



Disability Insurance

DESIGNED EXCLUSIVELY
FOR TODAY'S FAMILY PHYSICIAN
IN THE UNIFORMED SERVICES



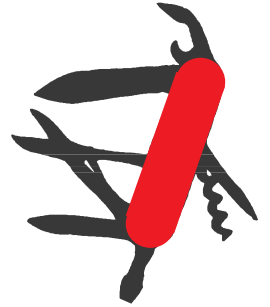
The AAFP Disability Income Plan is association-group insurance sponsored by the **American Academy of Family Physicians** and underwritten by New York Life Insurance Company.
"The Company You Keep"®



T E N REASONS TO APPLY

1 **Special features designed exclusively for family physicians in the Uniformed Services.**

5 **Versatile protection** to supplement your government provided disability pay.



2 **Competitive group rates.**



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.



6 Your coverage is **portable**. When you leave the Uniformed Services, simply notify AAFP Insurance Services and transfer—without penalty—to the AAFP Plan for civilian physicians. No statement of health to complete.

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.

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.

8 **Inflation Protection Option** to 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.

A DISABILITY CAN AFFECT YOUR WHOLE FAMILY

A disability can trigger a ripple of hardships from patient to family.

As a practicing physician, you've probably seen it. *JAMA's* most recently published study on the topic (12/21/94) documented the "substantial burdens." Most disturbingly, these losses occurred even though 96% of the patients studied had hospitalization insurance.

- More than a third (34%) of disabled patients required considerable caregiving assistance from a family member.
- In 20% of the cases, a family member had to quit work to provide care or make another major life change. (The study did not document the number of households in which family members were required to re-enter the work force or to put in additional time to replace lost income.)
- Nearly a third (31%) of surveyed households suffered loss of all or most of the family's savings.
- Loss of a major source of income was reported in 29% of the households.



THE RISKS ARE TOO GREAT TO IGNORE



Probability of becoming disabled for 3 months or longer prior to age 65

Age	25	30	35	40	45	50
Probability	58%	54%	50%	45%	40%	33%

Source: 1985 Commissioners Individual Disability Table A

Rates you can afford. Coverage you can't afford to be without.

If you are 35, are eligible for a \$2,500 a month benefit, and request the Inflation Protection Option, your current semi-annual premium contribution will be \$285.50 ... that's just \$47.58 a month.

If you become Totally Disabled, you will receive a benefit of \$2,500 a month, plus inflation increases for as long as you are totally disabled, up to age 65. If you are totally disabled for 30 years, you would receive \$900,000 in your basic benefits ... *plus* inflation benefits.

If you pay premiums for 10 years and then become Totally Disabled, you would receive every cent you paid in premiums – and more – in less than 3 months of benefits.

See the enclosed rate information about the plan for your particular situation.
Rates increase with age.

THIS PLAN IS PERFECT FOR YOU



If you are in the Uniformed Services now

Your Academy's Disability coverage provides valuable supplemental protection to help fill the gaps in your government pay due to loss of "specialty pay" and MORB when you become disabled.



If you foresee becoming a civilian physician in the future

You may keep your AAFP Disability coverage – without cost penalty – when you leave the Uniformed Services by simply notifying AAFP Insurance Services. No statement of health to complete.

QUESTIONS AND ANSWERS

Who can apply? All AAFP members in the Uniformed Services Chapter, under age 60, residing in the 50 United States (excluding VT) and the District of Columbia, with a satisfactory health history, engaged in Full-Time Work and not currently receiving Hazardous Duty Pay may apply for coverage.

"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.

Once insured, your coverage can be continued even if you begin receiving Hazardous Duty Pay, but limitations will apply. Please see Exclusions below.

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 and the group policy remains in force. Note: Your coverage *can* continue without interruption or cost penalty if you later decide to discontinue membership in the Academy.

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

The amount of total disability benefits for which you are eligible to apply is based on your AAFP membership classification and rank/pay grade.

Monthly Total Disability Benefit	AAFP Membership Classification	Rank/Pay Grade
\$ 500	Resident member	N/A
\$1,500	Active member	03
\$2,000	Active member	04 and above
\$2,500	Active member	04 and above <i>with Medical Officer Retention Bonus</i>

The Monthly Benefit you receive under the AAFP policy will *not* be reduced by other disability benefits you receive from any source.

Does my monthly benefit increase when my rank changes?

Yes. As you change from a Resident to Active member of the Academy or as your rank/pay grade changes, your total disability benefits can increase. All you have to do is notify AAFP Insurance Services, in writing, of the change. Your disability benefit increase will become effective on the later of: (1) The first of the month on or next following the date your notification is mailed, or (2) The first of the month on or next following the date of your promotion; provided the applicable premium contribution is paid when due. No application is needed. No health questions to answer.

Are there waiting periods? In most cases, yes. This policy has a 150-day waiting period (that continuous time period between the onset of a disability and when benefit payments begin).

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 your waiting period. 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.

To qualify to receive disability payments under this policy you do not have to be receiving disability pay from your branch of the Uniformed Services, Social Security disability payments, or proceeds from any other disability insurance policy which you may have.

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 addition, 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 government employer or a civilian employer/medical 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 (i.e. military disability pay) and an individually-paid policy can be significant. AAFP coverage can help keep your disability income intact by filling the tax gap as well as helping to replace lost "specialty pay" and MORB.

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.

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?")

Should you transfer your membership from the Uniformed Services Chapter to an AAFP State Chapter you have the right to continue your total disability coverage subject to the terms and conditions of the group policy which apply to members not in Uniformed Services.

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.

This Academy-sponsored coverage was designed exclusively for members of the Uniformed Services Chapter.

If you've shopped the market, you've probably discovered that few, if any, insurance companies make disability protection available to members of the uniformed forces. With your needs in mind, your Academy, in cooperation with New York Life Insurance Company, has designed coverage exclusively for members of the AAFP Uniformed Services Chapter. This coverage is cost efficient group insurance. The monthly benefits you receive under this policy will *not* be reduced by other disability benefits you receive from any source.

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 \$2,500 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 \$2,688 [$\$2,500 + 7.5\% = \$2,688$]. In subsequent years your benefits could continue to increase, but not beyond \$5,000.

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 [$\$2,500 + 5\% = \$2,625$ for one year]. Then, in year two, \$2,888 [$\$2,625 + (7.5\% \text{ inflation cap} + 2.5\% \text{ catch-up}) = \$2,888$].

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

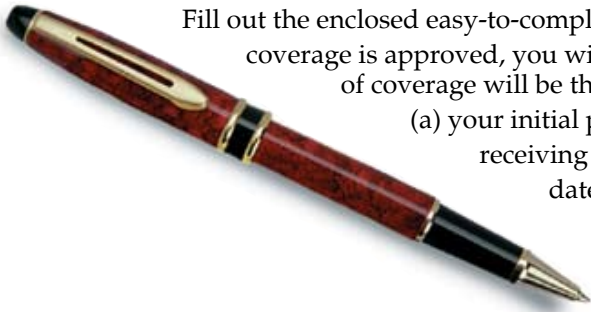
Please indicate your willingness to pay the additional premium charge to accept this valuable Inflation Protection Option by checking the box on your application.

What are the policy's exclusions?

Benefits are not payable during the waiting period (as described in the paragraph entitled "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; or any disability which occurs while performing job duties when the insured member is receiving Hazardous Duty Pay. 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 during any period in 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.

APPLY NOW



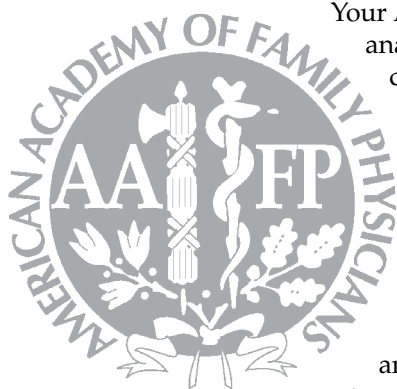
Fill out the enclosed easy-to-complete application to apply for your insurance. Send no money now. If your coverage is approved, you will be billed when your Certificate Of Insurance is sent. Your effective date of coverage will be the first day of the month following approval by New York Life, provided:

- (a) your initial premium is received within 31 days after you are billed; (b) you *are not* receiving Hazardous Duty Pay; and (c) 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. 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
Leawood, 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 for Members in the Uniformed Services 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).

Protection for your most important asset...

your ability to earn an income



AAFP Disability Insurance Plan

designed exclusively for Members of the Uniformed Services Chapter

The amount of total disability benefits for which you are eligible to apply is based on your AAFP membership classification and your rank/pay grade.

AAFP MEMBERSHIP CLASSIFICATION	Resident	Active	Active	Active
RANK/PAY GRADE		Grade 03	Grade 04 & above	Grade 04 & above with MORB
MONTHLY BENEFIT	\$500	\$1,500	\$2,000	\$2,500

Current 2010 Semi-Annual Premium Contribution per \$100 Unit of Monthly Benefits Accident & Sickness Benefits to Age 65

AGE	Semi-Annual PREMIUM	INFLATION PROTECTION OPTION
Under 30	\$ 5.04	\$ 1.74
30 - 34	6.00	2.52
35 - 39	7.94	3.48
40 - 44	10.90	5.28
45 - 49	15.46	7.02
50 - 54	21.80	6.24
55 - 59	36.58	4.50
60 - 64*	32.00	1.98^
65 - 69*	22.78	n/a

The initial cost is based upon your age when insurance becomes effective and increases as you grow older and enter a higher age bracket.

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 this amount by the number of \$100 units applicable to your benefit as determined above.

Example: A 37 year-old Active AAFP member with a Pay Grade of 04 or Above can apply for a monthly benefit amount of \$2,000. The semi-annual premium contribution is \$158.80. [Calculation: 20 x \$7.94]

The semi-annual premium contribution with Inflation Protection is \$228.40. [Calculation: 20 x \$11.42 (\$7.94 + \$3.48)]

* Renewal only

^Inflation Protection Option is not available for ages 63 & 64.

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 the association-group insurance policy. For example, a class of insureds is a group of people all with the same issue age. 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 for Members in the Uniformed Services is underwritten by New York Life Insurance Company (NAIC #66915), 51 Madison Ave., New York, NY 10010, under Group Policy No. G-7201, on Policy Form GMR-FACE/G-7201.

If you rely upon an earned income to support yourself and your family... apply today.