



**Designed
exclusively**
for today's
Family Physician



The AAFP Disability Income Plan is association-group insurance sponsored by the **American Academy of Family Physicians** and underwritten by New York Life Insurance Company.



TEN REASONS TO APPLY

1 Distinctive features designed exclusively for family physicians – solo practitioners as well as staff members of HMOs, hospitals and other medical groups. Residents are also eligible to apply, regardless of income.



5 Versatile protection can supplement employer-sponsored coverage or provide free-standing, broad coverage, depending on your needs and situation.



2 Competitive group rates with choices of benefit amounts, waiting periods and options designed to provide the personal disability insurance protection family physicians need.



6 Your coverage is **portable**; you can continue it without penalty, *even if* you change employers, change professions or terminate your AAFP membership.

3 A **communicable disease provision** pays benefits if you are prevented from working because you contract a covered disease (including HIV, AIDS and non A type hepatitis), even if you are otherwise healthy.

7 This is **own occupation** insurance with trial-work, rehabilitation and residual benefit provisions which may allow you to return to work and still qualify for benefits.

4 Attractive tax treatment generally allows you to receive your disability benefits free of income tax, provided you paid all premiums out of personal funds.

8 **Guaranteed Future Purchase** provision and **Inflation Protection Option** help protect the purchasing power of your benefits.



9 This coverage is sponsored and **endorsed** by the American Academy of Family Physicians, and it is underwritten by New York Life Insurance Company.

10 **New York Life cannot cancel the master policy** *for any reason* (other than non-payment of premium) as long as the Academy continues to endorse the plan and doesn't offer another similar disability product.

THIS ASSOCIATION-GROUP INSURANCE CAN BE PERFECT ...

If you are an on-staff physician:



Your Academy's Disability coverage provides valuable supplemental protection

to help fill the gaps in your employer-sponsored coverage.

If you are in a solo or small-group practice:

This policy is designed to meet your complete disability income insurance needs with



no supplemental insurance required.

Request a monthly amount that reflects your income.

If you are a resident:



You are automatically eligible to request a monthly benefit up to \$3,500, regardless of

your income or other disability insurance coverage, provided you meet medical underwriting requirements.

QUESTIONS AND ANSWERS

Who can apply? All AAFP members under age 60, residing in the 50 United States (excluding VT) and the District of Columbia, with a satisfactory health history and engaged in Full-Time Work are eligible to apply for coverage. (AAFP members in the Uniformed Services Chapter should call AAFP Insurance Services for the disability plan designed specifically for them.)

"Full-Time Work" means the active performance for pay or profit of the regular duties of your normal occupation on a basis of at least 20 hours a week at the place such duties are normally performed.

When does my coverage end? Once approved, you can continue your coverage to age 70, as long as you pay all premium contributions when due, you remain at Full-Time Work, the group policy remains in force, and you do not enter active duty in the Armed Forces. *Note:* Your coverage *can* continue without interruption or cost penalty if you change employers or discontinue membership in the Academy.

What is the maximum benefit amount for which I can apply?

You can apply for a benefit of \$100 to \$10,000 a month, in \$100 increments, up to a maximum of 60% of your gross monthly earned income.

If you have other disability coverage, you can apply for a benefit which, when combined with all other disability insurance, does not exceed 75% of your gross monthly earned income.

Residents can apply for up to \$3,500 in monthly benefits, regardless of income or other disability insurance coverage.

Are there waiting periods? In most cases, yes. You can select a waiting period (that continuous time period between the onset of a disability and when benefit payments begin) of 60, 90 or 180 days. Your choice of waiting period has direct impact on your premium.

However, in certain situations the waiting period is waived. See the Communicable Disease, Organ Donation and Relapse provisions described below.

When are benefits paid? Benefits will be paid if you become Totally Disabled and you have completed the waiting period you have selected. You will not be required to return to work at some other occupation.

"Totally Disabled" means you are completely and continuously unable to perform the material and substantial duties of your profession or occupation for pay or profit due to accidental bodily injury or sickness, provided you are not otherwise working for pay or profit. (See liberalization of "not otherwise working" requirement under the provisions describing entrance into a rehabilitation program and return to work on a trial or part-time basis below.)

Note: You will not be considered Totally Disabled *solely* due to the lack of a valid professional or occupational license or certification.

When do benefits end? Once you qualify to receive benefits and the waiting period (if any) has passed, payments will be made to you for as long as you remain disabled, but not beyond age 65. (Benefits will be paid for up to three years for disabilities related to mental or nervous disorders, alcoholism or drug addiction, or Self-Reported Symptoms.) If a disability begins at ages 64 through 69, you can receive benefits for up to one full year.

"Self-Reported Symptoms" are defined as the manifestations of a condition which are reported to a physician, but which are not verifiable using tests, procedures, or clinical examinations. Self-Reported Symptoms include but are not limited to: headaches, pain, fatigue, stiffness, soreness, ringing in ears, dizziness, numbness and loss of energy.

Will I lose benefits if I enter a rehabilitation program? No. If, while Totally Disabled, you willingly participate in an approved rehabilitation program, you can do so at no cost to you and without reduction in your disability benefits.

Will I lose benefits if I return to work on a trial or part-time basis?

No. This policy has been designed to encourage you to return to work as soon as you are able. Therefore, if you return to work after having been Totally Disabled for at least 30 consecutive days, and your income-earning capacity has been diminished by as little as 25%, you can receive what are known as *residual benefits*. Residual benefits end when your earnings rise to the point that they exceed 75% of your pre-disability income. Full benefits are payable if your earnings loss is 75% or greater. (Residual benefits are a percentage of your monthly benefit equal to the percentage reduction in monthly earnings produced by your disability. See Certificate Of Insurance for additional description.)

What if I suffer a relapse? If you suffer a recurrence of the same or related disability within three months of returning to Full-Time Work (within 12 months if the disability is due to a mental disorder, drug addiction or alcoholism), your benefits will resume without the need to satisfy a new waiting period. Your benefit period remains unchanged as well.

What if I contract a communicable disease and, though otherwise fit, am prevented from working? The policy's Communicable Disease provision has been designed especially for medical professionals working in today's high-risk health environment. Under this provision, if you are under age 65 you will receive full disability benefits – without a waiting period – if you contract a covered Communicable Disease and, as a result, are unable to earn more than 75% of your average monthly income.

A "Communicable Disease" is defined as the following conditions, but only if public disclosure is either (a) recommended by your medical profession or (b) required by an appropriate governmental agency: Acute Viral Hepatitis of a non A type, Human Immunodeficiency Virus, Acquired Immune Deficiency Syndrome and tuberculosis.

What is the Organ Donor Provision?

If you have been insured for at least six months and undergo a surgical procedure to donate an organ for transplant, you will be considered Totally Disabled and, therefore, eligible for total disability benefits. No waiting period will apply.

Will my benefits be affected by Social Security or benefits from other coverages?

No. Some policies reduce benefits dollar-for-dollar when Social Security or coverage from other policies begin. However, your Academy's policy does not have such a "coordination of benefits" provision. Instead, once insured, your benefits will be paid without regard to the presence of other benefits.

Will my benefits be taxable as income?

That depends on whether you or someone else pays the premium. (Please consult your tax advisor for information about your specific situation.) Generally, under current tax law, when the premiums are paid by your employer or practice and taken as a tax-deductible business expense, then policy proceeds which you receive will be treated as taxable income to you. However, benefits you receive under a disability policy you purchase yourself will generally be *income tax-free* – allowing you to keep every penny of coverage you've paid for.

The difference in spendable dollars between an employer-paid disability policy and an individually-paid policy can be significant. Example: If you earn \$120,000 a year and have 60% of your income protected by an employer-paid disability policy, your disability benefits will be \$72,000. However, because this is *taxable* income, your federal tax liability will reduce your spendable income by 20% to \$57,576.* It will be reduced even further by any applicable state and local income taxes. Thus, your anticipated \$72,000 has dwindled; leaving a shortfall in *spendable income* of \$14,424 (or more) which you may not have anticipated and may not be able to afford without hardship.

AAFP coverage can help keep your disability income intact by filling the tax gap in your employer-provided insurance.

Can I change my mind after I apply?

Yes. If you are not completely satisfied with your new coverage, you can return the Certificate Of Insurance within 30 days provided you did not submit a claim for benefits under this policy. Your insurance will then be invalidated and your premium contribution refunded – no questions asked.

Can I increase my coverage?

Yes. Under the policy's Guaranteed Future Purchase Option, you will be offered \$100 or \$200 (depending on your current monthly benefit amount) of additional monthly benefits at six separate intervals. You can accept this additional coverage regardless of your health, provided you are at Full-Time Work, your total monthly benefits do not exceed the plan maximum of \$10,000 a month, and you make timely premium contributions. Guaranteed purchase dates are ages 31, 34, 37, 40, 43 and 46. This could amount to \$1,200 of additional monthly benefits to help accommodate future income needs.

You also have the option to apply for additional benefits at any time prior to age 60 by providing satisfactory evidence of insurability. Your existing coverage (and your rights under the Future Purchase Option) will not be affected, even if you are declined for the additional coverage.

Is this coverage portable? Yes. You can continue it without penalty *even if* you change employers, change professions or terminate your AAFP membership. (See "When does my coverage end?")

How do I know this policy won't be canceled by the underwriting insurance company?

As part of the master contract, New York Life Insurance Co. agreed *never* to cancel this coverage unless the Academy terminates the contract by sponsoring another similar disability policy or by withdrawing its endorsement. (Naturally, coverage ceases if premiums are not paid when due.) Since the Academy's inception in 1947, the Academy has never withdrawn a life or disability product unless it had a suitable replacement plan in place.

What does coverage cost? Please review the application folder showing current rates and benefit structure. AAFP Insurance Services reviews and compares insurance policies from the nation's leading insurers to offer a top-of-the-line product to family physicians at cost effective prices.

Do I still pay premiums if I become disabled? No. You pay no premiums while you are receiving monthly AAFP disability income benefits.

Why should I consider the Inflation Protection Option?

The Inflation Protection Option is designed to increase your benefits *while you are disabled* to help prevent your dollar's "buying power" from being eroded by inflation.

If you become disabled prior to age 63, your benefits can increase annually starting on the first anniversary of your Total Disability. Increases are based on the Consumer Price Index for Urban Consumers (CPI-U). The maximum increase is 7.5% a year, with an overall maximum increase of 100% of your original monthly benefit.

Example: If you become disabled and receive a monthly benefit of \$8,000 during the first year, your benefit in the second year – depending upon the rate of inflation at the time – could increase to as much as \$8,600 [\$8,000 + 7.5% = \$8,600]. In subsequent years your benefits could continue to increase, but not beyond \$16,000.

In addition, a "catch-up" feature allows disabled members to receive benefit increases in excess of the 7.5% annual maximum if a prior year's inflation adjustment was less than 7.5%.

Example: If one year's increase is 5% and then inflation rises sharply the next year to 10%, the catch-up feature could pay 10% for year two [\$8,000 + 5% = \$8,400 for one year]. Then, in year two, \$9,240 [\$8,400 + (7.5% inflation cap + 2.5% catch-up) = \$9,240].

Once you are no longer disabled and benefit payments stop, your monthly benefit returns to its original amount.

Please indicate your willingness to pay the additional premium charge to accept this valuable Inflation Protection Option by checking the box on your application.

What are the policy's exclusions?

Benefits are not payable during the waiting period. (See "Are there waiting periods?")

This policy does not provide benefits for disabilities due or related to routine pregnancy (*Note:* Complications of pregnancy are covered); or declared or undeclared war or any act thereof. This policy does not provide benefits for any disability that occurs during or is due or related to intentionally self-inflicted injury while sane or insane; or incarceration or participation in a crime or illegal activity. No benefits are payable for any period during which you are incarcerated. Also, to be considered disabled, the disability must occur while you are insured under the policy and you must be under the regular care of a licensed physician (other than yourself or immediate family/household member) during the period of disability.

For Missouri residents only: The exclusion for intentionally self-inflicted injury is not applicable to injuries caused by an attempted suicide while insane.

* Example assumes "single" filing status, no other income/earnings, and is based upon the 2007 Federal Tax Rate Schedule.

THE RISKS ARE TOO GREAT TO IGNORE *



Disability may be more common than you think and can happen to anyone

51.2 million Americans were classified as disabled in 2002.

"Americans With Disabilities: 2002," U.S. Bureau of the Census, May 2006

Over 90% of disabling accidents and illnesses are not work related.
National Safety Council, Injury Facts 2004 Ed.

Disability often keeps people out of work

Almost 3 in 10 workers entering the work force today will become disabled before retiring.

Social Security Administration, Fact Sheet, Jan. 31, 2007

43% of all 40-year olds will suffer a disability for at least 90 days prior to age 65.

2007 Field Guide to Financial Planning, Donald Cady

About 1 in 7 people can expect to be disabled for five years or more before retirement.

"Commissioners Disability Table, 1998," Health Insurance Association of America, the New York Times, Feb. 2000

Disability can cause financial hardship

Disability causes nearly 50% of all mortgage foreclosures, compared to 2% caused by death.

Health Affairs, The Policy Journal of the Health Sphere, Feb. 2, 2005

Half of all personal U.S. bankruptcies, affecting 2 million people annually, were attributable to illness or medical bills.

MarketWatch: Illness And Injury As Contributors To Bankruptcy, *Health Affairs* Web Exclusive, Feb. 2, 2005

* source: The Council for Disability Awareness, www.disabilitycanhappen.org, accessed on 8/16/07

A DISABILITY CAN AFFECT YOUR WHOLE FAMILY

AAFP rates you can afford. Coverage you can't afford to be without.

Disability insurance helps prevent a medical disaster from becoming a financial disaster affecting your and your family's lifestyle.

Example**

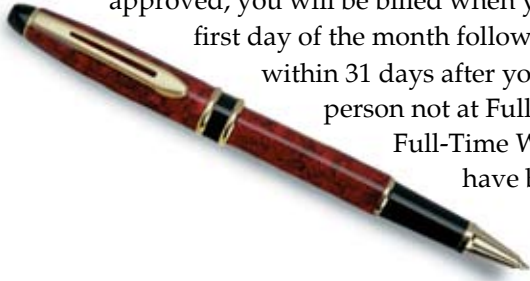
A qualified non-smoker, age 35, residing in Missouri, insured for the \$6,000 monthly-benefit-option receiving Total Disability benefits for 30 years would receive policy proceeds *in excess of* \$2,000,000.

If this same physician paid premiums for 10 years before becoming Totally Disabled, he/she would receive every premium cent paid -- and more -- upon cashing their *fourth* monthly disability benefit check.

** See the enclosed rate chart for the plan that is most appropriate for you. Sex-distinct rates increase with age. A 10% surcharge is applicable if you have used tobacco or nicotine in any form (including nicotine patches and gum) within the last 24 months. State-specific surcharges apply to all California and Florida residents. Male rates apply to all coverage issued to Montana residents, regardless of a person's sex.

APPLY NOW

Fill out the enclosed easy-to-complete application to apply for your insurance. Send no money now. If your coverage is approved, you will be billed when your Certificate Of Insurance is sent. Your effective date of coverage will be the first day of the month following approval by New York Life, provided: (a) your initial premium is received within 31 days after you are billed; and (b) you are at Full-Time Work on the effective date. Any person not at Full-Time Work as required will not become insured until the day he/she is at Full-Time Work, provided such day is within three months of the date insurance would have been effective and the person is still eligible for insurance.

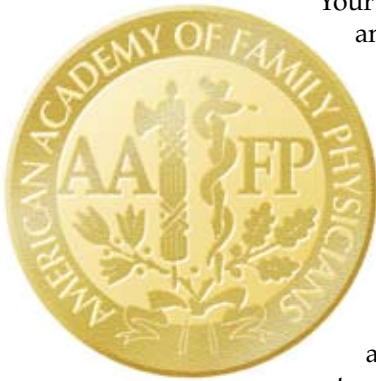


Note: no salesperson will call.

All information provided for underwriting remains strictly confidential. (See the Important Notice in the application section for details.)

A policy sponsored and endorsed by the American Academy of Family Physicians

Your Academy reviews, analyzes and selects coverage for members and their families based on each policy's scope of protection and cost compared to other policies available. We believe them to be the best available and we are pleased to endorse them to our members.



If you are not completely satisfied after receiving your Certificate Of Insurance, you may return it (without claim) within 30 days to AAFP Insurance Services. You will receive a full refund of your money, your insurance will then be invalidated, and you will have no further obligation.

A policy underwritten by New York Life Insurance Company

Founded in 1845, New York Life is ranked among the leaders in the financial services industry. For seven generations over the last 160 years, New York Life has touched the lives of millions of policyholders and helped them to achieve their financial goals.

New York Life cannot cancel the master policy issued to the American Academy of Family Physicians for any reason (other than non-payment of premiums) as long as the Academy continues to endorse this plan and does not change its sponsorship to another similar plan.

New York Life is one of the oldest and most financially stable life insurance companies in the world. It has consistently



received among the highest ratings from the leading independent rating agencies: A.M. Best, Fitch Ratings, Moody's Investors Service, and Standard & Poor's for financial strength.

"The Company You Keep"®

For questions, assistance and claims contact:



AAFP Insurance Services, Inc.
AAFP Headquarters, Suite 430
11400 Tomahawk Creek Parkway
Leewood, KS 66211

Toll-free phone: 800-325-8166
Toll-free fax: 800-223-7463
E-mail: insurance@aafp.org
Website: www.aafpins.com

As plan administrator and your advocate to the insurance industry, we have been providing personal, professional service to family physicians and their families since 1951.

The AAFP association-group Disability Income Insurance Plan described above is subject to the terms and conditions of Group Policy G-7201 issued by New York Life Insurance Company (51 Madison Avenue, New York, NY 10010) to the American Academy of Family Physicians (on Policy Form GMR-FACE/G-7201). Please refer to the Certificate Of Insurance for details of your coverage. New York Life Insurance Company (NAIC #66915) is domiciled in New York and licensed/authorized to transact business in the 50 United States and the District of Columbia. AAFP Insurance Services, Inc. is domiciled in Missouri and licensed/authorized to transact business in the 50 United States and the District of Columbia (agency licenses: AR #246260; CA #0547642).

AAFP FAMILY PHYSICIAN INSURANCE PROGRAM

AAFP Disability Insurance Plan



Protection for your most important asset - your ability to earn an income

The cost is based upon your gender and your initial age when insurance becomes effective. The cost increases as you grow older and enter a higher age bracket. A 10% surcharge applies if you have used tobacco or nicotine in any form, including nicotine patches and nicotine chewing gum, in the last 24 months. State-specific surcharges apply to residents of Florida (15%) and California (25%).

Select your gender rate chart and select one of the waiting periods across the top, then find the row corresponding to your age group to determine your premium. If you want to include the Inflation Protection Option, add the additional charge. Then multiply by the number of \$100 units selected.

Example: A 34 year-old female, qualified non-smoker, who selected a 90-day waiting period and a \$3,000 Monthly Benefit Option would have a semi-annual premium contribution of \$255.00. [Calculation: 30 X \$8.50] The semi-annual premium contribution *with* Inflation Protection is \$330.60. [Calculation: 30 x (\$8.50 + \$2.52)] With the 10% surcharge for tobacco/nicotine use, the semi-annual premium contribution is \$363.66. [Calculation: \$330.60 x 1.10] If she lives in Florida (15% surcharge), the semi-annual premium contribution is \$418.21. [Calculation: \$363.66 X 1.15]

--- Current 2010--- Semi-Annual Premium Contribution per \$100 Unit of Monthly Benefit

Accident & Sickness Benefits to Age 65

Male (rate without tobacco/nicotine or state-specific surcharges)

Age	Waiting Period			Inflation Protection Option
	60-day	90-day	180-day	
Under 30	\$7.04	\$5.72	\$4.76	\$1.74
30 - 34	8.00	6.70	5.58	2.52
35 - 39	10.22	8.48	7.04	3.48
40 - 44	13.80	11.52	9.80	5.28
45 - 49	19.46	16.22	13.94	7.02
50 - 54	27.26	22.90	20.08	6.24
55 - 59	44.72	37.88	34.08	4.50
60 - 64*	42.50	34.00	30.00	ages 60-62 \$1.98 ages 63-64 n/a
65 - 69*	34.64	29.88	26.92	n/a

* Renewal only

Female[^] (rate without tobacco/nicotine or state-specific surcharges)

Age	Waiting Period			Inflation Protection Option
	60-day	90-day	180-day	
Under 30	\$8.00	\$6.50	\$6.00	\$1.74
30 - 34	11.00	8.50	7.50	2.52
35 - 39	15.00	11.50	10.00	3.48
40 - 44	20.00	16.00	14.50	5.28
45 - 49	25.00	21.00	19.50	7.02
50 - 54	31.00	26.00	24.50	6.24
55 - 59	47.50	40.00	37.50	4.50
60 - 64*	42.50	34.00	30.00	ages 60-62 \$1.98 ages 63-64 n/a
65 - 69*	34.64	29.88	26.92	n/a

[^] Male rates apply to all coverage issued to Montana residents, regardless of a person's sex.

* Renewal only

A tobacco/nicotine surcharge (10%) will apply if you have used tobacco/nicotine in the last 24 months.

A surcharge of 15% will apply if you are a resident of Florida.

A surcharge of 25% will apply if you are a resident of California.

The premium contributions shown reflect the current rate and benefit structure. Premium contributions may be changed by New York Life Insurance Company on any premium due date and any date on which benefits are changed. However, your rates may change only if changed for all others in the same class of insureds under this association-group insurance policy. For example, a class of insureds is a group of people all with all the same issue age, gender, waiting period, tobacco/nicotine usage and/or residence state. Benefit amounts are not guaranteed and are subject to change by agreement between New York Life and the AAFP.

The AAFP association-group Disability Income Insurance Plan is underwritten by New York Life Insurance Company (NAIC #66915), 51 Madison Avenue, New York, NY 10010, under Group Policy No. G-7201, on Policy Form GMR-FACE/G-7201.