

# For Physicians: Insurance To Help Keep Your Practice Running When You Become Disabled



## *Disability Overhead Insurance endorsed by your County/District Medical Society*

### How Much Does It Cost To Run Your Practice?

If you're like most physicians, your overhead costs are on the rise. Major expenses usually include employees' salaries and benefits, malpractice insurance premiums, and rent.

Now ask yourself what would happen if you were disabled and your income stream to the practice stopped? How would your practice survive? Disability overhead insurance reimburses you for covered overhead expenses if you are disabled, up to the policy limit. The benefit to you is that your practice will be there when you are able to resume your duties.

### **UP TO \$50,000 PER MONTH (\$600,000/Yr.) OF COVERAGE IS AVAILABLE TO MEDICAL SOCIETY MEMBERS.**

This Policy reimburses you for 100% of your covered office expenses, not to exceed your monthly benefit. It's the perfect complement to any other Disability Income benefits you may have, because, unlike personal Disability Insurance, this Plan protects your practice, your partners and your employees.

### Highlights

- Up to \$50,000 a month in benefits. Premiums are tax-deductible. Benefits are paid directly to you.
- You don't need to be hospitalized or confined at home to qualify for benefits.
- You need not be permanently disabled to collect benefits. You need only be totally disabled to collect benefits. See Definition of Total Disability.
- If you become totally disabled before age 60 and remain disabled for six continuous months, premium payments are waived as long as you are continuously disabled and receiving benefits under the policy.

- You have a choice of waiting periods — 15, 30, 60, or 90 days - before your benefits begin.
- You have a choice of benefit periods — 12 months, 18 months or 24 months for benefits to be payable.

### ***Plus...you take advantage of reasonable rates!***

### Eligibility And Amounts Of Insurance Available

Eligible applicants are members under age 60 whose applications are acceptable to the Insurance Company. The following amounts of insurance are available:

Up to \$50,000/month - payable for 12 months
Up to \$40,000/month - payable for 18 months
Up to \$30,000/month - payable for 24 months

The maximum total amount of coverage is \$50,000 a month.

### Qualification

Acceptance into the program is subject to evidence of insurability as determined by the Insurance Company. Depending upon the amount of coverage for which you apply, it may be necessary for you to have a paramedical exam, blood test and urinalysis, all of which can be conducted at your convenience and at no expense to you.

### How This Policy Works For You

While you are totally disabled, your policy reimburses you for the actual overhead expense of your practice for which you are responsible, up to the monthly benefit you select. Benefits are paid after the first 15, 30, 60 or 90 days, depending on the waiting period you select.

## An Important Benefit – Even In A Group Practice

While your partners may cover your workload, you still need to consider Disability Overhead Protection because:

- Other partners could become disabled at the same time, placing increased financial pressure on the group.
- You'll still need the funds to cover your portion of the group's ongoing business expenses.

## Total Disability

You are considered "totally disabled" when, due to injury or sickness, you:

1. are unable to perform the substantial and material duties of your occupation (defined as your specialty),
2. are not performing the duties of any gainful occupation for which you are reasonably fitted by education, training, or experience, and
3. are receiving regular medical care by a physician.

## Renewal Guarantee

This coverage is automatically renewed by paying the renewal premium applicable for your particular age. The coverage will only end if you do not pay the premium within the grace period, reach age 70, retire, or cease to be actively engaged full-time in your profession.

Renewal can also be declined if you cease to be a member of the organization named in the application, if the organization withdraws sponsorship of the Program, or sponsors a similar Program. However, you can ensure uninterrupted coverage by converting to a continuation policy providing comparable benefits.

## Premiums Are Tax-Deductible

It is our understanding that the Business Overhead Expense Program conforms with the Internal Revenue Service Ruling 55-264, I.R.B. 1955-19, p.8. This allows the cost of this insurance to be deducted, as a business expense, when computing Federal Income Tax. Disability Overhead benefits are generally taxable. Of course, it is always advisable to secure the advice of your tax advisor or the IRS.

## Pregnancy Benefit

A loss or disability due to pregnancy or childbirth will be covered under the terms of the policy provided:

- 1) The pregnancy commences at least one month after your policy effective date; and
- 2) The pregnancy or childbirth disability is the greater of:
  - a) the waiting period shown on the Policy Schedule or
  - b) 30 days;
- 3) Such pregnancy or childbirth results in continuous total disability.

Payment is subject to any waiting period requirements. Complications of pregnancy, as defined in the policy, are covered on the same basis as any other sickness.

## Recurring Disability

If you return to full-time employment in your usual occupation for three months or more after a total disability, a second claim for that same disability will be considered a new disability.

## Exceptions

Your policy does not cover any of the following:

- Your salary, fees, drawing accounts, or any other remuneration for you.
- Salaries, fees, drawing accounts, or any other remuneration for members of your profession who work for you or with you.
- Salaries for any members of your family who are not regularly employed by you for at least three months prior to the onset of total disability.
- The cost of merchandise, equipment, or other supplies pertaining to your profession.
- Income tax or the cost of leased automobiles.

Your policy does not cover disabilities or losses caused by, contributed by, or resulting from:

War, any act of war; suicide, attempted suicide, or intentionally self-inflicted injury; test or experimental flying, operating or traveling in, or flying any aircraft operated by or under the direction of any military; pregnancy beginning before or during the first 30 days after your policy takes effect; service in the armed forces; participation in a felony.

In addition, no benefits shall be payable for more than one disability at any one time.

## Effective Date of Coverage

Your Disability Overhead Protection will become effective on the first day following the approval of your application and receipt of your first premium.

## Your County/District Medical Society's Group Purchasing Power Results in Reasonable Premiums

### Semi-Annual Premiums per \$1,000/Monthly Benefit

Attained Age	24-Month Benefit Period		18-Month Benefit Period		12-Month Benefit Period	
	15 day Waiting Period	30 Day Waiting Period	15 day Waiting Period	30 Day Waiting Period	15 day Waiting Period	30 Day Waiting Period
Under Age 30	\$14.00	\$10.00	\$13.20	\$ 9.30	\$12.10	\$8.40
30 - 34	\$27.00	\$20.00	\$25.10	\$18.40	\$22.70	\$16.40
35 - 39	\$33.00	\$24.00	\$30.70	\$22.10	\$27.80	\$19.70
40 - 44	\$43.00	\$33.00	\$38.70	\$29.30	\$33.60	\$25.00
45 - 49	\$62.00	\$48.00	\$55.80	\$42.60	\$48.50	\$36.40
50 - 54	\$104.00	\$86.00	\$90.60	\$74.00	\$75.40	\$60.50
55 - 59	\$129.00	\$107.00	\$112.40	\$92.00	\$93.50	\$75.20
60 - 64**	\$168.00	\$150.00	\$143.50	\$126.60	\$115.90	\$100.50
65 - 69**	\$207.00	\$185.00	\$176.80	\$156.10	\$142.80	\$124.00

\*\*Renewal only

Additional amounts of coverage in \$100 increments and other waiting period options are also available.

## Waiver of Premium

If you become totally disabled before age 60 and remain totally disabled for six continuous months, the Company will waive premiums for any continuing period of disability for which you are receiving benefits.

## Insurance With Other Insurers

If we have not been given notice at time of application of other similar expense incurred coverage, a reduced benefit may be payable as stated in your policy.

## Valuable Optional Benefits Optional Recovery Benefit

This affordable option helps your practice when you return to work and are beginning to generate income again.

Upon cessation of total disability, the Company will pay you a lump sum benefit equivalent to (from 1/4 to 3 months) disability payment if you were totally disabled and received benefit for 45 days or longer.



The number of months of Recovery Benefit may not exceed the Maximum Benefit Period less the period for which Total Disability benefits were payable. For rates, please contact Sellers & Co.

## Guaranteed Purchase Option

With this option, you may increase your monthly Disability Overhead benefit without evidence of insurability. You can increase it by 25% of the original amount on the second, fourth, sixth, and eighth anniversaries of the effective date.

This benefit is only available to applicants under age 45, and increases under this option cannot exceed LICOBNY's maximum issue amounts in effect at the time the rider is issued.

The premium rate for this benefit is 4% of the sum of the base policy rate and, if included in the policy, the Recovery Benefit rate.

The premium charge for this benefit expires on the earlier of: the eighth anniversary of the first renewal date, or the renewal date on which the insured requests its termination, or when the maximum monthly benefit amount is reached.

## How To Apply...

To apply, contact us for an application, or one is available at [sellersinsurance.com](http://sellersinsurance.com).

Please mail, e-mail, or fax it to Charles J. Sellers & Co., Inc. Customer Representatives are available to meet with you or discuss the application process by phone.

# Disability Overhead Expense Insurance for County & District Medical Society Members

## How Much Disability Overhead Expense Coverage Do You Need?

Use this worksheet to calculate your average monthly overhead. If you are a member of a professional corporation, a Partner, or if you share office facilities, list your portion of expenses only.

Rent or Mortgage .....	\$ _____	Professional Association Membership Dues .....	\$ _____
Employees' Salaries* .....	\$ _____	Electricity .....	\$ _____
Employees' Benefits* (Health Insurance for Employees, Employees' Retirement Program) .....	\$ _____	Heat .....	\$ _____
Depreciation (Office and Medical Equipment) .....	\$ _____	Water .....	\$ _____
Property Taxes .....	\$ _____	Laundry .....	\$ _____
Interest on Outstanding Loans (Office Mortgage, Payments for Medical Equipment) .....	\$ _____	Telephone .....	\$ _____
Licenses .....	\$ _____	Cost for Answering Service .....	\$ _____
Office Insurance (Malpractice, Unemployment Insurance, DBL Insurance, Workers' Compensation, Social Security (Employer's portion), Property & Liability Premiums for Office, Premium for Office Overhead Insurance) .....	\$ _____	Office Cleaning .....	\$ _____
Accounting Fees (practice related) .....	\$ _____	Computer Network/Data Access Fees .....	\$ _____
Legal Fees (practice related) .....	\$ _____	Maintenance Costs (Office and Medical Equipment) .....	\$ _____
		Escalation Clauses in Rent .....	\$ _____
		Other Fixed Expenses (e.g., magazine subscriptions practice related) ....	\$ _____
		<b>TOTAL</b> .....	\$ _____
		Less estimated reduction of overhead** .....	\$ _____
		<b>MONTHLY BENEFIT NEEDED</b> .....	\$ _____

\* Excluding salaries/benefits of insured and members of insured's Profession.

\*\* If, during a period of disability, any expense could be reduced without adversely affecting your practice, you may want to subtract this amount to determine the coverage you need.

### Endorsed by your County/District Medical Society

#### About the Administrator...

This Disability Overhead Expense Insurance Program is administered by:



Charles J. Sellers & Co., Inc.  
4300 Camp Road, P.O. Box 460  
Athol Springs, NY 14010

Phone: 716-627-5400 || Fax: 716-627-5420  
National Toll-free Customer Service Numbers  
Phone: 1-800-333-5440 || Fax: 1-800-462-1121

E-mail: [insurance@sellersinsurance.com](mailto:insurance@sellersinsurance.com)  
Web Site: [www.sellersinsurance.com](http://www.sellersinsurance.com)

Charles J. Sellers & Co., Inc. has been providing New York professionals and their families with insurance services since 1920. If you have questions about this Program, or if you would like a customer representative to visit you, please call the toll-free customer service number above.

#### About the Insurance Company...

This Disability Overhead Expense Insurance Policy is underwritten by:



Life Insurance Company of  
Boston & New York  
4300 Camp Road, P.O. Box 331  
Athol Springs, NY 14010

Life Insurance Company of Boston & New York (LICOBNY) has a Best's Rating of A (Excellent). This rating reflects an evaluation of the Company's financial strength, operating performance and market profile. The rating also provides an independent opinion of a company's ability to meet its obligations to policyholders. A represents the third highest rating out of a possible 16 rating categories. The current rating was affirmed by AM Best on 2/6/18. For current rating information, see [www.ambest.com](http://www.ambest.com).

LICOBNY underwrites sponsored Disability Income Protection for over 40 Medical Societies, Bar Associations and other professional groups in New York State with Charles J. Sellers & Co. Inc.

#### Required disclosure statement

This policy provides DISABILITY OVERHEAD EXPENSE PROTECTION insurance only. It does NOT provide basic hospital, basic medical or major medical insurance as defined by the New York State Insurance Department. The expected benefit ratio for this policy is 60%. This ratio is the portion of future premiums which the company expects to return as benefits when averaged over all people with this policy. See Policy Form BOE-NT (0900) NY.

This brochure is for illustrative purposes only, and is not a contract. It is intended to provide a general overview of the benefits described. The policy will provide the actual description of benefits, terms, conditions, and exclusions.