

Your Insurance Plans in ACTION



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

2019 – MORE INNOVATION, MORE BENEFITS, MORE VALUE

The Committee and its insurance partners continued to collaborate to maximize the value of the AICPA Member Insurance Programs throughout 2019. Our mission is to explore new products and services that will enrich your journey personally and professionally. This year's efforts included:

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

We introduced a streamlined, easy-to-navigate enrollment and administration portal to help firms manage their AICPA Group Life and Disability Insurance benefits. The new portal allows firm administrators to pay monthly invoices, add or terminate employees, update firm information and submit account inquiries for a quick response. In addition, new firms can get a quote and enroll in just 15 minutes.

- **Annuities**

The Committee is pleased to announce that an Annuity product was introduced in 2019 that offers CPAs guaranteed lifetime income benefits. Members and their spouses ages 50 and older can also obtain an optional benefit, available for an additional fee, that can guarantee income lasts a lifetime, regardless of how the market performs.

- **CPA Easy Pay**

We implemented a new feature on cpai.com that provides policyholders with a secure and easy way to pay their insurance invoice without having to log-in or register.

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

We extended our relationship with New York Life to continue providing members with the ability to meet with Long-Term Care agents for guidance on the best ways to protect yourself financially. Over 11,000 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. Some members may see a rate increase with their August 2020 renewal.

PLAN ENHANCEMENTS

- **CPA Life and Spouse Life Insurance Plans**

Based on positive claims experience we reduced life rates for members and spouses under age 40, effective October 1, 2019.

- **New Instant Online Approval for CPA Life, Spouse and Long Term Disability Coverage**

A faster online process was introduced that allows eligible members to get approved for most coverage amounts immediately.

- **AICPA Group Variable Universal Life (GVUL) Plan**

We introduced new, lower rate schedules effective October 1, 2019.

- **CPA Life and Spouse Life Credit**

A rate credit was applied to eligible insureds ages 55+ within the Select rate class for the policy year ending September 30, 2019. Their 2020 refund is based on the contribution amount paid (not billed) which was net of the credit. We were pleased to offer another special credit to this same group which was effective with the October 1, 2019 renewal.

THE FUTURE

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

- **Individual Life Insurance Plans**

We continue to conduct a review of the individual life insurance program with the objective of reducing contribution rates and expanding the number of rate schedules available.

- **Level Premium Term Plan**

We are reviewing a rate study with the goal of reducing rates where possible in 2020.

- **New User-Friendly cpai.com**

We will be designing a superior user experience as you encounter personal and business risks and solutions throughout your professional career and beyond. Intuitive navigation, helpful tools, easy-to-find solutions and more will be designed with busy CPAs in mind.

- **Retirement Readiness Journey**

Helping members plan and succeed in retirement is the goal for an interactive program scheduled to launch in early 2020.

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

Your 2020 REFUND for the Plans shown.

Your 2020 Refund Worksheet.

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

October 1, 2018 through September 30, 2019

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

January 1, 2019 through December 31, 2019

- Long Term Disability Income Plan
- Business Overhead Expense Plan

Group Insurance coverage is issued by **The Prudential Insurance Company of America** (Prudential), Newark, NJ, and its affiliates.

Your Insurance Plans And 2020 Refund Percentages Of Contributions

MEMBER LIFE INSURANCE PLANS

Depending on your age and memberships, up to \$2,500,000 of life insurance is available. Disability Waiver Benefit and Dependent Child Coverage are available as options. Each dependent child is covered with \$10,000 in coverage if he or she is unmarried and under age 25.

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.

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	65
A. AICPA	\$2,500	\$2,000	\$1.5 M

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, 2019*



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	6%	5%	4%	6%	5%	4%
B. Select Status						
45-49	46%	45%	44%	46%	45%	44%
50-54	39%	38%	37%	39%	38%	37%
55-59	25%	24%	23%	25%	24%	23%
60-79	12%	11%	10%	12%	11%	10%
C. Preferred						
50-59	45%	44%	43%	45%	44%	43%
60-79	32%	31%	30%	32%	31%	30%

REFUND RATES

Group Variable Universal Life Insurance Plan

Refund for policy year ended September 30, 2019*

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	4%	4%	4%
B. Select Status			
45-49	44%	44%	44%
50-59	37%	37%	37%
60-79	24%	24%	24%
C. Preferred			
50-59	43%	43%	43%
60-79	30%	30%	30%

**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 2019 renewal were not remitted by December 31, 2019. Cash refund percentages will vary year to year.*

REFUND RATES

Level Premium Term Insurance Plan

Refund for policy year ended September 30, 2019

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

Cash refund percentages will vary year to year.

Your 2020 Refund Worksheet

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

Refund Enhancements

A participant's refund is increased by \$25.00 if a participant 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, 2019, you will receive a one-time \$25 increase to your 2020 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 until your disability ends if your disabled 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.

***The information referenced above is the maximum duration of disability for insureds who become disabled on or after January 1, 2015.*

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, 2019.

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

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, 2019.

Ages	13-Week Waiting Period			26-Week Waiting Period		
	Annual	Semi-Annual	Monthly	Annual	Semi-Annual	Monthly
All	14%	13%	12%	18%	17%	16%

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, 2019.

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

GROUP INSURANCE PLAN

Flexible group insurance plans are available for small and large firms.

Standard Rate Schedule - 1 to 24 employees

An employee benefits program that includes term life insurance, 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. The firm must have at least one employee, other than the proprietor or any partner or firm member, who becomes insured on the date the firm is designated as an included Employer.

Elite Rate Schedule - 25+ employees

An employee benefits program with 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. The firm must have at least one employee, other than the proprietor or any partner or firm member, who becomes insured on the date the firm is designated as an included Employer.

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, 2019.

	Standard	Elite
Without dependent coverage	15%	10%
With dependent coverage	10%	10%

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.

This policy provides disability income insurance only. It does NOT provide basic hospital, basic medical, or major medical insurance as defined by the New York State Department of Financial Services.

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.

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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.

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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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24/7 account access:

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