

July 12, 2019

AVMA LIFE Product Modifications Update

For more than 55 years, AVMA LIFE has provided veterinarian inspired coverage to veterinarians, their employees, and their families. Through AVMA LIFE, AVMA members have access to a range of insurance products, including employer-based Health Insurance, Long Term Disability, Short Term Disability, and supplemental benefits, as well as educational resources to help you in your practice and life.

To support AVMA LIFE's ongoing strategy and to ensure the long-term viability and availability of our products, we recently performed an extensive and detailed analysis of our products and pricing to ensure the quality and affordability of our offerings for all members. This included various product enhancements, a comprehensive review of our pricing, and the modification of some existing benefits.

In terms of our short-term disability offering, modifications have been made in order to maintain the value of the benefit while ensuring the long-term viability of this offering. Specifically, when used as disability coverage as a result of pregnancy, it is now required that coverage must be in effect for at least 12 consecutive months before short-term disability benefits can be paid for covered disabilities resulting from pregnancy. This reflects the same time frame as the Department of Labor's Family and Medical Leave Act (FMLA) requirements.

Additionally, beginning on or after November 1, 2019, for new pregnancy-related disabilities resulting from normal, routine or uncomplicated deliveries, the maximum benefit period will be up to 30 days after the waiting period is satisfied. In our comprehensive product analysis, we determined that the current 90-day benefit period far exceeded the more standard 30-day period and its price point was more supportive of a 30-day benefit period. We also determined that adjusting the pricing to maintain a 90-day policy would result in a cost to members that would be unrealistic for the majority of our insureds. Therefore, in order to continue to offer a benefit that covers disabilities resulting from pregnancy in an economically sustainable way, we opted to modify the length of the benefit to reflect industry standards as opposed to implementing an approximate price increase in excess of 50% of the premium rate.

It is important to remember that short-term disability coverage can be used to replace some of the missed income while away from work due to pregnancy and birth and should not to be confused with any recommendation regarding the time a woman should be away from work after pregnancy.

We understand that these recent modifications may impact those who are currently covered under the short-term disability offering. For those members who are scheduled to deliver on or before March 31, 2020, an administrative exception will be available upon request so that these members can receive benefits for the previous maximum benefit period of up to three months.

We have also modified our Long-Term Disability offering. As of November 1, 2019, members who are under age 50 and who claim long term disability will have a maximum benefit period of up to age 70. (For disabilities at ages beyond 50, the maximum benefit periods are unchanged.) This modification was needed due to the accelerated pace that claims have exceeded premiums over the past few years. This change does not affect those members who are already disabled and on claim.

Additional benefits that have been modified are our Professional Overhead Expense Insurance and our Hospital Indemnity Plan (HIP). For questions on any of our benefits, pricing, recent modifications or product enhancements, please contact your AVMA LIFE agent or Trust office.

AVMA LIFE is committed to providing valuable coverage for our members and these modifications help ensure our ability to offer coverage, avoid price increases and maintain high quality coverage for all members for the long-term. Our objective is to provide coverage across the spectrum of our member's practice, career and life that is both high quality and affordable.

We are proud that we have supported the veterinary profession for more than half a century. This recent review of product offerings will help make sure we continue to do so for another half century – and more.

A handwritten signature in black ink, appearing to read "Dr. Kinnarney". The signature is fluid and cursive, with a large initial "D" and "K".

Dr. Joseph Kinnarney, Chair
AVMA Trust