



AMERICAN FOREIGN SERVICE PROTECTIVE ASSOCIATION

# Voluntary Group Disability Income Protection Insurance







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## Top 4 Reasons to Consider the AFSPA Disability Plan

**1. If you have a partial disability, you will not qualify for FERS disability retirement benefits.**

In a recent study done by a federal employee association, over 70% of the disability cases were partial or residual.<sup>1</sup> Therefore, the federal employee did not qualify for federal disability retirement benefits under FERS.

With AFSPA's Plan, you can receive up to 60% of your monthly income for 24 months if you experience a 20% or more income loss due to a sickness or injury.

**2. Disability retirement benefits under FERS are taxable.<sup>2</sup>**

The benefit amount under AFSPA's Plan is not taxable<sup>3</sup>, providing a greater net income replacement ratio for when you need it most.

**3. New federal employees must complete at least 18 months of service to be eligible for FERS disability retirement benefits.<sup>4</sup>**

**4. To be eligible for FERS disability retirement benefits, the disability must be expected to last at least one year.<sup>4</sup>**

*Source material*

<sup>1</sup> Annual Statistical Report on the Social Security Disability Insurance Program, 2012

<sup>2</sup> IRS.gov, January 2014

<sup>3</sup> IRS Publication 907

<sup>4</sup> [www.opm.gov/retirement-services/fers-information/types-of-retirement/](http://www.opm.gov/retirement-services/fers-information/types-of-retirement/), August 4, 2014

## How long can you go without an income?

A serious medical condition or accidental injury can deplete your savings in a relatively short period of time. It's difficult for most working adults to imagine a time when they are unable to work for several months and have very little, or no, income coming in. This plan was developed to fill that gap. Consider applying for coverage if you are a newly hired employee, do not have a substantial amount of sick leave, or just want some extra protection. By planning ahead and getting the right coverage, you will be able to pay your:

- Mortgage or rent
- Utility bills
- Credit cards
- Car payment
- Other monthly expenses

## ELIGIBILITY

You must be a member of the American Foreign Service **Protective Association**. Membership is open to:

- All Foreign Service personnel and direct hire employees of the Department of State, Department of Defense, Agency for International Development, Foreign Commercial Service, Foreign Agricultural Service, DHS, CIA, NSA, Office of Director of National Intelligence and Peace Corp staff and volunteers.
- Executive Branch civilian employees assigned overseas or to U.S. possessions and territories.
- Direct hire domestic employees assigned to support those activities.

Contact us either via e-mail at [AFSPA@AFSPA.org](mailto:AFSPA@AFSPA.org) or phone at 202-833-4910 regarding your eligibility for **AFSPA** membership.

## AVAILABLE BENEFITS

**Benefit Amount:** You may apply for a benefit amount of 60% of your salary, to a maximum of \$5,000 per month less any other in-force disability benefits.

**Maximum Benefit Period:** The plan provides 24 months of benefits.

**Elimination Period:** The policy Elimination Period is 45 days. This is the amount of time before benefits begin, if you become disabled.

**Optional Lump Sum Benefit:** A Lump Sum Benefit (if elected at the time of your application) of \$250,000 or 5x your salary, whichever is less, will be payable upon completion of the 45-day Elimination Period and the 24-month Benefit Period.

## POLICY SPECIFICS

**Disability/Accident and Sickness:** Monthly benefits will be payable upon completion of the 45-day Elimination Period for the period of disability, but not longer than the 24-month Benefit Period.

**Permanent Disability/Accident and Sickness:** A Lump Sum Benefit (if elected at the time of your application) of \$250,000 or 5x your salary, whichever is less, will be payable upon completion of the 45-day Elimination Period and the 24-month Benefit Period.

## ADDITIONAL FEATURES

**International Coverage:** This plan will cover you in the United States and overseas.

**Residual Benefit:** If the insured person experiences a loss of 20% or greater of pre-disability earnings, a corresponding portion of the monthly benefit will be payable after the 45-day Elimination Period has been met for: (1) the period of loss or (2) the 24-month Benefit Period, whichever is shorter. A loss of earnings of 80% or greater will be considered a 100% loss.

**Waiver of Premium:** We will waive premium for you during a period of disability for which the disability monthly benefit is payable under the policy. Premium payment is required during the Elimination Period or any other period when the disability monthly benefit is not payable under the policy.

## EXCLUSIONS

**Pre-Existing Condition:** A condition for which: (1) medical advice or treatment was recommended by or received from a Physician during the one-year period preceding the Effective Date of this coverage for the first year of the policy term; or (2) symptoms were present during the one-year period preceding the Effective Date of this coverage that would cause a reasonably prudent person to seek advice or treatment from a Physician for the first year of the policy term.

**Disability that occurs as a result of the following:** Bodily Injury or Sickness caused or contributed to by service in the armed forces of any country or international authority; intentionally self-inflicted injury or attempted suicide; taking illegal or non-prescribed drugs; alcohol; injury sustained while engaged in illegal activity; pregnancy or abortion; mental or emotional disorder; piloting any aircraft unless specifically covered by the policy; war, whether declared or not; actual or threatened malicious use of biological or chemical materials; nuclear reaction, nuclear radiation or radioactive contamination.

## WHEN COVERAGE BEGINS

All periods of insurance begin at 12:01 a. m. Local Standard Time on the first of the month following your approval of coverage and your direct debit has been activated.

## WHEN COVERAGE ENDS

Coverage will end when one of the following occurs: (1) on the date the insured dies; (2) on the date you request to end coverage; (3) on the Termination Date shown in the Schedule; (4) at the end of the period for which the premium is paid; or (5) the date the Insured ceases to be employed.

## COORDINATION OF BENEFITS

Any benefit hereunder is payable secondary to any other valid and collectible disability benefit in-force at the time of claim and the maximum total combined benefit of all in-force disability policies shall not exceed 60% of the Insured Person's average monthly earned taxable income for the twelve (12) consecutive months immediately prior to any claim, at the time of claim, or the amount stated in the Schedule, whichever is less.

## SCHEDULE OF PREMIUMS

Age	Monthly Benefit Rate - Per \$100 (\$5,000 maximum)	Lump Sum Benefit Rate - Per \$1,000
< 34	0.847	0.12
35-44	1.015	0.151
45-49	1.449	0.217
50-54	2.069	0.309
55-59	3.111	0.703
60-64	5.406	N/A*

## SAMPLE PREMIUM GRID

BASIC COVERAGE: \$5,000 A MONTH			
AGE 30	AGE 40	AGE 50	AGE 55
\$0.847 x 50 = \$42.35/mo \$508.20/yr	\$1.015 x 50 = \$50.75/mo \$609.00/yr	\$2.069 x 50 = \$103.45/mo \$1,241.40/yr	\$3.111 x 50 = \$155.55/mo \$1,866.60/yr
LUMP SUM: \$250,000			
AGE 30	AGE 40	AGE 50	AGE 55
\$0.126 x 250 = \$31.50/mo \$378.00/yr	\$0.151 x 250 = \$37.75/mo \$453.00/yr	\$0.309 x 250 = \$77.25/mo \$927.00/yr	\$0.703 x 250 = \$175.75/mo \$2,109.00/yr
COMBINED TOTAL PREMIUM			
AGE 30	AGE 40	AGE 50	AGE 55
\$73.85/mo \$886.20/yr	\$88.50/mo \$1,062.00/yr	\$180.70/mo \$2,168.40/yr	\$331.30/mo \$3,975.60/yr

Go to our website to use the calculator to determine your premium amount.

## HOW TO APPLY

- 1) Apply online via our website [www.AFSPA.org/disability](http://www.AFSPA.org/disability) for faster processing. Alternately, you may complete the attached application and mail it to the address below or via fax at 202-775-9082.  
**American Foreign Service Protective Association**  
 1620 L Street, NW  
 Suite 800  
 Washington, DC 20036  
 Attn: Disability Insurance Department
- 2) You will receive written confirmation from Lloyd's of London when you are approved for coverage.
- 3) For additional information, you may contact us via phone at 202-833-4910 or via e-mail at [disability@AFSPA.org](mailto:disability@AFSPA.org).
- 4) NOTE: Monthly premiums are to be paid via DIRECT DEBIT only. Please do not send any premium payment with the application. You will be notified by e-mail when the direct debit has been activated.

Disclaimer: This is not the insurance contract. This brochure provides a brief description of the important provisions of the master policy.

Policy provisions will prevail if there is a conflict between the policy and this brochure.

## DIRECT DEBIT

**NOTE: Premiums must be paid by electronic debit from your bank account.** We do not accept premium payments by any other method. Deductions will be on a monthly basis from your bank account.

To set up direct debit please fill out the information below. You will need to know your routing number (ABA) and your bank Account Number. See image below for clarification.

Depository Name: \_\_\_\_\_

Branch: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Routing Number: \_\_\_\_\_

Account Number: \_\_\_\_\_

Important! Please verify your bank information (above) and make necessary corrections. Incorrect information will result in delays in processing your direct deposit request with AFSPA.

Account Type  
 Checking: \_\_\_\_\_  
 Savings: \_\_\_\_\_

Account Holder SSN: \_\_\_\_\_

Joint Account Holder SSN: \_\_\_\_\_

You must mail or fax a copy of this direct debit form with your completed enrollment form to 202-775-9082.

**NOTE: We cannot activate your direct debit (and disability income protection coverage) until we receive all required forms.**



Proposed Insured's Name:			
First	Middle	Last	
Relationship to Member:			
Address:			
Street & Number	City	State	Zip Code
Date of Birth:		Social Security No.:	
Height: _____ Ft. _____ In.	Weight: _____ Lbs.	Sex: <input type="checkbox"/> M <input type="checkbox"/> F	
Phone:		E-mail:	
Agency Name:		Annual Salary:	
Insured's Occupation:		Current Work Location:	
Major Duties: _____ _____ _____			
Coverage Requested:			
<input type="checkbox"/> Disability		Monthly Benefit Requested: _____ (60% of salary, up to \$5,000)	
<input type="checkbox"/> Optional Lump Sum Benefit* <small>* Disability must be selected to elect this option</small>		Lump Sum Benefit Requested: _____ ((\$250,000 or 5x salary, whichever is less))	
Please answer the following questions:			
1. Have you been seen by, or been advised to see, a physician or other health care provider for any chronic condition, mental health condition, health problems or injuries in the past 5 years (excludes routine physical exams or medical clearances)? <input type="checkbox"/> No <input type="checkbox"/> Yes, please provide details. _____ _____			
2. Are you currently taking any prescription or over the counter medications or receiving treatment of any kind? <input type="checkbox"/> No <input type="checkbox"/> Yes, please provide details. _____ _____			
3. Do you engage in any hazardous sport, hobby, or avocation such as mountain biking, auto racing, roller blading, bungee jumping, scuba diving, hang gliding, parachuting, technical climbing, etc? <input type="checkbox"/> No <input type="checkbox"/> Yes, please provide details. _____ _____			
<p><b>Declaration:</b> I declare that the above statements are true and complete, and that, apart from the matters declared above, I am in good health and ordinarily enjoy good health. I agree to the Underwriters obtaining medical information from any doctor who has attended me and authorize such doctor to give this information. I agree that this proposal shall form the basis of the contract should the insurance company be affected and any misstatements or omissions above may be ground for rescission. I understand that pre-existing conditions are not covered unless disclosed on this application, and agree to be covered by the Underwriters.</p>			
Signature: _____		Date: _____	

To provide unparalleled service that our unique, worldwide membership requires, AFSPA manages a comprehensive set of health insurance benefits and related programs promoting the welfare of our members who support U.S. foreign affairs and related missions. For more information on these programs, visit [www.AFSPA.org](http://www.AFSPA.org) or call us at 202-833-4910.

### GROUP DENTAL INSURANCE:

AFSPA offers four dental plans to meet our member's needs. Two are Dental Health Maintenance Organizations (DHMO's) available for our stateside members. One plan is exclusively for the Mid-Atlantic area and the other offers nationwide coverage. The Mid-Atlantic plan offers a separate orthodontic benefit to members who need that specific coverage. These DHMO's do not require claim forms and the member pays reduced fees for procedures without waiting periods. Members must use a participating dentist in the network for these services to be covered.

We also offer a Dental Preferred Provider Organization (DPPO) plan that can be used anywhere in the world. Coinsurance rates are the same, whether you use an in-network or an out-of-network provider.

Our international dental plan provides worldwide coverage. However, it pays at a higher coinsurance rate when services are rendered outside the U.S. than in the U.S. Overseas services are not subject to a fee schedule or out-of-network penalties.

### MEMBERS OF HOUSEHOLD INSURANCE:

AFSPA offers several medical plans for Members of Household, which include domestic partners, parents and dependent children over age 26 who do not qualify for coverage under the Federal Employees Health Benefits Program. These policies offer a choice of deductibles and medical coverages. Separate coverage applies for treatment received inside the U.S. and Canada.

### GROUP TERM LIFE INSURANCE:

Coverage is available up to \$600,000. This policy can be purchased as your main source of protection or to supplement any existing coverage. It includes benefits for loss due to acts of war or terrorism. There are no exclusions. Members can keep this policy in the event they leave government service. Family coverage is available also.

### GROUP ACCIDENTAL DEATH & DISMEMBERMENT INSURANCE:

This plan provides protection up to \$600,000 against accidental injuries or death anywhere in the world. It includes a Home Alteration and Vehicle Modification Benefit of 10% of the principal amount or \$10,000. The policy includes benefits for loss due to acts of terrorism.

### LONG TERM CARE PLANNING:

AFSPA has been sponsoring long term care plans since 1990 as we believe strongly that this coverage can be a very important part of an individual's portfolio. One plan does not fit all, so as long term care products have evolved, we enhanced our long term care offerings. Our broker, Signature Financial Partners LLC, assists members with finding a long term care plan that best suits their needs.

### TAX CONSULTATION SERVICES:

Beers, Hamerman, Cohen & Burger, P.C., offer services from a group of five CPA tax accountants with at least 10 years of accounting experience. They offer:

- A complimentary 20-minute consultation to AFSPA members and retirees who have tax questions.
- A 10% discount on standard hourly rates.
- A dedicated secure e-mail address for members to ask their questions.

Prior to services being rendered, they will issue a letter of understanding.

### FINANCIAL PLANNING:

AFSPA recognizes the importance of financial planning for the future. There is not a magic formula or set of criteria that works for all members. We offer several financial planning options with knowledgeable advisors to help navigate the overwhelming amount of information pertaining to planning for the future. Knowledge/education is the key to financial planning.

### TRAVEL ASSISTANCE SERVICES:

This plan offers emergency medical evacuation, on-the-spot emergency medical payments, worldwide medical referrals, medical monitoring, prescriptions replacement assistance and repatriation of remains benefits. Annual and per trip coverage is available.

### LEGAL SERVICES:

To help our members find the appropriate representation and advice, AFSPA has arranged for several Washington, D.C. metropolitan area law firms to provide advice on wills, power of attorney, family law, real estate transactions, taxes, personal injury and business planning at a discounted rate.

### IMMEDIATE BENEFIT PLAN:

AFSPA offers a term life insurance plan that is available to employees of selected agencies to cover immediate expenses, such as mortgage payments, funeral expenses and final medical costs upon the death of a loved one.

- A benefit of \$15,000 (\$7,500 at age 70) paid to the beneficiary, generally within two business days upon AFSPA's receipt of notification of employee's death.
- No medical questions to answer when enrolling during a qualifying event (new hire, open enrollment period, or first overseas assignment).

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