

Answering Your Questions . . .

Q. Based upon the Elimination Period in my disability plan, how soon can I expect my first benefit payment?

A. Once you have satisfied the elimination period (EP), benefits are payable in arrears, on the last business day of the month. This means that if you have a 90-day EP and it is satisfied on the 10th of the month then your first disability payment will be calculated from the 11th to the 31st. Your next payment will be payable at the end of the following month. The practice of paying benefits in arrears is standard within the industry.

When selecting your EP it is important to keep in mind that your first benefit cheque is not payable until 2 to 4 weeks after the EP has been satisfied. Using your own savings in the meantime, how long can you cover your regular monthly expenses, plus any additional medical expenses, due to the disability?

OWN OCCUPATION Rider

By Sun Life Assurance Company of Canada

DO YOU NEED THIS RIDER?

The "Own Occupation Rider" is one of the valuable options available to Members under the OMA Disability Income insurance plan. However, you may be wondering exactly how beneficial this rider would be if you happened to suffer an injury or sickness. The advantages to you are ultimately determined by your own particular professional arrangements and prospective financial needs.

First, let's look at the standard definition of Total Disability/Totally Disabled contained in Section I of Policy 59997. It is "...that the Insured Member is unable to perform the essential duties of his regular occupation as a result of Sickness or Injury, is under the regular care of a Physician *and is not engaged in any other gainful occupation.*" (emphasis added). The key feature is the section in italics which does not appear in the Own Occupation definition.

The Own Occupation Rider modifies the standard policy definitions that pertain to total disability/totally disabled and residual disability/residually disabled. The actual wording con-

tained within the OMA policy is as follows:

OWN OCCUPATION RIDER

Coverage

A member may apply for the Own Occupation Rider which provides that the definitions entitled "Residual Disability or Residually Disabled" and "Total Disability or Totally Disabled" are deleted in their entirety with respect to the Monthly Disability Income Benefit and are replaced with the following:

"Residual Disability and Residually Disabled" shall mean that the Insured Member is not Totally Disabled but that as a result of Sickness or Injury, he is under the regular care of a Physician and has a loss of Earned Income for each month of at least 20% of his Average Monthly Earned Income or Adjusted Average Monthly Earned Income and he is engaged in his Regular Occupation. At Age 65, this definition reverts to the definition contained in Section I of this policy.



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OWN Occupation Rider - continued from page 1

“Total Disability and Totally Disabled” shall mean that the Insured Member is unable to perform the essential duties of his Regular Occupation, as a result of Sickness or Injury, and is under the regular care of a Physician. At Age 65, this definition reverts to the definition contained in Section I of this policy.

What is your “Regular Occupation”?

As you can see from the above wording, disability is in part defined by your ability or inability to work in your Regular Occupation. So, what is considered to be your Regular Occupation? Of course this varies with each individual, but in general it is the mix of duties and type of practice (although not necessarily the very practice) that you were engaged in on a regular basis before the disability.

Total Disability:

With the Own Occupation Rider, you are considered Totally Disabled if you are no longer able to work (ie. perform the essential duties) in your Regular Occupation – and even if you are able to work in a gainful occupation in another field. You will still receive the full amount of your monthly benefit regardless of how much you may earn through alternate employment.

This contrasts with the standard definition, which takes such earnings into account when determining whether you are Totally Disabled.

Residual Disability:

You are considered Residually Disabled if it can be established that your earnings have dropped by at least 20% because an Injury or Sickness either prevents you from performing some of the duties of your Regular Occupation or prevents you from performing these duties for as much time as you used to. If so, you would be entitled to a proportionate amount of your disability benefits in respect to your resulting loss of income. Income from other sources that did not constitute your pre-disability practice would not enter the calculation.

Examples

Two examples will help clarify the approach used when a disability occurs and a member has purchased the Own Occupation Rider.

Case History #1:

Pre-disability, an Emergency Room specialist worked exclusively in a hospital setting, performing those functions normally associated with an ER practitioner. Due to an autoimmune disease the doctor was no longer able to see or treat patients. Forced to give up practice, this physician was able to secure consulting work for WSIB (Workers Compensation), and also performed some lecturing assignments in the medical faculty. Under the Own Occupation Rider this doctor

would be deemed Totally Disabled, and any income earned from these different occupations would not be taken into consideration. In short, this member would be entitled to receive full Total Disability benefits.

Case History #2:

This situation is similar to that described above, except the ER physician did not work exclusively in a hospital but also did consulting work for WSIB prior to becoming disabled. Subsequently he was able to maintain his WSIB work, and added a similar contract from an insurance company. In addition he was able to do some teaching in the medical faculty.

In this circumstance the Member would be considered Residually Disabled. The income he continued to earn from the WSIB would be used when calculating post disability earned income (it would also have been taken into account when establishing his pre-disability earned income), and the income earned from the insurance company would also be included (as this work is very similar to what he was doing previously, and would therefore constitute part of his Regular Occupation).

However, the income earned from the new teaching job would not be included when determining this member's Residual Disability benefit. This position will not reduce the amount of his disability benefit because this type of work was not part of his Regular Occupation.

So, do you need the Own Occupation Rider? Well...the standard/regular definition protects you for your “own occupation” in that you won't be required to go out and work at another job. But, if you'd like the option to earn income by working in another field without reducing your disability benefits and you're willing to pay the additional premium (25% of the basic Disability Income premium), then you might choose to add this rider to your coverage.

OMA Insurance Staff



Left to Right, bottom row: Jacques Rocheleau, Milo Blank, Una Barnes, Steve Halajian, Glen Johnson Left to Right, back row: Maggie Stavropoulos, Poly Christou, Chantale Burke, Judy Wood, Eve Goncalves, Lynda Hallett, Mira Stojanovic, Alban Moran, Cara Markic Absent: Lisa Milroy

OMA Insurance – working for you!

More Residents now eligible for the 50% premium discount on Disability Insurance

The 50% premium discount available to medical residents on their Disability Income plan has been extended for the full period of the residency program. It is no longer limited to the six year period following completion of medical school.

This is GREAT news, especially for foreign doctors who enter residency through the IMG program, as most have completed medical school many years prior.

This is effective September 1, 2007 for all those currently insured. It will be applied effective immediately for all new applicants (including pending business).

The ESSENTIALS Offer has improved!

For all graduating residents who are starting practice or a fellowship ... you no longer need to reside in Canada (excluding Quebec) on the date your ESSENTIALS coverage becomes effective.

Now, you are only required to reside in Canada (excluding Quebec) on the date your application form is completed. This will allow those residents who move outside Canada a few weeks prior to July 1st to do a further period of study, to be eligible for coverage.

Remember...you are eligible to apply for coverage within 120 days of successfully completing your residency program.

Now save money with Monthly Pre-Authorized Payments

Effective September 1, 2007 the 4.5% surcharge for those using monthly pre-authorized payments has been eliminated. Annual premiums can simply be divided by 12 in order to set up a monthly payment schedule.

Testimonials

DISABILITY CLAIM TESTIMONIAL

“I am now back to full time employment after a surgical procedure in January. I want to thank the OMA staff and the case managers at Sun Life Financial for assisting me through the challenging times.

I always found the staff and case managers very supportive and positive.

The financial compensation for my loss of income was provided promptly and this enabled me to focus on a sensible and sustained rehabilitation. Meeting with your consultant at the outset of my disability was also very helpful in submitting my claim.”

DR. C.S.

SERVICE TESTIMONIAL

“I trust the OMA to look after my professional interests as a future physician, and so I trust OMA Insurance to do the same with my insurance needs. I enjoyed the wining and dining from the private carriers while researching disability insurance, but when it came to client service, honesty, and professionalism, in addition to comprehensive coverage, none could compare to the non-profit folks at OMA Insurance.”

*Sabrina Akhtar
Medicine Class of 2007
University of Western Ontario*

Residents – What's Next, Fellowship or Practice?

By Alban Moran, CLU, Insurance Consultant

What insurance is available when training is completed and PAIRO, PARI-MP or PAIRN benefits terminate?

Under the *Essentials* offer, graduating residents have a one time opportunity to get Disability Income, Professional Overhead Expense and Term Life insurance coverage with no medical questions asked AND no special policy exclusions or coverage restrictions.

This exceptional offer, was created when PAIRO, PARI-MP, PAIRN and OMA Insurance joined forces to create a solution to the problem of members losing their resident association group insurance coverage upon graduation. It is available for the 120 day period following completion of training. But to ensure there is no gap between when resident association coverage terminates and OMA coverage coming into effect, it is recommended that *Essentials* applications be received by OMA Insurance before the completion of your post graduate program. This ensures that coverage will come into effect on the day following completion of your program.

The *Essentials* offer was designed to provide graduating residents with the foundation of a good insurance program. It provides access to all the disability income coverage that will likely ever be needed without ever having to provide evidence of good health, as well as a substantial amount of professional overhead expense coverage and a good start for life insurance.

OMA Insurance is very aware of the financial hurdles encountered by physicians new to practice -- getting a positive cash flow established. The *Essentials* offer includes a 50% premium reduction on disability income (DI) and pro-

fessional overhead expense (POE) coverage for the first two years of coverage. This coverage is also eligible for the OMA Insurance premium refunds. Over the past 50 years, refunds have been paid each year and, while not guaranteed, the past 10-year average has been more than 55% for Life, 35% for DI and 50% for POE.

What coverage is available under the *Essentials* offer?

- \$5,000 per month of Disability Income (minus existing coverage)
- Own Occupation (Own Occ) rider
- Cost of Living Adjustment rider (COLA) rider
- Guaranteed Insurability Benefit (GIB) rider
- \$5,000 per month of Professional Overhead Expense with GIB rider
- \$100,000 of Term Life insurance – enhancement feature automatically provides up to \$200,000 of coverage after 10 years (subject to the plan maximum)

By including the GIB rider with your Disability Income coverage, you will be able to exercise this rider immediately, allowing Specialists to begin practice with up to \$7,500 monthly benefit and Family Physicians up to \$6,000 per month.

But don't forget... this special offer is available only for 120 days following completion of post graduate training so don't miss out on your eligibility period.

Funny Corner!

Stock Market Report – Update

Helium was up,
feathers were down.
Paper was stationary.
Fluorescent tubing was dimmed
in light trading.
Knives were up sharply.
Cows steered into a bull market.
Pencils lost a few points.
Hiking equipment was trailing.
Elevators rose, while escalators
continued their slow decline.
Mining equipment hit rock bottom.
Diapers remained unchanged.
The market for raisins dried up.
Coca Cola fizzled.
Caterpillar stock inched up a bit.
Scott Tissue touched a new bottom.
And batteries exploded in an attempt to recharge the market.



OMA Insurance

Working Together to Secure Your Future

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DO YOU HAVE ANY COMMENTS/SUGGESTIONS? OR STORIES/ARTICLES TO SHARE?*

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