

Your Insurance Plans in ACTION



A personal message from Cindy Johnson
AICPA Life Insurance/Disability Plans Committee

2018 – More Innovation, More Benefits, More Value

In 2018, the Committee and its insurance partners continued to enhance the AICPA Member Insurance Program. Our mission is to explore new products and services that will enrich your journey personally and professionally. This year's member experience enhancements included:

- **CPA Life Express Expanded**

PA Life Express, our innovative life application process released in 2017 for younger AICPA members offered up to \$500,000 of coverage, and featured an easy to complete application, with no medical questions. Year-end results showed an almost 40% increase for new business in this age group. In October 2018, we modified the program to offer up to \$1 million of coverage for ages 18 – 39. We continue to analyze results to determine if this can be expanded to more ages and products in 2019.

- **CPA Life and Spouse Life Premium Credit**

A rate credit was applied to eligible insureds age 55+ within the Select rate class for the policy year ending September 30, 2018. Their 2019 refund is based on the contribution amount paid (not billed) which was net of the credit. We are pleased to offer another special premium credit to this same group effective with the October 1, 2018 renewal.

- **Long-Term Care Insurance from New York Life**

Our relationship with New York Life provides members with the ability to meet with Long-Term Care agents for guidance on the best ways to protect yourself financially. Almost 7,000 members have requested information about protecting their retirement assets with personal long term care coverage.

- **Long-Term Care Insurance from The Prudential Insurance Company of America**

The Committee continued to work diligently throughout the year to minimize the impact of rate changes to members. However, some members may see a rate increase with their August 2019 renewal.

- **Long Term Disability**

Nobody likes to see a rate increase, but sometimes rate increases are inevitable after three rate reductions from 2011 to 2014. As a result of escalating claim costs, a rate increase

was implemented as part of the January 2019 renewal. Even with rate increases in 2019, we are still collecting less from our members now than we did in 2013. However, our plan still remains very competitive in the marketplace.

- **Identity Theft Protection**

In conjunction with the AICPA Professional and Personal Liability Insurance Programs Committee, a new identity theft protection product, Identity Guard, was launched in 2018. Individual and Firm benefit options are available.

Did You Know?

The member's Group Variable Universal Life (GVUL) plan is life insurance with a tax deferred investment fund element of your coverage. GVUL provides a choice of investment options, including a fixed account with a minimum annual interest rate of 4%. To qualify for the GVUL Plan including the 4% interest rate, all underwriting and related administrative matters must be completed no later than November 19, 2019.

The fixed-account guarantee is based on the claims-paying ability of the issuing company.

The Future

We are working on implementing new program enhancements designed to help protect your financial security and further enrich your AICPA membership experience.

- **Annuities 2019**

Our market research shows that CPAs have a strong desire for an Annuity product that offers guaranteed lifetime income benefits. The Committee is pleased to announce that a new annuity product will be introduced in 2019 that offers this type of benefit.

- **Individual Life Insurance Plans**

We will be conducting a review of the individual life insurance program with the objective of reducing contribution rates and expanding the number of rate schedules available.

- **Group Life and Disability Account Management Portal**

To help busy firm administrators manage AICPA Group benefits, we are introducing a streamlined, easy-to-use enrollment and administration portal.

The Committee, Aon and our underwriters are united in our desire to keep the AICPA Member Insurance Program affordable and on the cutting edge of what is available in the insurance marketplace today.

Your
2019 REFUND
for the Plans shown.
Your 2019 Refund Worksheet.

Your refund is a percentage of your insurance contributions for your subscription in effect at the end of the following periods:

October 1, 2017 through September 30, 2018

- CPA Life Insurance Plan
- Group Variable Universal Life Insurance Plan
- Level Premium Term Life Insurance Plan
- Group Insurance Plan

January 1, 2018 through December 31, 2018

- Long Term Disability Income Plan
- Business Overhead Expense Plan

» Coverage is issued by The Prudential Insurance Company of America (Prudential).

Your Insurance Plans And 2019 Refund Percentages Of Contributions

MEMBER LIFE INSURANCE PLANS

Depending on your age and memberships, up to \$2,500,000 of life insurance is available. Accidental Death & Dismemberment coverage and a disability waiver benefit are available as options. Also available is optional Dependent Child Coverage with \$10,000 of life insurance for each dependent child.

CPA Life Insurance Plan

The Plan for members also makes available Spouse Life Insurance offering the same limits with rates based on the spouse's age and gender; coverage amount may not exceed the member's eligible amount.

*Gender based rates are prohibited in Montana, male rates apply.

Level Premium Term Life Insurance Plan

The Plan provides term life insurance for AICPA members and spouses at a level monthly rate over a 10 or 20-year period for ages through 55 and a 10-year period for ages 56 through 65. Rates may change on a class basis. The insurance may be obtained alone or in conjunction with CPA Life Insurance Plan or GVUL coverage.

Claim costs for the Individual Life Program were higher for the policy year ended September 30, 2018, when compared to recent years. This has resulted in lower refund rates for 2019.

Maximum Amounts of Member Life Insurance

CPA Life Insurance Plan and GVUL Plan

(In thousands of dollars)

Memberships	Ages			
	Under 55	55-64	65-69	70-74
A. AICPA only	\$2,000	\$1,500	\$1,000	\$500
B. State Society of CPAs only	\$500	\$500	\$250	\$150
Member of A. and B.	\$2,500	\$2,000	\$1,500	\$750

Insurance under the CPA Life Insurance Plan reduces at age 75 to 50% of the insured's previous amount or \$500,000, whichever is less, and terminates at age 80. Insurance under GVUL may be reduced at ages 75 and 80 and terminates at age 100.

Level Premium Term Life Insurance Plan

(In thousands of dollars)

Memberships	Ages	
	Under 55	55-64
A. AICPA	\$2,500	\$2,000

Insurance under the Level Premium Term Life Insurance Plan terminates at age 95.

REFUND RATES

CPA Life Insurance Plan

Refund for policy year ended September 30, 2018.*



CPA LIFE

Member and Spouse Ages	Member			Spouse		
	Annual	Semi Annual	Monthly	Annual	Semi Annual	Monthly
A. Standard						
Under 40	44%	43%	42%	44%	43%	42%
40-49	34%	33%	32%	34%	33%	32%
50-59	19%	18%	17%	19%	18%	17%
60-79	7%	6%	5%	7%	6%	5%
B. Select Status						
45-49	44%	43%	42%	44%	43%	42%
50-54	37%	36%	35%	37%	36%	35%
55-59	25%	24%	23%	25%	24%	23%
60-79	13%	12%	11%	13%	12%	11%
C. Preferred						
50-59	43%	42%	41%	43%	42%	41%
60-79	31%	30%	29%	31%	30%	29%

REFUND RATES

Group Variable Universal Life Insurance Plan

Refund for policy year ended September 30, 2018.*

GVUL

Ages	Annual	Semi Annual	Monthly
A. Standard			
Under 40	42%	42%	42%
40-49	32%	32%	32%
50-59	17%	17%	17%
60-79	5%	5%	5%
B. Select Status			
45-49	42%	42%	42%
50-59	35%	35%	35%
60-79	23%	23%	23%
C. Preferred			
50-59	41%	41%	41%
60-79	29%	29%	29%

*Shown is the annual refund basis for Member and Spouse Standard, Select Status and Preferred participation. The refund percentages are decreased by 1% for the semi-annual basis, or by 2% for the annual basis, if contribution payments for the October 2018 renewal were not remitted by December 31, 2018. Optional AD&D terminates at age 75.

REFUND RATES

Level Premium Term Insurance Plan

Refund for policy year ended September 30, 2018

Member and Spouse Ages	Member			Spouse		
	Annual	Semi Annual	Monthly	Annual	Semi Annual	Monthly
All	12%	11%	10%	12%	11%	10%

Optional AD&D terminates at age 75.

Your 2019 Refund Worksheet

Contribution	\$ _____
x Refund Percent	_____ %
= Sub-total	\$ _____
+ Refund Enhancements	\$ _____
- Dependent Child Coverage	\$ _____
<hr/>	
= TOTAL REFUND	\$ _____

Refund Enhancements

A member's refund is increased by \$25.00 if member has more than one trust product. For participants making monthly Electronic Fund Transfer payments, the refund basis is increased by \$25.00. The refund is reduced by \$6.00 for participants with Dependent Child Coverage. If you signed up for ACH by December 31, 2018, you will receive a one-time \$25 increase to your 2019 refund.

LONG TERM DISABILITY INCOME PLAN

Total Disability Income Benefits Program

Monthly disability income insurance benefits of \$1,000 through \$5,000 are available to AICPA members regardless of earnings* or other disability coverage (from \$1,000 through \$3,000 for members of State Societies of CPAs). Monthly benefits from \$6,000 through \$12,000 are available to AICPA members and depend on earnings and other disability coverage. All monthly benefits are tax-free under current Federal Income Tax rules because premiums are paid with after-tax dollars.

** If a member goes out on a claim and they are working part-time they will need to verify their earnings.*

Benefits are paid for life as long as you remain disabled if disability begins before age 50...up to age 67 if disability begins at ages 50 through 64...and up to two years if disability begins at ages 65 through 69. For insureds who joined the Plan July 1, 2004, or later, the maximum benefit period for disabilities resulting from mental or nervous disorders is five years.

Other features include:

- A definition of total disability that applies for the entire benefit period if the insured is unable to perform the duties of their own occupation.
- Choice of a 13 or 26-week waiting period.

REFUND RATES

Long Term Disability Income Plan (Total Disability)

Refund percentages by payment period, waiting period, and age for policy year ended December 31, 2018.

Ages	13-Week Waiting Period			26-Week Waiting Period		
	Annual	Semi-Annual	Monthly	Annual	Semi-Annual	Monthly
All	4%	3%	2%	8%	7%	6%

LTD cash refund percentages will vary year to year.

Partial Disability Income Benefits Option

In addition to features offered under Total Disability Income Benefits, the Partial Disability Income Benefits option offers benefits for insureds incurring partial disabilities and experiencing a loss of at least 20% of monthly earnings. A Return to Work feature that permits an insured to replace up to 100% of reduced earnings during the first 12 months of receiving benefits is also provided.

Refund percentages by payment period, waiting period, and age for policy year ended December 31, 2018.

Ages	13-Week Waiting Period			26-Week Waiting Period		
	Annual	Semi-Annual	Monthly	Annual	Semi-Annual	Monthly
All	4%	3%	2%	8%	7%	6%

LTD cash refund percentages will vary year to year.

BUSINESS OVERHEAD EXPENSE PLAN

Monthly disability income insurance benefits from \$1,000 through \$12,000 are available to owners of firms identified with the AICPA. The Plan reimburses a member for their share of overhead expenses incurred while disabled for up to two years (12 months for insureds ages 65 through 69).

REFUND RATES

Refund percentages by payment period and age for policy year ended December 31, 2018.

Ages	Annual	Semi-Annual	Monthly
Under 69	4%	3%	2%

GROUP INSURANCE PLAN

More medium and large-sized firms are taking advantage of the flexible benefits that the Elite program enables them to provide to their employees.

Life Insurance for Firms – Standard Rate Schedule

An employee benefits program that includes term life insurance, accidental death and dismemberment benefits plus disability waiver and dependent coverage. A firm may select a coverage maximum of up to \$500,000. Any eligible public accounting firm with one or more AICPA members or any business that is at least 50% owned by an AICPA member (or members) may participate.

Elite Rate Schedule

An employee benefits program with optional accidental death and dismemberment benefits, optional waiver of contributions and optional dependent coverage. Firms insuring 50 or more eligible employees may select a coverage maximum up to \$1,000,000. The maximum for firms insuring 25-49 eligible employees up to \$500,000.

Refunds are not expected to be paid in future years to Elite subscribers.

REFUND RATES

Group Insurance Plan

Refund percentages for policy year ended September 30, 2018.

	Standard	Elite
Without dependent coverage	30%	8%
With dependent coverage	25%	8%

For firms submitting monthly reports via the self-service portal, the annual refund is increased by \$100.00.

Please note – The participant receiving their refund by check acknowledges and agrees that in order to obtain the refund, if any, all refund checks must be presented for payment according to the terms and procedures set forth in this paragraph. Without limiting the foregoing, refund checks shall be deemed null and void if not duly presented for payment by, or on behalf of, the participant or former participant by the expiration date (not to be less than 180 days from the date of issuance) set forth on the face of the check. If a participant fails to timely present for payment a refund check according to this provision and has not, prior to the expiration of the initial refund check, requested re-issuance of such check, the full amount of the refund shall be applied toward any of the participant's contribution payments due; if no contribution payments are due or owing by the participant at the time the refund check expires, the refund amount shall be applied toward future contributions as they become due, until the participant receives the full refund amount. Except as otherwise provided in this agreement, upon termination of coverage under the applicable trust, nothing herein shall limit a participant's right to receive a full refund of any unearned contributions or unapplied portion of expired refunds. For Participants receiving their refund by ACH, if we are unsuccessful in transmitting the refund to the bank account we have on file, we will issue the refund by check, which will follow the same rules noted above.

North Carolina Residents: THIS IS NOT A MEDICARE SUPPLEMENT PLAN. If you are eligible for Medicare, review the Guide to Health Insurance for People with Medicare, which is available from the company.

These policies provide disability income and accident insurance only. They do NOT provide basic hospital, basic medical or major medical insurance as defined by the New York State Department of Financial Services.

IMPORTANT NOTICE - THIS POLICY DOES NOT PROVIDE COVERAGE FOR SICKNESS.

You should consider the coverage and the underlying funds' investment objectives, risks, charges and expenses carefully before investing. Both the GVUL prospectus and the underlying fund prospectuses contain this and other important information. Contact Aon Securities LLC for the prospectuses. You should read them carefully before purchasing coverage.

This material is for informational or educational purposes. In providing this material, Prudential (i) is not acting as your fiduciary as defined by the Department of Labor and is not giving advice in a fiduciary capacity and (ii) is not undertaking to provide impartial investment advice as Prudential will receive compensation for its products and services.

Group Insurance coverages and Group Variable Universal Life (GVUL) coverage are issued by The Prudential Insurance Company of America; and, GVUL is distributed through Prudential Investment Management Services, LLC. Both are Prudential Financial companies, Newark, NJ. The Booklet-Certificate contains all details, including any policy exclusions, limitations, and restrictions, which may apply. Contract Series 83500 & 89759.

Aon Securities LLC is the investment banking arm and registered broker-dealer of Aon plc (NYSE:AON).

Aon Insurance Services is the brand name for the brokerage and program administration operations of Affinity Insurance Services, Inc. (TX 13695) (AR 100106022); in CA & MN, AIS Affinity Insurance Agency, Inc. (CA 0795465); in OK, AIS Affinity Insurance Services Inc.; in CA, Aon Affinity Insurance Services, Inc. (CA 0G94493), Aon Direct Insurance Administrators, and Berkely Insurance Agency; and in NY, AIS Affinity Insurance Agency.

With respect to the life insurance, long term disability and long term care products available to individuals and their spouses, an annual fee is paid to the AICPA by the AICPA Insurance Trust for administrative services and sponsorship.

The present definition of eligibility and treatment of a class of subscribers should not be construed as an indication of the basis for qualification for any future refund distribution. Please note that Refunds under the AICPA Insurance Plans are never guaranteed.

Trustee	The Bank of New York Mellon, New York, NY 10286
Issuing Company	The Prudential Insurance Company of America, Newark, NJ 07101

AT YOUR SERVICE...

AICPA Risk Advisors are just a phone call away. Have a question about new or increased coverage? Need help on a billing or refund matter...or assistance in filing a claim? These services and more are available toll-free. Simply call or write to the Plan Agent, Aon Insurance Services.

Call **1.800.223.7473** or write to the Plan Agent at:

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