



AAD Group Business Overhead Expense Insurance Plan

Frequently Asked Questions

The AAD Group Business Overhead Expense Insurance Plan recognizes that you may need high-limit coverage for your professional expenses. It delivers quality insurance protection for your practice and helps keep it open, even if you can't be there because of a disabling sickness or injury.

1. Who is eligible?

All AAD members in good standing who are under age 60, residing in the United States (excludes territories) or Puerto Rico*, but not those who are on active military duty in the armed forces of any country may apply for up to \$10,000 per month in monthly 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.

2. How does this plan work?

This plan is designed to help pay your monthly overhead business expenses while you are totally disabled due to a covered injury or sickness and unable to work. Even if you are part of a multi-physician practice, your share of overhead responsibilities will be covered under this plan.

If you become totally disabled and unable to perform the material duties of your regular job for more than 30 days, this plan will pay 100% of your eligible and actual monthly overhead expenses, up to your chosen benefit level.

Figure your average monthly business overhead expenses for the past 6 months – the expenses which must be paid to keep the office going in your absence. Select the appropriate benefit level you may need from \$500 to \$10,000 in increments of \$100, based on your average monthly business expenses. The monthly benefit amount you will receive will be equal to the amount of monthly expenses you actually incur for the operation of your office up to the maximum monthly benefit amount you select.

Monthly expenses include, but are not limited to expenses incurred for:

- Rent;
- Charges for utilities such as electricity, heat, water, gas and telephone;
- Interest payments on existing business equipment and/or furniture loans;
- Accountant's fees;
- Employee's salaries
- Monthly average of taxes and mortgage principal and interest payments on the business premises owned by and used in your profession;
- Premiums for business and malpractice insurance
- Other but similar fixed overhead expenses which are normal and customary in the conduct and operation of your office.



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If you become totally disabled due to a covered injury or sickness and continue to be disabled past the 30-day waiting period, this plan will pay 100% of your eligible and actual monthly overhead expenses, up to your chosen benefit level, for up to a maximum benefit period of 24 months for each injury or sickness.

The benefit will end on the date you fail to give required proof of continuing total disability, your total disability ends, the maximum benefit period ends, you die, or the sale of your business or practice or other discontinuance of your business or practice occurs, if such sale or discontinuance is for reasons other than total disability.

On the policy anniversary date coinciding with or next following the date of your 60th birthday, benefits will be limited to \$3,500. Any reduction in coverage will not apply to any period of continuous total disability that began prior to the date of the reduction. Coverage terminates at age 70.

3. Under this plan, what does Total Disability mean?

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 total disability began. The total disability must be a result of a covered 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.

4. Are there any Important Provisions included in this plan that I should know about?

Yes. This versatile plan includes the following benefits and provisions:

Pays 100% of Eligible Business Expenses – After the 30-day waiting period, this plan pays 100% of your share of eligible monthly overhead business expenses, up to your chosen benefit level.

Pays Benefits for up to 24 Months – The maximum benefit period for each injury or sickness is 24 months. If you become totally disabled due to a covered injury or sickness, you'll receive benefits for up to 24 months, beginning on the 31st day of the disability.

Pays Benefits for Related Disabilities – Successive periods of total disability will be considered one period of disability. If the disabilities are related or separated by a return to active work of less than 6 continuous months, they will be considered as one disability, and you will receive any benefits remaining up to the maximum benefit period.

Premiums Waived – If you become totally disabled, after receiving monthly benefits for six continuous months future premium payments will be waived during the remainder of your disability. Premiums must again be paid when due when you stop receiving monthly benefits.

Survivor Benefits – If you die while totally 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.



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5. When Will My Coverage Begin?

Your coverage will go into effect on the first of the month following approval of your application, provided your first premium is paid. You must be actively at work on a full-time basis (at least 30 hours a week) on the date your insurance takes effect.

If you are not, such insurance will take effect on the day you resume such work provided such date is within 3 months of your original effective date and you remain otherwise eligible. Your acceptance is subject to satisfactory evidence of your insurability.

6. When would my coverage end?

Your coverage will end at the earliest of: the date the group policy ends; the date you cease to be a member in good standing with AAD; the date you attain age 70; the date you cease active full-time (30 hours) work for reasons other than total disability; the date your professional license is suspended or revoked; or if your premium is not paid when due. Coverage will also end on the day before you enter active military duty in the service of any country for a period longer than 30 days.

7. Are There Any Exclusions and Limitations I Need to Know About?

Yes but they're pretty simple. Monthly expenses do not include expenses incurred for: any salary, fees, drawing accounts, profits or other remuneration to you or your partners, or their replacement; income taxes; payment on the principal of any debt; the cost or depreciation of any office equipment, furniture, fixtures, instruments, cost of goods or merchandise, or pharmaceutical products pertaining to your profession or occupation; or any expense you would not reasonably be expected to incur while you are disabled.

You must be under the regular care of a physician and must not be performing the duties of any gainful job in order to receive benefits. Benefits will be paid for only one disability at a time. No monthly benefits will be paid for disabilities due to: intentionally self-inflicted injury; committing a crime or an attempt to do so; active military duty in the service of any country; a war or an act of war; or traveling in or flying any aircraft operated by or under the direction of any military (land, sea or air) authority or while in any aircraft being used for any test or experimental purpose. Pregnancy is covered for complications of pregnancy only.

8. Does this plan have a pre-existing conditions limitation?

Yes. A pre-existing condition means an injury or sickness for which a person incurred charges, received medical



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treatment, consulted a physician, or took prescribed drugs within 12 months before he became insured. If total disability is due to a pre-existing condition and it begins within 24 months of the date the person becomes insured, no benefits will be paid unless the person has 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.

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, date and sign it. Be sure to indicate your choice of benefit level.
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-30379-0/GMR-FACE.

The underwriting risks, financial and contractual obligations and support functions associated with the products issued by New York Life Insurance Company are not the responsibility of Affinity Insurance Services, Inc.

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