” Center on Budget and Policy Priorities, 27 August 2018.

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).

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 “Plan Details” for more information.)

Communicable Disease: If you contract a “communicable disease” before turning 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 may pay the expenses of a personalized rehabilitation plan, including the costs of retraining, additional education, medical assessment, and modifications to your practice.

Waiver of Premium: If you become totally disabled while insured and remain so for three consecutive months under the 30-day or 90-day waiting periods or 6 consecutive months under the 180-day waiting period, 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, self-inflicted injuries (unless the injuries are caused by attempted suicide while insane), 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, and date and sign it.
2. Indicate your choice of benefit level (in \$100 increments) and waiting period.

3. Mail your completed application to:

AAO-Endorsed Insurance Program Administrator
1200 E. Glen Ave., Peoria Heights, IL, 61616
Any questions? Call 800.622.0344.

The AAO will receive a 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 Pearl Insurance: 1200 E. Glen Ave., Peoria Heights, IL 61616

California Insurance License #0F76076, Arkansas Insurance License #1322

This FAQ is a brief summary of benefits. Complete details, including features, costs, eligibility, renewability, limitations and exclusions are in the Certificate of Insurance. The AAO Group Disability Plan is underwritten by New York Life insurance Company, 51 Madison Ave., New York, NY 10010, under Group Policy No G-14242-3 on Policy Forms GMR-FACE/G-14242-3.. Coverage may vary and may not be available in all states.



Insurance