



What is

LONG-TERM DISABILITY INCOME INSURANCE?

Group Long-Term Disability Income Insurance Plan

Protection Should You Lose Your Ability To Practice. This plan can help protect your family from serious debt by replacing a portion of your income with monthly benefits up to \$20,000 for covered disabilities. Please don't think it won't happen to you—the Council for Disability Awareness reports that one in eight workers will be disabled for five years or more during their working careers.

(Source: www.disabilitycanhappen.org; n.d. retrieved August 2016)

Members And Spouses Are Both Eligible. All eligible ACS members (including full-time members of the armed forces) under age 65, who are actively performing all the duties of their surgical profession, or other primary occupation at least 30 hours per week, may apply for coverage. You can apply for a \$500 monthly benefit for your lawful spouse, under age 65, provided that you are currently enrolled or request enrollment in the Long-Term Disability Income plan for a monthly benefit of at least \$1,000. This plan is available to residents of the United States and Puerto Rico (except Washington state and other U.S. territories).

Fits Your Growing Needs. You may select a monthly benefit from \$1,000 to \$20,000 in \$500 increments. Your ACS Long-Term Disability Income coverage, when combined with all other disability protection benefits you already carry, cannot exceed 60% of your Average Monthly (professionally earned) Income. You select the waiting period of your choice—30, 60, 90 or 180 days. A waiting period is the number of consecutive days you must be totally disabled before benefits begin. The longer the waiting period, the more affordable coverage can be.

“Average Monthly Income” means your average net monthly earnings (including the cost of fringe benefits and share of total surplus) after business expenses and before taxes, for the immediately preceding 12 month or 24 month (if higher) period. Excludes income from interest, dividends, rent, royalties, annuities, other insurance and other income for which no service or work is performed.

Optional Benefits Available With Your Long-Term Disability Income Coverage. There are two options that can be added to your Long-Term Disability coverage.

Option 1—Future Purchase Option (FPO): This option makes it possible for ACS members under age 50 to increase Disability Income coverage in the future without medical underwriting at that time.

Option 2—Cost of Living Adjustment Option: This option can help minimize the effect of inflation by increasing monthly benefits payable on each anniversary of a covered disability.

See more information about these valuable benefits on Page 3!

Benefit Period. For covered total disability commencing prior to age 66, benefits can be payable to age 67. For total disability commencing age 66 through age 74, benefits can be payable for up to one year. When you reach age 67, whether or not you are disabled, the monthly benefit payable from that time will reduce to 50% of the amount to which you were entitled prior to age 67. Benefits for mental disorders are limited to the lesser of 36 months during a lifetime or the above maximum benefit period. The 36 month limitation does not apply if you are institutionalized or if there is an organic disorder such as Alzheimer's disease.

Underwriting Requirements. All applicants must meet the New York Life underwriting requirements (satisfactory evidence of good health) to qualify. Neither the College nor the Insurance Trust participates in decisions concerning insurability of applicants. The Administrator follows the Insurance Company's medical underwriting guidelines to evaluate enrollment forms. Thus, all final decisions regarding insurability are the sole responsibility of the Insurance Company.

Definition Of Total Disability. This plan defines “total disability” as your incapacity due to an illness or accident to perform the material and substantial duties of your surgical or medical specialty or primary occupation, provided you are not engaged in any other occupation for pay or profit. Even if you return to work at another occupation, or resume working in your own occupation on a part-time basis, you may still receive benefits if you have a loss of earnings. Refer to the Residual Disability Benefit section on the next page for details.

Residual Disability Benefits. You will be eligible for residual disability income benefits if you return to work, following a period of a covered total disability of at least 30 days and your current earnings are no more than 75% of your pre-disability average earnings (whichever figure is higher of your average monthly earnings for the 12 or 24 months prior to the onset of your disability—depends on which period produces the higher average.) The reduction of earnings must be a consequence of your total disability. The residual benefit is a percentage of your total disability benefit equal to the percentage reduction of monthly earnings. However, for each month that the percentage reduction is 75% or more, the plan will pay the full disability benefit.

The residual benefit will be paid as long as total disability benefits would have been paid if the underlying total disability had continued or until current income exceeds 75% of pre-disability average earnings, if sooner.

No residual disability income benefit is payable following a total disability unless it begins while insured and the applicable waiting period has been satisfied, is due or related to the same illness which caused the covered total disability, is not separated from a period of covered total disability by a return to full-time work of six months or more, and it begins before your 65th birthday. To help prevent inflation from artificially increasing post-disability earnings, New York Life will increase “pre-disability income” upward to reflect increases in the Consumer Price Index (CPI-U) up to 8%, compounded annually. When computing any earnings loss, earnings received after resuming employment will be averaged for the most recent six

Residual Disability Benefit for Communicable Diseases. If you contract a “communicable disease”, you may be eligible for residual disability benefits even though you are not totally disabled. In order to be eligible for the residual disability benefit, you must be under 65 and earning less than 75% of your average net monthly income due to contracting the communicable disease. Benefits will not begin until the applicable waiting period has been satisfied. The amount and duration will be determined in the same manner as the Residual Disability Benefit described in this brochure.

A “communicable disease” means any of the following conditions, but only if the applicable medical profession recommends or appropriate governmental agency requires the disclosure of the diagnosis of the disease and it results in a limitation of your practice due to contracting the disease: Acute Viral Hepatitis of the non A type, Human Immunodeficiency Virus (HIV), Acquired Immune Deficiency Syndrome (AIDS) or tuberculosis.

Waiver of Premium. If you become disabled (whether it be a Total covered disability or a combination of a Total disability and a covered Residual disability), and remain disabled for at least six consecutive months, your subsequent premiums for this coverage will be waived and your coverage continued at no cost to you as long as you continue to receive disability benefits.

When Coverage Ends. Your coverage will be continued until the premium due date coincident with or next following your 75th birthday as long as you remain an ACS Member, the Group Policy is not terminated by New York Life or the policyholder, your premiums are paid, and you are actively at full-time work for pay or profit (unless disabled). Your spouse’s coverage will be continued as long as they are under age 65, their premiums are paid, you are not divorced or separated from your spouse, and your coverage remains in force. Coverage ends when the insured person receives Covered Disability benefits for the Maximum Benefit Period in effect for such person.

Recurring Disability. Successive periods of disability due to the same or related cause and not separated by a return to active practice for at least six consecutive months will be considered one period of disability, as will unrelated disabilities that are not separated by return to active practice for at least one full day. Disabilities that meet these separation requirements will be treated as a new disability.

Policy Exclusions. The following disabilities are not covered:

1. Air Travel—A disability that (a) occurs during; (b) is due to; or (c) is related to: your travel in, travel on, fall from or descent from any aircraft while such aircraft is in flight, unless you are traveling: (a) solely as a fare paying passenger on a licensed, commercial, regularly scheduled, nonmilitary aircraft or (b) in a civil aircraft having a current and valid “Standard Federal Aviation Agency Airworthiness Certificate” and piloted by a person with a current and valid pilot’s certificate with proper ratings for the type of flight and aircraft involved.
2. Crime/Illegal Occupation/Illegal Activity—A disability that: (a) occurs during; (b) is due to; or (c) is related to your incarceration or participation in: (a) the commission of a felony; (b) an illegal occupation or activity; (c) an insurrection; (d) terrorist activity; or (e) a riot.
3. Drugs—A disability that is due to or related to the taking of drugs, intoxicants, narcotics, barbiturates or hallucinogenic agents, unless such use is: (a) as prescribed or administered by a doctor, other than yourself; or (b) accidental.
4. Impairment Restriction—A disability that is due to or related to a condition which is specifically excluded from or limits coverage at the time of issue.
5. Pregnancy, Childbirth Or A Related Medical Condition—A disability that is due to a pregnancy, childbirth or a related medical condition, except for certain complications of pregnancy.
6. Regular Care—A disability that does not require the regular care of a doctor (“doctor” does not include yourself or a member of your immediate family).
7. Self-Inflicted Injury—A disability that is due to or related to an intentional self-inflicted injury or occurs while intentionally injuring oneself; whether sane or insane. Missouri Residents: attempted suicide or self-inflicted injury while insane will not be excluded from coverage.
8. War—A disability that is due to or related to a declared or undeclared war, an act of war or an armed conflict that involves the armed forces of one or more countries.

Affordable Costs. See the rate chart on Page 4 for current quarterly premium costs.

Spouse Disability Insurance Benefits

Benefits Payable. Benefits will be paid if your spouse becomes totally disabled due to a covered injury or illness while you are covered for Spouse Disability Insurance. Benefits will be payable to you in the amount of \$500 per month beginning on the first day after completion of the 30 day waiting period for a maximum of 24 months.

Disability Definition. Total disability means the incapacity due to illness or accident to perform the material and substantive duties of your spouse’s regular occupation for pay or profit or from performing all of the customary household duties of a homemaker.

Exclusions. Refer to the previous “Policy Exclusions” section.

30-Day No Obligation Free Look. When your application is approved, you will receive a Certificate of Insurance detailing your coverage. You will have a full 30 days to review your certificate to determine if it is right for you. If it is not, simply return it to the plan administrator, without claim, within the 30 days for a full refund of any premium paid. No Questions Asked!

This is only a general description of the principal provisions and features of the plan. The complete terms and conditions are set forth in the group policy issued to the Trustee of the American College of Surgeons Insurance Trust under Group Policy GMR-FACE/G-29002-0. ACS Insurance Trust incurs costs in connection with providing oversight and administrative support for this sponsored plan. To provide and maintain this valuable membership benefit, it is reimbursed for these costs. ACS also receives a fee for the license of its name and logo for use in connection with the plan.

NEW Optional Benefits Available With Your Long-Term Disability Income Coverage

Option 1—Future Purchase Option (FPO) *An option for members under age 50.*

The Future Purchase Option makes it possible for an insured to increase Disability Income coverage in the future without having to go through medical underwriting at that time. It is a valuable benefit for the busy surgeon just starting out in his/her career whose income will increase over time. Even if you are no longer in good health, you will be able to increase your Long-Term Disability monthly coverage as your earnings grow.

Some highlights of the feature include:

- Available only to members under age 50.
- You must satisfy New York Life’s insurability requirements at the time you apply for this feature.
- Amounts range from \$500 to \$7,500 per month in \$500 units.
- Amount applied for may not exceed the amount of Long-Term monthly Disability Income for which the member is insured.
- The combination of Future Purchase Option plus Long-Term Disability Income cannot exceed the \$20,000 monthly maximum.

You can convert all ... or a portion. Every April 1, coinciding with or next following your 24, 26, 28, 30, 32, 34, 36, 38, 40, 42, 44, 46, 48, and 50th birthdays, and after your FPO has been in place for at least 12 months, all or a portion of your FPO can be converted to Long-Term Disability income coverage. The amounts chosen must be in \$500 units. NOTE: You cannot exercise your Option if you are disabled on a conversion date.

Here’s how your premiums are determined:

- The premium for the FPO is based on your age at issue and increases as you get older and enter a new age bracket.
- When you convert all or a portion of the Purchase Option the premium for the converted Long-Term Disability Income coverage is based on your age on the conversion date and will increase as you grow older.
- The FPO premium charge is reduced by the amount converted to Monthly Disability Benefits when an option is exercised. Premiums will continue until the earlier of (a) the FPO Options have reduced to Zero, or (b) when you reach age 50 at which point the premium is discontinued and any remaining Options terminate.

Option 2—Cost of Living Adjustment (COLA)

This option can help minimize the effect of inflation on your future purchasing power. Inflation can seriously undermine the actual value of the Long-Term Disability Benefits you receive. But when you choose this option, your benefits will be adjusted upward as inflation rises (as measured by changes in the Consumer Price Index).

On each anniversary of a continuing disability, your monthly benefit for the next 12 months is adjusted to reflect any changes in the CPI-U during the last 12 months. The maximum yearly increase is 5 percent, and the overall maximum increase for a single disability is 100 percent. Since the Residual Benefit is based on a percentage of your Long-Term Disability Benefit, it too, will reflect any COLA change.

NOTE: The Cost of Living Adjustment will be reflected at time of claim. when the Covered Disability ends, the monthly benefit will be reduced to the pre-adjusted monthly benefit.

This option is available separately, but when requested must apply to all Long-Term Disability Income coverage issued.

Your COLA option has a “catch-up” feature. In a year when the change in the CPI-U is greater than five percent, a higher percentage of increase will be allowed if a lower rate of inflation applied to an earlier year(s) of disability. The adjusted benefit cannot be greater than the original Disability Benefit increased five percent a year, compounded annually. When you recover, the monthly benefit for new disabilities will be the originally issued Long-Term Disability Benefit amount.

The example to the right assumes \$5,000 Long-Term Disability in force at onset of disability. The first year benefits would be payable at \$5,000 per month. Assuming the disability continues for five years with CPI-U increases as set forth below, monthly benefits would be

Note that in year 4, the “catch-up” feature allowed the full increase to be used, since it does not produce a benefit in excess of the maximum allowed by compounding at five percent annually. However, in year five, the benefit can only be adjusted as high as the maximum allowable figure.

Year	CPI-U Increase	Monthly Income	Maximum Adjusted Monthly Compounded At 5% Annually
1	—	\$5,000	\$5,000
2	5%	\$5,250	\$5,250
3	2%	\$5,355	\$5,513
4	7%	\$5,730	\$5,788
5	7%	\$6,078	\$6,078

Due to positive plan performance, ACS authorized New York Life to discount the base rates by 30% (reflected in the rates shown), making these rates competitive. ACS has been discounting premiums since 2007 and hopes to continue this percent discount, but this will depend on a periodic evaluation of the claims experience. Therefore, it cannot be promised or guaranteed for premiums due beyond March 31, 2019.

Rates are based on the member's and spouse's age when entering the plan and change at each new age bracket and are based on the current rates in effect at that time. Rates shown are current (and include the 30% premium discount in effect) and applicable to residents of residents of all states except WA, CA & FL. Bill rates may be slightly different due to rounding. Rates may be changed by New York Life on any premium due date and on any date on which benefits are changed but it may only be done on a classwide basis (for example, a class is a group of insureds with the same age and gender). Future benefits are subject to change by agreement between New York Life and the Trustees of the ACS Insurance Trust. Contact the plan administrator for renewal rates.

DISABILITY INCOME INSURANCE ACTIVE MEMBER PLAN Benefit Reduces 50% On 67th Birthday			
QUARTERLY PREMIUM RATES PER \$1,000 MONTHLY BENEFIT			
30-Day Waiting Period		Optional Benefits	
Insured Member's Age	Monthly Disability Income Amount	Future Purchase Option	Cost Of Living Adjustment Option
Before Age 35	\$34.42	\$3.45	\$9.29
35-39	\$50.78	\$5.08	\$14.73
40-44	\$76.13	\$7.62	\$19.04
45-49	\$126.66	\$12.67	\$25.33
50-54	\$225.17	*	\$31.53
55-59	\$400.47	*	\$28.04
60-66	\$422.54	*	\$21.13
60-Day Waiting Period		Optional Benefits	
Insured Member's Age	Monthly Disability Income Amount	Future Purchase Option	Cost Of Living Adjustment Option
Before Age 35	\$21.80	\$2.18	\$9.29
35-39	\$31.22	\$3.13	\$14.73
40-44	\$47.29	\$4.73	\$19.04
45-49	\$78.54	\$7.86	\$25.33
50-54	\$139.44	*	\$31.53
55-59	\$250.72	*	\$28.04
60-66	\$369.75	*	\$21.13
90-Day Waiting Period		Optional Benefits	
Insured Member's Age	Monthly Disability Income Amount	Future Purchase Option	Cost Of Living Adjustment Option
Before Age 35	\$19.57	\$1.96	\$9.29
35-39	\$27.27	\$2.73	\$14.73
40-44	\$41.70	\$4.17	\$19.04
45-49	\$69.18	\$6.92	\$25.33
50-54	\$122.59	*	\$31.53
55-59	\$219.45	*	\$28.04
60-66	\$214.55	*	\$21.13
180-Day Waiting Period		Optional Benefits	
Insured Member's Age	Monthly Disability Income Amount	Future Purchase Option	Cost Of Living Adjustment Option
Before Age 35	\$15.53	\$1.56	\$9.29
35-39	\$21.51	\$2.16	\$14.73
40-44	\$33.09	\$3.31	\$19.04
45-49	\$54.60	\$5.46	\$25.33
50-54	\$97.82	*	\$31.53
55-59	\$174.64	*	\$28.04
60-66	\$169.37	*	\$21.13

* No charge for Future Purchase Option after age 49 as option expires at age 50.
No charge for the Cost of Living Adjustment Option after Age 64.
At age 67 your monthly benefit will reduce by 50%. Premiums do not reduce.

CURRENT QUARTERLY PREMIUMS SPOUSE DISABILITY INSURANCE	
\$500 MONTHLY BENEFIT	
Spouse Age	Premium
Before Age 35	\$10.50
35-39	\$15.75
40-44	\$26.25
45-49	\$39.20
50-54	\$52.50
55-59	\$65.45

NOTE: Coverage becomes effective on the first of the month on or following the date of underwriting approval provided the premium is paid when due and you, the member are actively working full-time (30 hours) on such date, and your spouse (if applicable) is performing the normal activities of a person in good health of like age on the date such insurance would take effect. If you are not working full-time or your spouse is not performing the normal activities as required, insurance will not become effective until the date such activities are resumed provided such date is within 3 months of the date insurance would have otherwise been effective.

Valuable Package Discount. You can receive a 25% Package Discount in addition to our already competitive rates. To qualify for this discount, you must be insured in at least one plan from each of the three coverage categories:
1. Group Term Life Insurance: Level Term Life (10-, 15- or 20-Year Term) and/or Traditional Term Life
2. Group Disability Income Insurance: Long-Term Disability, Short-Term Disability, and/or Office Overhead Expense Disability
3. Supplemental Group Coverage: Accidental Death & Dismemberment Insurance, Hospital Indemnity Insurance, and/or Supplemental Disability Insurance (for educational expense obligations)

The discount only applies to qualifying plans underwritten by New York Life Insurance Company.

Help protect your family's financial future, your home and the lifestyle you have worked hard for with the **American College of Surgeons Group Long-Term Disability Income Insurance.**

CONTACT US TODAY:

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AMERICAN COLLEGE OF SURGEONS
Inspiring Quality.
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100+ years Fully Approved & Sponsored by The American College of Surgeons Insurance Trust



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on policy form GMR

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