

New Products and Enhancements

Own Occupation Plus
Spouse DI
FGL - Chronic Illness Rider

AVMA | LIFE
Veterinarian Inspired Coverage

Own Occupation Plus

- In terms of competition, Own Occ. has been a weak point for AVMA LIFE LTDI coverage
- We have heard the comments, opinions, and reasons
- We have listened!

Own Occ Plus – Current

- Own Occ Plus
 - Place a 5 year limit on the Own Occupation benefit
 - After year 5, member would have to be disabled from “any occupation” for full benefits, and if working, may be eligible for Partial Residual Benefits, if they return to work
- Problems
 - Many competitors in the market offer a ‘pure’ version of own occupation
 - Allows member to work outside of occupation during full benefit period
 - Increase difficulty to sell DI products to members who shop

Own Occ Plus - Change

- NYL has agreed to lift the 5 year limitation for Own Occupation Plus
 - Current LTD members with Own Occ Plus
 - Rider will convert automatically to own occupation without the 5 year limitations on claims beginning 8/1/18 and later.
 - Rate increase will be automatically reflected in invoice
 - \$0.04 to 0.23 per \$100 unit
 - Acknowledgement to membership
 - 8/1-8/31, 8/1-10/31 received info with billing invoice
 - Semi-Annual/ Annual received a post card and will see increase on next bill
 - Explanation of change and rate table provided
 - New Applicants
 - Selecting Own Occupation Plus will fall in line with new version (no 5-year limitation)

Own Occ Plus - Rates

Current Monthly Rates for Each \$100 Unit

30-Day Waiting Period				
Age	Each \$100	Cost of living adjustment	"Own Occupation Plus"	
			PREVIOUS	NEW
Under 31	\$1.83	\$0.67	(.17)	\$0.22
31-40	\$2.17	\$0.83	(.19)	\$0.26
41-50	\$2.83	\$1.00	(.26)	\$0.34
51-60	\$3.83	\$0.83	(.34)	\$0.46
61-65	\$6.00	\$0.33	(.55)	\$0.72
66 & Over	\$8.00	*	(.73)	\$0.96

60-Day Waiting Period				
Age	Each \$100	Cost of living adjustment	"Own Occupation Plus"	
			PREVIOUS	NEW
Under 31	\$1.67	\$0.67	(.15)	\$0.20
31-40	\$2.00	\$0.83	(.18)	\$0.24
41-50	\$2.67	\$1.00	(.24)	\$0.32
51-60	\$3.50	\$0.83	(.32)	\$0.42
61-65	\$5.67	\$0.33	(.51)	\$0.68
66 & Over	\$7.50	*	(.68)	\$0.90

Own Occ Plus - Rates

Current Monthly Rates for Each \$100 Unit

90-Day Waiting Period				
Age	Each \$100	Cost of living adjustment	"Own Occupation Plus"	
			PREVIOUS	NEW
Under 31	\$1.50	\$0.67	(.13)	\$0.18
31-40	\$1.83	\$0.83	(.17)	\$0.22
41-50	\$2.33	\$1.00	(.21)	\$0.28
51-60	\$3.00	\$0.83	(.27)	\$0.36
61-65	\$4.83	\$0.33	(.43)	\$0.58
66 & Over	\$6.67	*	(.60)	\$0.80

180-Day Waiting Period				
Age	Each \$100	Cost of living adjustment	"Own Occupation Plus"	
			PREVIOUS	NEW
Under 31	\$1.33	\$0.67	(.12)	\$0.16
31-40	\$1.67	\$0.83	(.15)	\$0.20
41-50	\$2.17	\$1.00	(.18)	\$0.26
51-60	\$2.67	\$0.83	(.24)	\$0.32
61-65	\$4.17	\$0.33	(.38)	\$0.50
66 & Over	\$5.83	*	(.52)	\$0.70

Own Occ - Original

- Many members have original Own Occ (prior to 5/1/04)
 - Does not include
 - Five-year limitation
 - 25% or greater loss of income requirement
 - No conversion from old Own Occ since it was better
 - Unaffected by change and rate increase

Own Occ - Opportunity

- Member/Agent Satisfaction that better protection is provided
- Potential to increase sales
 - Discussing change with current client can lead to policy reviews and in turn coverage increases and new product purchasing
 - Increased competitiveness
 - Increased ability to sell DI

Spouse DI - Benefit

- Monthly Benefit: \$500
- Max Benefit Period: 24 months
- Waiting Period: 30 days
- No Own Occ, No COLA
- No underwriting: subject to 12 month pre-ex conditions

Monthly Rate per \$100 Benefit

Issue Age <31	\$3.81
31-40	\$4.19
41-50	\$4.74
51-60	\$5.54
61-65	\$6.49

Spouse DI - Eligibility

- Eligibility under age 65
 - Terminates at 70
- Must be applied within first 60 days of the member LTD coverage, or
- Within first 60 days of marriage
- Current LTD Insureds
 - Spouse coverage can be added up to one year after product is live
- Domestic Partner is also applicable in those situations

Spouse DI – Your Opportunity

- Unique Opportunity
 - Not widely available; limited competition
 - Reason to review with current clients
 - Leads to increased DI, life coverage, etc.
 - Reinforcement of value to protect the member and their family
 - No full-time at work provision
 - Allows you to reach those spouses that are ‘stay-at-home’
 - Must be performing normal activities of person of like age

AVMA LIFE Chronic Care Option
(Chronic Illness Rider) on
Family Group Life

What Is It?

- Optional Rider to FGL (maximum of \$1,000,000 FGL)
- Accelerate up to 50% of FGL in cash (maximum \$500,000) while alive
 - Helps provide financial security in the event you develop a “chronic illness” condition. It can help pay for:
 - In-Home & Out-Of-Home Care
 - Transportation Costs
 - Medical Supplies
 - Other expenses incurred

Chronic Care Definition

- Licensed health care practitioner (cannot be the insured, or family member of insured)
 - Certifies that the insured is permanently unable to perform 2 out of 6 daily activities
 - Bathing, dressing, eating, toileting, transferring, or continence
- Or, has a permanent severe cognitive impairment requiring substantial supervision
- The Chronic Illness must occur after the option is in place
- Last for a continuous period of 90 days

Eligibility

- Available to members and spouses under age 65 on life insurance amounts of \$1,000,000 or less
- Currently unavailable in the following states
 - CT, ID, LA, MN, MT, NC, OH, SD, UT and WA
- Rider is available in Puerto Rico

How it Works

- Allows insured under age 75 to accelerate 50% of that portion of life insurance for which the rider was purchased and which would be in effect one year after the date NYL approves request for acceleration
- A single payment of 12.5% yearly over a 4-year period
- Members who qualify for acceleration prior to age 60 will after 90 days qualify for Waiver of Premium for both FGL and Chronic Illness Option

Chronic Illness and Terminal Illness (Accelerated Death Benefit)

- Family Group Life provides for a Terminal Illness Acceleration provision
- If the Chronic Illness Acceleration is requested, followed then by Terminal Illness Acceleration,
 - The total acceleration benefit combined for a 75% of the insurance benefit
 - 25% death benefit will remain
- If Terminal Illness Benefit is requested first, the Chronic Illness Option will terminate

Length of The Rider

- Terminates at age 75, or prior based on,
 - Terminal Illness Acceleration requested first
 - 4th payment is received
 - Premiums are not paid when due
 - No longer an AVMA member

Questions?

Anything we can't answer today we will take note of and provide the answer(s) in our next agent communication