

AVMA GHLIT Group Professional Overhead Expense Plan

**Designed by veterinarians
for veterinarians**



Insurance you can trust.

Underwritten by New York Life Insurance Company (NY, NY 10010)

Professional Overhead Expense Plan

WE'VE GOT YOU COVERED

The Only Professional Overhead Expense Program That's Only For Veterinarians.

Since 1957, The American Veterinary Medical Association Group Health and Life Insurance Trust (AVMA GHLIT) has made available to members like you coverage you can trust.

This group health and life insurance trust program is tailor-made for veterinarians, by veterinarians. Members in the program are more than just participants – they're in charge.

Nine Trustees, all AVMA Members, and one AVMA Liaison Trustee, supervise the program and its professional operating staff. They give the plan direction, to be sure the benefits are the ones you and your family most desire. The Trustees also act as a Review Board should a Member ever experience a problem with the insurance program. You can think of it as having a "Board of Directors" that puts your needs first.

The program is also designed to help save you money. You'll benefit from the group purchasing power of thousands of veterinarians across the country.

As a self-rated participating program, charges to Members are based on the claims experience of AVMA Members and their families – no outside groups. When funds exceed expenses, that money is returned to participants in the form of lower costs or improved coverage.

The program is underwritten by New York Life Insurance Company, one of the industry's most respected names.

New York Life Insurance Company (NY, NY 10010), the underwriter, has received the highest possible ratings for financial strength from some of the insurance industry's leading independent rating services including Moody's Investor Service (AAA), Standard & Poor's (AAA), Fitch Ratings (AAA), and A.M. Best (A++).*

*Individual Third Party Ratings Reports (as of 7/7/10)

THE AVMA GHLIT PROFESSIONAL OVERHEAD EXPENSE PLAN

How would you pay for your office overhead expenses if you became disabled?

You purchase Disability Income Insurance to protect your income, and that's wise. But so is protecting the other expenses that must be paid should you become disabled: your office expenses. The AVMA GHLIT Professional Overhead Expense Plans can help you do just that.

The plans have been especially designed to be affordable for all AVMA members, thanks to the group purchasing power of thousands of veterinarians across the country. With this important coverage, you may not have to spend your personal savings, or use up your personal disability income benefits, in order to stay in business.

Most AVMA members are eligible to apply.

If you're an AVMA member under age 70 who regularly and actively works full-time (at least 20 hours a week), and reside in the United States, you're eligible to apply for one of the Professional Overhead Expense Plans.

Premiums can be tax-deductible.

If you're self-employed – whether you practice solo or share expenses with partners or members of a professional corporation - the cost of the Professional Overhead Expense Plan can be deductible as a business expense under current I.R.S. rules. Of course, you should consult your attorney or accountant on all tax matters.

You have a choice of plans.

You have a choice of which plan best meets your needs.

Plan 1 Benefits begin on the 16th consecutive day of a covered disability and can continue for up to 12-months provided you are disabled; or

Plan 2 Benefits begin on the 31st consecutive day of a covered disability and can continue for up to 24-months provided you are disabled.

You could receive up to \$30,000 every month.

The Professional Overhead Expense Plans can pay up to \$30,000 monthly during a covered disability. You can apply for monthly benefit levels from \$300 to \$30,000, in increments of \$100, up to 100 percent of your office overhead expenses.

Covered overhead expenses include:

- Rent
- Principal and interest on outstanding debts
- Utilities (heat, water, gas, telephone, electricity, etc.)
- Employees' salaries
- Postage and stationery
- Equipment maintenance
- Monthly average of taxes on the premises

Covered expenses do not include:

- Salary, fees, drawing accounts, profits or other remuneration to yourself or a partner
- Salaries of all persons hired after the disability began
- Charges for professional services of individuals in the same profession as the insured
- Income taxes or any expense you would not reasonably be expected to incur while disabled
- Depreciation of business assets
- Inventory – the cost of merchandise, goods or pharmaceutical products

Issue Limits Based on Age.

The maximum benefits you can purchase will depend on your age. Please see chart below:

Before age 50	\$30,000
50-59	\$20,000
60-69	\$5,000

The Plans Cover Your Share Of Expenses.

The Plans won't pay a benefit that exceeds the smallest of:

- The overhead expenses you actually incur while you are disabled
- The monthly benefit level in force

The expenses to be included in these figures are those which must be paid even when you're away. If you are incorporated, a partner or a joint tenant, include only your personal share of covered overhead. "Personal share" is defined as your percentage of ownership of the business.

Professional Overhead Expense Insurance – Current Monthly Rates[†]

Choice of two plans, \$300 to \$30,000 Monthly Maximum Benefit (in \$100 Units).
Charges are based on member's age at time of issue and each November 1.

Each \$100 of maximum monthly benefit Member's age at issue and each November 1

PLAN	Under 40	40-49	50-59	60-69	70 & Over
1 (15 day waiting period/1 year maximum benefit period)	\$.50	\$.75	\$1.33	\$2.00	\$3.75
2 (30 day waiting period/2 years maximum benefit period)	\$.55	\$.83	\$1.46	\$2.20	\$4.13

[†]Note: The insurance company has the right to change rates on a class-wide basis.

THE AVMA GHLIT PROFESSIONAL OVERHEAD EXPENSE PLAN (CONTD)

PLEASE NOTE

Exclusions and Limitations.

Benefits are not paid for disabilities resulting from:

- war
- military service
- self-inflicted injuries (whether intentional or while insane)*
- pregnancy except for specified complications
- the commission of a felony and/or incarceration

Benefits are not paid for the applicable Waiting Period nor for a specific condition for which an Impairment Restriction has been placed on your coverage.

***Missouri residents: The exclusion for losses due to self-inflicted injury is not applicable to the injuries caused by an attempted suicide while insane.**

How the plans define "disability."

Disability means an accidental bodily injury or sickness that continuously disables you so that you are unable to perform the substantial and material duties of your occupation. Throughout the disability, you must be under a doctor's care other than yourself and not working at a gainful occupation. Successive disabilities are treated as if they were the same one unless they are separated by at least 90 days of full-time work.

Your premium may be waived upon disability.

If you become "disabled" before age 65 and remain so for six months, the AVMA Group Health and Life Insurance Trust will pay further premiums to continue Professional Overhead Expense coverage in force when that disability began. Premiums will be paid by the Trust while you stay disabled, and until coverage would otherwise terminate due to your reaching age 75.

When your coverage becomes effective.

In order to become insured, individuals must provide satisfactory evidence of insurability and pay the required premium. Insurance will take effect on the date your coverage is approved by New York Life, provided:

- the initial contribution is paid to the AVMA Group Health and Life Insurance Trust Office within 31 days of that date, and
- you are performing the normal activities of a person in good health of like age and sex on the date of approval.

You will receive a separate Certificate.

Each insured member will receive a Certificate of Insurance evidencing coverage which is provided under Group Policy Form GMR.

About continuation of insurance.

Future benefits are subject to change by agreement between New York Life and the Trustees. Rates may be changed on any premium due date and on any date on which benefits are changed.

New York Life has agreed not to exercise its right to terminate the Group Policy as long as: (1) AVMA continues to sponsor only the New York Life Program and (2) participation in the plan exceeds 10,000 insured members. New York Life cannot terminate coverage or change benefits or premiums on an individual basis; it may do so only on a class-wide basis. An example of "class" can be a group of insureds with the same age or gender.

The Overhead Expense Protection Plans terminate when a member:

- fails to pay insurance charges on time;
- ceases to be an AVMA member;
- ceases to be actively at work at least 20 hours a week in a gainful occupation other than for a covered disability;
- reaches the age of 75; or
- if the Master Policy terminates.

IMPORTANT NOTICE

How New York Life Underwrites Your Request for AVMA GHLIT Coverage

Information regarding insurability will be treated as confidential. In considering your request for standard or preferred rates, we will rely on the medical information you provide, and on the information you authorize us to obtain from your doctor, other medical practitioners and facilities, other insurance companies to which you have applied for insurance and MIB, Inc. (formerly known as Medical Information Bureau). New York Life will not disclose such information to anyone except those you authorize or where required or permitted by law. New York Life may use or disclose information as described in the HIPAA Notice of Privacy Practices in Protected Health Information. We may make a brief report to MIB; however, we will not disclose our underwriting decision. Information in our files may be seen by New York Life and Plan Administrator employees, but only on a "need to know" basis in considering your request. Upon receipt of all requested information we will make a determination as to whether your request for coverage can be approved for standard rates.

MIB is a nonprofit, membership organization of insurance companies that operates an information exchange on behalf of its members. When you apply for insurance or submit a claim for benefits to a MIB member company, medical or non-medical information may be given to the Bureau, which may then be furnished to member companies.

If we cannot provide you with standard rates, we will tell you why. If you feel our information is inaccurate, you will be given a chance to correct or complete the information in our files. Upon written request to New York Life or MIB, you will be provided with non-medical information, generally medical information will be given either directly to the proposed insured or to a medical professional designated by the proposed insured. Your request is handled in accordance with the Fair Credit Reporting Act Procedures. If you question the accuracy of the information provided by MIB, you may contact MIB and seek a correction. MIB's information office is:

MIB, Inc.
50 Braintree Hill Park
Suite 500
Braintree, MA 02184-8734

For Canadian residents, the address is:
330 University Avenue, Suite 403
Toronto, Canada M5G 1R7

MIB can be reached toll free in the U.S.A at 866-692-6901. For hearing impaired, TTY 866-346-3642. Canadian residents can call 416-597-0590. Information for consumers about MIB may be obtained on its website www.MIB.com.

For NM Residents, PROTECTED PERSONS (1) have a right of access to certain CONFIDENTIAL ABUSE INFORMATION (2) we maintain our files and they may choose to receive such information directly. You have the right to register as a PROTECTED PERSON by sending a signed request to the Administrator at the address listed on the application. Please include your full name, date of birth and address.

(1) PROTECTED PERSON means a victim of domestic abuse who has notified us that he/she is or has been a victim of domestic abuse; and who is an insured or prospective insured.

(2) CONFIDENTIAL ABUSE INFORMATION means information about: acts of domestic abuse of abuse status; the work or home address or telephone number of a victim of domestic abuse; or the status of an applicant or insured as family member, employer or associate of a victim of domestic abuse or a person with whom an applicant or insured is known to have a direct, close personal, family or abuse-related counseling relationship.

If we can provide the coverage you requested, we will inform you as to when such coverage will be effective. Under no circumstances will coverage be effective prior to this date. Payment of a premium contribution with your application does not mean that there is any insurance in force before the effective date as determined by New York Life.

NEW YORK LIFE INSURANCE COMPANY
Rev 1/09

This material briefly describes the provisions of Master Policy G-14884/Face policy form GMR issued to the Trustees of the AVMA GHLIT. For complete details on your coverage please see your Certificate of Insurance.



Broker/Administrator:
HealthPlan Services
3501 Frontage Road
Tampa, FL 33607

Underwritten by:
New York Life Insurance Co.
51 Madison Avenue
New York, NY 10010

Claims Administrator:
UMR, Inc.
233 N. Michigan Ave., Ste. 1050
Chicago, IL 60601

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A Membership Service of the American Veterinary Medical Association

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www.avmaghlit.org