



AAD Group Disability Income Insurance Plan

Frequently Asked Questions

1. What is Disability Income Insurance and why would I need it?

Disability Income Insurance can help pay the bills after your short-term benefits are depleted. Many times you will have to dip into your savings as well. Disability Income Insurance helps minimize any depletion of your hard-earned savings should you become totally disabled due to a covered injury or sickness and can't work. This Plan provides you with up to \$10,000 a month to use as you'd like. You can choose your level of coverage to create the best income replacement plan for yourself and your family.

2. Who is eligible?

All AAD members in good standing who are under age 60, a resident of the United States or Puerto Rico*, and actively working full-time (at least 30 hours per week) may apply for Plan 1 or Plan 2 with monthly benefit amounts ranging up to \$10,000.

Your lawful spouse under age 60 and actively working full-time (at least 30 hours per week) is eligible for Plan 2 only for up to \$2,000 per month in benefits.

Acceptance into this plan is subject to medical evidence of insurability as determined by the underwriting company.

*Coverage is not available in all states - see the coverage landing page on www.aad-insurance.com for current plan availability or call the plan administrator at 1.888.747.6866.

3. How much coverage can I get?

This plan gives you the flexibility to choose a coverage amount that fits your lifestyle. Under Plan 1 or Plan 2, you can choose monthly benefit amounts ranging from \$500 to \$10,000, in \$100 increments. Under Plan 2, your spouse can choose benefits ranging up to \$2,000 per month, in \$100 increments. The benefit amount you apply for under Plan 1 can not exceed 70% of your basic monthly pay. The benefit amount for you or your spouse, if applying, under Plan 2 can not exceed 75% of your basic monthly pay.

Under Plan 1: Total benefits you receive from this plan and from any other income replacement plans (including Worker's Compensation, Social Security, employer-sponsored salary continuation, group or franchise plans or retirement programs) may not exceed 70% of your basic monthly pay. **Under Plan 2:** Total benefits from this Plan in combination with all other disability benefits in force may not exceed 75% of your basic monthly pay.

"Basic Monthly Pay" means the monthly rate of pay from your employer and does not include commissions, bonuses, overtime pay or other extra compensation.

For a person who is self-employed income, the average Net Monthly income includes wages, salaries, fees, commissions and any other amounts received by such person for personal services for the immediately preceding 12 or 24 months (whichever produces the higher average). For a person self-employed less than 12 months, the average is based on the entire time the person was self-employed. If the person's business is incorporated, the cost of fringe benefits and his or her share of the monthly net profit of the corporation whether received or not received. Income does not include investment returns, rents, royalties and like income not directly produced by the person's occupation.



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4. Do I have options when it comes to waiting periods?

Yes. Benefits are payable after the waiting period you select on the application. You decide when you would like benefits to begin. Under both plans, you have a choice of either a 30, 90 or 180 day waiting period. 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 injury or sickness, 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. The longer the waiting period the lower your cost.

5. How does this plan work?

If you become disabled and can't work, this plan can help by providing a steady stream of monthly income.

Under Plan 1, if you become totally disabled due to a covered injury or sickness, you will receive monthly benefits beginning on the day after your chosen waiting period ends and continue to receive benefits up to age 63 if total disability begins prior to age 63 or for up to 24 months if total disability begins on or after age 63, but prior to age 70.

Under Plan 2, if you become totally disabled due to a covered injury or sickness, you will receive monthly benefits beginning on the day after your chosen waiting period ends and continue to receive benefits for up to 24 months (two full years).

Under Plan 1, total disability means during the waiting period and next 60 months, your complete inability to perform the material duties of your regular job. "Your regular job" is that which you were performing on the day before total disability began. After such 60 months, total disability means your complete inability to perform the material duties of any gainful job for which you are reasonably fit by training, education or experience.

Under Plan 2, total disability means your complete inability to perform the material duties of your regular job. "Your regular job" is that which you were performing on the day before the total disability began.

Under both plans, the total disability must be a result of an injury or sickness. To be considered totally disabled, you must also be under the regular care of a physician, and must not be performing the duties of any gainful job. Monthly benefits from this plan, when added to income from other disability insurance, workers' compensation, Social Security, retirement benefits, and other income sources cannot exceed 70% of your monthly pre-disability income under Plan 1 and 75% of your monthly pre-disability income under Plan 2. See your Certificate of Insurance for a list of all deductible sources of income.

6. How long can I receive benefits?

Monthly benefits will be paid up to the maximum benefit period stated for both plans. The duration of this period is based on your attained age when you become disabled. The benefits will end on the date you fail to give required proof of continuing disability, or verification of earnings, as needed; your disability ends; the maximum benefit period ends; or you die.



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7. Are there any additional benefits included with this plan?

- **Survivor Benefits** (Available with Plan 1 or Plan 2): If you die while disabled, a final survivor benefit equal to 3 times the last monthly benefit paid to you, will be paid to your eligible survivor if such disability had continued for 180 or more consecutive days, and if you were receiving benefits for such disability.
- **Paraplegia Benefits** (Available with Plan 1 or Plan 2): If you are under age 60, and as a result of an injury or sickness, have complete and irreversible paralysis of both upper or lower limbs, for which monthly disability benefits have been paid for 12 consecutive months, a lump sum equal to 10 times the monthly benefit amount being paid, in addition to any other benefits provided under the group policy will be paid to you.
- **Residual Disability Benefits** (Available with Plan 1 only): This benefit provides that a portion of your regular monthly benefit will continue to be paid as long as you are gainfully employed and your income is less than 75% of your pre-disability earnings. If you become residually disabled within 31 days after a period of total disability for which monthly benefits are payable, the insurance company will pay residual benefits. This assists you with supplemental income if you are still under a doctor's care, unable to perform the material duties of your regular occupation and forced into a different lower-paying job as the result of your disability. Residual disability benefits will continue to be paid while residual disability continues, up to your maximum benefit period for total disability under Plan 1 or the date your loss of earnings is less than 25%.
- **Partial Disability Benefits** (Available with Plan 1 or Plan 2): You do not have to be totally disabled before receiving a partial disability benefit. If you return to work and you are not able to perform the material duties of your regular job but you are able to perform at least one of these duties on a part-time basis, or at least one, but not all, of these duties on a full-time basis, you may receive a monthly partial disability benefit equal to 50% of the monthly benefit that would be payable to you if you were totally disabled. Partial disability benefits will begin to accrue on the 8th day of partial disability. During this 7-day period, you may be either totally disabled, partially disabled, or a combination of both.
- **Rehabilitative Employment Benefit** (Available with Plan 1 only): Rehabilitative Employment prepares a disabled person to return to the workplace and may include items such as vocational testing and training, work-place-modification, prosthesis and job placement. Any program of rehabilitative employment must be pre-approved in writing by the insurance company. If an insured person accepts Rehabilitative Employment, while totally or partially disabled, the insurance company will continue to pay a monthly benefit amount for a period not to exceed 60 months. The monthly benefit payable will be the total disability monthly benefit amount less 50% of any income received from Rehabilitative Employment, not to exceed 100% of the insured person's basic monthly pay.
- **Continuation of Insurance Without Premium Payment** (Available with Plan 1 or Plan 2): If you are receiving monthly benefits, premiums will be waived after you have received monthly benefits for 6 consecutive months. When you stop receiving monthly benefits, premiums must again be paid when due.



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8. When will my coverage begin?

Insurance will become effective on the first day of the month following the date your application is approved, provided the required premium has been paid. You and your spouse, if applying, must be actively at work on the date your insurance takes effect. If you are not, your insurance will take effect on the day you resume such work provided it is within 3 months of the original effective date and you are otherwise eligible. Acceptance into this plan is subject to medical evidence of insurability as determined by the insurance company. Depending on your age, the amount of coverage you request, and your answers on the application, a medical examination, medical test(s), or other evidence of insurability may be required. Any exams/tests requested by the company will be conducted at your convenience and at no cost to you.

9. When will my coverage end?

Insurance for you and your spouse, if applying, will end at the earliest of: the date the group policy ends, the date insurance ends for your class, the end of the period for which the last premium has been paid for you, the date you attain age 70, the date you cease to be actively at work full-time (30 or more hours) for reasons other than disability, the date you cease to be a member in good standing with AAD, or the day before you begin active duty in the armed forces.

10. Are there any exclusions and limitations I should be aware of?

They're pretty simple. No benefits will be paid for any period of disability during which you are not under the regular care of a physician and you must not be performing the duties of any gainful job. No benefits will be paid for any disability due to: intentionally self-inflicted injury; war or acts of war; committing a crime or an attempt to do so; or pregnancy (except with complications). Under Plan 1 only, limited monthly benefits will be paid for disability due to alcoholism, drug addiction and mental, nervous or emotional disorders. If total disability is due to alcoholism, drug addiction or a mental, nervous or emotional disorder, the maximum payment period while such disability continues will be limited to 24 months.

11. How about Pre-existing Conditions?

Applies to Plan 2 Only - Pre-existing condition means an injury or sickness for which the person: incurred charges, received medical treatment, consulted a physician, or took prescribed drugs within 12 months before becoming insured under this policy. If disability is due to a pre-existing condition and it begins within 24 months of the date you become insured under this policy, no benefits will be paid unless you have not incurred charges, received medical treatment, consulted a physician, or taken prescribed drugs for such condition, or any complication of it, for 12 continuous months, while insured.

12. What are Successive Periods of Disability?

Successive periods of disability under either plan will be considered one period of disability unless they are due to unrelated causes, or separated by a return to active work for 6 or more continuous months. A separate waiting period will apply for each separate period of disability. Successive periods of disability which are due to the same or related causes will be considered a single period of disability.



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Have Additional Questions?

If you have additional questions, call toll-free at: 1.888.747.6866 or if you prefer, complete a Contact Us form and send it to us. We will do our best to respond to your inquiry or comment immediately.

How to Apply

1. Complete the Application Form, and check the benefit plan of your choice.
2. Mail your completed application to:
Plan Administrator
Affinity Insurance Services, Inc.
1100 Virginia Drive, Suite 250
Fort Washington, PA 19034

Underwritten by:

This plan is underwritten by New York Life Insurance Company, NAIC No. 66915, domiciled in the state of New York with a principal place of business of 51 Madison Avenue, New York, NY 10010. It is currently authorized to transact business in the 50 United States, the District of Columbia, Puerto Rico and Canada. However, not all group plans it underwrites are available in all states.

This summary is a brief description of benefits only and is subject to the terms, conditions, exclusions and limitations of the group policy issued to the American Academy of Dermatology under Group Policy No. G-30378-0/GMR-FACE.

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