

memo

FROM: NJASAP Benefits Committee
TO: NJASAP Members
RE: NJASAP Loss of Medical Policy (NLMP) Overview & FAQ
DATE: January 2023

NJASAP is pleased to offer the Membership a supplemental Loss of Medical Policy (NLMP) that can help save pilots and their families from financial ruin. While the 2020 Amended Agreement (2020AA) provides for loss of medical (LOM) coverage in addition to a long-term disability (LTD) benefit, both policies are limited in terms of benefit amount, coverage and duration. Currently, when a pilot becomes disabled, he or she will receive six months of short-term disability (SALCO), followed by 30 months of LOM insurance that pays 60 percent of his or her salary up to a maximum monthly benefit of \$5,000.

After 36 months, the pilot's employment with NetJets is terminated, and, if, at that time, the pilot is on a LOM, then those benefits are discontinued. Those fully taxed benefits will continue past the point of termination only if the pilot is unable to perform the essential functions of any reasonable job for which he or she is qualified. This broad definition prevents most pilots from qualifying for LTD benefits after 36 months because many illnesses or diseases that ground a pilot do not meet the LTD plan's traditional any occupation definition of disability to receive benefit payments.

For example, if a pilot develops a mild disqualifying heart condition, then he or she will no longer qualify for a Class 1 or 2 medical certificate. While the pilot would qualify for LOM benefits for the first 30 months of the disability, because he or she would likely be able to perform the essential functions of other reasonable occupations, the pilot would no longer receive benefits after being terminated from NetJets.

An optional supplemental policy, the NLMP offered through Harvey Watt & Co. (HW&C) will pay for a grounding illness or disease at a rate of 60 or 67 percent of the pilot's covered pre-disability salary in effect up to a maximum tax-free monthly benefit of \$8,000 or \$10,000 respectively after 36 months; noted exclusions apply. The benefit can continue to age 65 or beyond if a pilot becomes disabled in his or her 60s. Because Harvey Watt does not have an active pay feed from NetJets, the benefit amount and premium will be based on reported covered gross earnings. Members may maintain their current coverage level or increase their covered earnings by advising Harvey Watt of their current annual salary by email, pilot@harveywatt.com.

For member convenience, an NLMP FAQ begins on the next page of this packet. Please do not hesitate to send follow-up questions to the NJASAP Benefits Committee, benefits@njasap.com, or HW&C, (800) 241-6103, or pilot@harveywatt.com.

nlmp faq

Who underwrites the NJASAP LOM Policy?	The NLMP is underwritten by Symetra Life Insurance Company, an A-plus rated carrier. Symetra was chosen as underwriter in December 2016, because it provided the most complete coverage at the lowest cost. The policy is managed by Harvey Watt & Co., (HW&C).
Who is Harvey Watt?	Atlanta-based HW&C is the world's largest professional pilot insurance administrator, providing coverage for more than 73,000 pilots. In fact, the firm created the concept of pilot loss of license insurance, and it continues to offer individual policies specifically catered to pilots. Harvey Watt manages or administers pilot disability plans and/or provides aeromedical services for 23 airlines, unions and associations across the globe. For more information, visit www.harveywatt.com .
What are the premiums, and how are they calculated?	The benefit amount is based on a pilot's reported gross annual salary. Premiums are calculated at \$2.59 per \$100 of applicable payroll per month for the 60 percent option or \$3.195 for the 67 percent option. Two premium and benefit calculation examples are provided below for each option.

	Pilot A // 60% Benefit	Pilot B // 67% Benefit	Pilot C // 60% Benefit	Pilot D // 67% Benefit
Annual Reported Salary	\$125,000	\$125,000	\$85,000	\$85,000
Monthly Salary	$\$125,000 / 12 = \$10,416.67$	$\$125,000 / 12 = \$10,416.67$	$\$85,000 / 12 = \$7,083.33$	$\$85,000 / 12 = \$7,083.33$
Monthly Premium Calculation	$\$10,416.67 / 100 = \$104.17 \times \$2.59 = \269.80	$\$10,416.67 / 100 = \$104.17 \times 3.195 = \$332.82$	$\$7,083.33 / 100 = \$70.83 \times 2.59 = \$183.45$	$\$7,083.33 / 100 = \$70.83 \times 3.195 = \$226.30$
Monthly Premium	\$269.80	\$332.82	\$183.45	\$226.30
Monthly Benefit Calculation	$\$10,416.67 \times 60\%$	$\$10,416.67 \times 67\%$	$\$7,083.33 \times 60\%$	$\$7,083.33 \times 67\%$
Tax-Free Monthly Benefit	\$6,250	\$6,979.17	\$4,250	\$4,745.83

NJASAP

Is NetJets involved?	NetJets Aviation, Inc., is not directly involved with the policy.
How and when can I enroll in coverage?	A special open enrollment period is currently in progress, beginning Jan. 15, 2023, and ending Feb. 15, 2023. While a member may enroll outside the open enrollment period, late enrollees must complete an application and answer health questions subject to underwriter approval and pre-existing conditions.
Will I have to take a physical or provide evidence of insurability? Can Symetra deny me coverage?	Once you have completed and submitted the application, Symetra will review the material to determine what underwriting items are necessary to make an underwriting decision. Yes, Symetra can deny coverage.
If I am currently on a leave of absence, can I still apply?	Only pilots who are currently working full time with NetJets will be covered. If a pilot is on leave, then he or she may apply for coverage after returning to active status. A 30-day enrollment period will begin upon his or her return, and the member is guaranteed acceptance so long as enrollment takes place within 30 days of his or her return.
I am scheduled to deploy overseas. Will I be covered once I leave?	Unfortunately, no. Once a pilot leaves full-time status, he or she will not be covered. However, the policy can be suspended. Upon the member's return, the policy can be reinstated within 30 days of returning to active flying status with NetJets. The pilot is required to notify HW&C, pilot@harveywatt.com , of any pay scale or employment status changes.
I just changed schedules resulting in a change in salary. How does this affect my premium and benefit level?	Any time you experience a change in salary, you are encouraged to notify HW&C as soon as possible to ensure your coverage is adjusted accordingly to keep pace with your new income. In the event you become disabled, your reported salary in effect at that time will determine your benefit coverage. Therefore, it is in your best interest to timely notify HW&C of any change, pilot@harveywatt.com .
I have ALPA Loss of License insurance or another kind of disability policy. Will I need to cancel it?	This is entirely up to you. Federal law prohibits an individual from making more money while on disability than if he or she was working; therefore, it is likely the policies would offset each other. An exception would be made if a pilot has a lump sum or monthly pay type policy that pays out prior to the 36-month deadline. You would be well advised to contact HW&C with this information to discuss your options.
What happens when I become disabled?	You would go through the normal processes outlined in the 2020AA. Additionally, you must notify HW&C of the same, enabling them to process your claim and, if warranted, engage Symetra to schedule a payout. Benefits from the NLMP will begin 36 months from the disability date. Pilots who file a substantially completed claim application within the first nine months of a disability can secure a premium waiver following month 12 if they remain disabled.

<p>What if I qualify for NetJets' current LTD plan after 36 months?</p>	<p>If you have an illness or injury that qualifies for the Company's LTD plan, then you may qualify for supplemental payments under NJASAP's supplemental plan. The Union's plan offers a higher payout when 60 or 67 percent of a pilot's pre-disability salary exceeds \$5,000 per month payable by NetJets.</p>
<p>Why do I have to wait 36 months before the policy pays out?</p>	<p>The NetJets LOM Insurance Policy only offers coverage for up to the first 36 months. NJASAP's intent is to offer a supplemental coverage option that enables members to protect their families after the company disability benefit ends.</p>
<p>How do I find out if I can return to flying? Is there anything I can do to help my chances?</p>	<p>A single health development or medication change can drastically affect your career. With so much at stake, it is imperative to solicit the help of professionals when faced with aeromedical issues. A few companies specialize in aviation medicine, employing specialists and case managers who will work with you to get you back in the air as soon as possible. Comprehensive assistance for pilot medical certificate reinstatement can easily exceed \$1,000 without coverage.</p> <p>One of the best benefits associated with enrolling in the NLMP is having the services of the Harvey Watt Aeromedical Department (HWAD) at your fingertips. If you are on track to begin drawing LOM benefits, the HWAD, which is staffed by a team of specialized AMEs, can help review your case and assist you with reclaiming your medical certificate. It is to the pilot and insurance company's mutual benefit to hasten the pilot's return to the line. Harvey Watt frequently works with Aviation Medicine Advisory Service (AMAS) to accomplish this goal.</p> <p>Dr. Fred Tilton & Dr. Mike Berry serve as HWAD's full-time medical directors. Prior to joining Harvey Watt, both doctors served as the U.S. Federal Air Surgeon, overseeing the FAA Aeromedical Certification Division. Berry & Tilton's department is second to none: Their team is currently assigned to assist thousands of pilots across the globe, and they have a proven history of offering invaluable assistance.</p> <p>Please note: The HWAD's full menu of services only becomes available after a pilot has taken leave due to disability <i>and</i> he or she is on track to draw benefits from the NLMP. For day-to-day aeromedical assistance, AMAS is available to assist you.</p>
<p>Are there offsets to the benefit payout?</p>	<p>Offsets are inherent to most disability plans, and it is important to identify them and how they may affect you prior to enrolling in comprehensive assistance for pilot medical certificate reinstatement. The NLMP provides a tax-free benefit of 60 or 67 percent of your reported pre-disability income. Should you receive any of the payments listed below during the disability period, Symetra may reduce its payout to ensure the sum of all benefits does not exceed a certain percentage of your pre-disability income:</p> <ul style="list-style-type: none"> ▪ Jones Act/Maritime Doctrine, ▪ statutory disability, ▪ unemployment benefits,

	<ul style="list-style-type: none"> ▪ automobile no-fault, ▪ Social Security Disability: You are required to be <i>totally</i> disabled for at least one year to qualify, ▪ railroad retirement, ▪ Canada/Quebec Pension Plan, ▪ disability payments from another disability plan(s), ▪ third-party liability payments, and ▪ group mortgage or disability payments.
Will a pension offset my benefit?	Pension benefits do not usually offset disability benefits as any type of military or airline pension or 401(k) benefit received prior to the disability is generally excluded from a benefit offset. Social Security disability or retirement is a noted exception.
What exclusions would prevent me from drawing benefits?	<p>The plan carries the following common exclusions:</p> <ul style="list-style-type: none"> ▪ Pre-existing conditions: If, at the start date of policy coverage you have been treated or diagnosed with any health problem within the last 12 months, then that condition is excluded for a period of 24 months as a qualifying disability claim unless there are other qualifying conditions disabling you. ▪ self-inflicted injuries, ▪ committing or attempting to commit a criminal act, ▪ act of war: Injuries sustained during a terrorist attack would not disqualify you from drawing benefits as terrorism is not considered an act of war, ▪ driving while intoxicated, and ▪ insurrection, rebellion, or taking part in a riot or civil commotion: Labor strikes and pickets are federally protected activities, and, according to Symetra, are not considered a civil commotion. As such, injuries sustained during such activities would not prevent a pilot from drawing benefits.
Where can I find the NLMP contract?	The Summary of Benefits is available on the Harvey Watt website; click the NJASAP logo. Please take the time to review the document, and to direct questions to the NJASAP Benefits Committee, benefits@njasap.com , or to Harvey Watt, (800) 241-6103.
How do I enroll?	To enroll in the plan, please complete the forms included in this packet and return them to HW&C via mail, fax, or email. Enrollees must pay directly for this coverage by sending an image of a voided check and the associated routing number to facilitate automatic monthly withdrawals from your account. Withdrawals are scheduled for the fifth day of the month after coverage is approved. Pilots may cancel coverage at any time and can adjust covered reported earnings by sending an email to pilot@harveywatt.com .
Who do I contact with questions?	Please contact HW&C with questions by telephone, (800) 241-6103, or email, pilot@harveywatt.com .



Return Applications to: Harvey Watt & Company

PO Box 20787 | Atlanta, GA 30320 | Phone 1-800-241-6103 | Fax 1-404-761-8326 pilot@harveywatt.com

Group Disability Insurance

Voluntary Long Term Disability

SUMMARY OF BENEFITS

Class 3

Sponsored By: NetJets Association of Shared Aircraft Pilots
Effective Date: March 1, 2023
Policy Number: 01-017231-00

The information in this summary may be replaced by any subsequently issued summary or policy amendment.

Benefit Highlights:

Benefit Amount	67% of salary up to \$10,000 per month	
Elimination Period	36 months (number of months you must be disabled to collect disability benefits)	
Maximum Benefit Duration	Reducing Benefit Duration (RBD):	
	<u>Age at Disability</u>	<u>Maximum Payment Duration</u>
	Less than age 60	To age 65 (but not less than 60 mos.)
	60	60 months
	61	48 months
	62	42 months
	63	36 months
	64	30 months
	65	24 months
	66	21 months
	67	18 months
	68	15 months
	69 and over	12 months
Accumulation of Elimination Days	You can satisfy the days of your elimination period with either total (off work entirely) or partial (working some hours at your current job) disability.	
Pre-Existing Condition	You may not be eligible for benefits if you have received treatment for a condition within the 12 months prior to your initial eligibility date until you have been covered under this plan for 24 months.	
Survivor Income Benefit	A survivor benefit may be paid to your beneficiary if you should die while receiving qualifying disability payments.	
Benefit Limitations	Mental Illness: 6 months per lifetime Substance Abuse: 6 months per lifetime	

Symetra® is a registered service mark of Symetra Life Insurance Company.

Eligibility

All full time Line Pilots who are members in good standing with NetJets Association of Shared Aircraft Pilots.

Standard Provisions:

- Six-month recurrent disability/temporary recovery
 - If the insured recovers and returns to work, and the same sickness or injury causes the disability to occur again within six months of the date the prior disability ended, Symetra will resume monthly payments if the insured is covered under the policy for the period of temporary recovery.
- Waiver of premium
 - Premium payments for coverage are suspended for an insured while he/she is receiving disability income payments under this policy.
- Cost of living freeze
 - Except for increases in income earned (or received from any form of employment) once other income amounts have been subtracted from the gross monthly disability payment, the insured's payment will not be further reduced due to a cost of living increase in any other income amounts.
- Vocational rehabilitation
 - Provides assistance through services such as testing and training as well as job modification and placement.
- Social Security assistance
 - Helps an insured obtain Social Security disability benefits
- Continuity of coverage

Rates for Voluntary Long Term Disability coverage

Monthly rates per \$100 of covered payroll: **\$3.195**

Calculating Your Cost

$$\frac{\$3.195}{(\text{rate})} \times \frac{(\text{your monthly gross earnings to a maximum of } \$14,925.37)}{100} = \$ \text{ Monthly Voluntary Long Term Disability cost}$$

This summary provides only a brief description of the Disability Income Insurance coverage insured by Symetra Life Insurance Company under the GDC 4000 series Group Disability Income Insurance policy. For a complete description, including all definitions, exclusions, limitations, and reductions in coverage, as well as information on termination of benefits, please contact your benefit administrator or refer to the Group Insurance Certificate you will receive when you become insured. Coverage will be offered under Group Policy number 01-017213-00. All benefits are subject to the terms and conditions of the Group Policy. If there is a difference between the information in this summary and the information contained in the Group Insurance Certificate, the terms of the Group Insurance Certificate will prevail. The terms of coverage may change over time; always refer to your current Group Insurance Certificate for information regarding your insurance benefits.

Insured by Symetra Life Insurance Company

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Return Applications to: Harvey Watt & Company

PO Box 20787 | Atlanta, GA 30320 | Phone 1-800-241-6103 | Fax 1-404-761-8326 pilot@harveywatt.com

Group Disability Insurance

Voluntary Long Term Disability

SUMMARY OF BENEFITS

Class 2

Sponsored By: NetJets Association of Shared Aircraft Pilots
Effective Date: March 1, 2023
Policy Number: 01-017231-00

The information in this summary may be replaced by any subsequently issued summary or policy amendment.

Benefit Highlights:

Benefit Amount	60% of salary up to \$8,000 per month	
Elimination Period	36 months (number of months you must be disabled to collect disability benefits)	
Maximum Benefit Duration	Reducing Benefit Duration (RBD):	
	<u>Age at Disability</u>	<u>Maximum Payment Duration</u>
	Less than age 60	To age 65 (but not less than 60 mos.)
	60	60 months
	61	48 months
	62	42 months
	63	36 months
	64	30 months
	65	24 months
	66	21 months
	67	18 months
	68	15 months
	69 and over	12 months
Accumulation of Elimination Days	You can satisfy the days of your elimination period with either total (off work entirely) or partial (working some hours at your current job) disability.	
Pre-Existing Condition	You may not be eligible for benefits if you have received treatment for a condition within the 12 months prior to your initial eligibility date until you have been covered under this plan for 24 months.	
Survivor Income Benefit	A survivor benefit may be paid to your beneficiary if you should die while receiving qualifying disability payments.	
Benefit Limitations	Mental Illness: 6 months per lifetime Substance Abuse: 6 months per lifetime	

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Eligibility

All full time Line Pilots who are members in good standing with NetJets Association of Shared Aircraft Pilots.

Standard Provisions:

- Six-month recurrent disability/temporary recovery
 - If the insured recovers and returns to work, and the same sickness or injury causes the disability to occur again within six months of the date the prior disability ended, Symetra will resume monthly payments if the insured is covered under the policy for the period of temporary recovery.
- Waiver of premium
 - Premium payments for coverage are suspended for an insured while he/she is receiving disability income payments under this policy.
- Cost of living freeze
 - Except for increases in income earned (or received from any form of employment) once other income amounts have been subtracted from the gross monthly disability payment, the insured's payment will not be further reduced due to a cost of living increase in any other income amounts.
- Vocational rehabilitation
 - Provides assistance through services such as testing and training as well as job modification and placement.
- Social Security assistance
 - Helps an insured obtain Social Security disability benefits
- Continuity of coverage

Rates for Voluntary Long Term Disability coverage

Monthly rates per \$100 of covered payroll: \$2.59

Calculating Your Cost

$$\frac{\$2.59}{(\text{rate})} \times \frac{(\text{your monthly gross earnings to a maximum of } \$13,333.33)}{/100} = \$ \frac{\text{Monthly Voluntary Long Term Disability cost}}$$

This summary provides only a brief description of the Disability Income Insurance coverage insured by Symetra Life Insurance Company under the GDC 4000 series Group Disability Income Insurance policy. For a complete description, including all definitions, exclusions, limitations, and reductions in coverage, as well as information on termination of benefits, please contact your benefit administrator or refer to the Group Insurance Certificate you will receive when you become insured. Coverage will be offered under Group Policy number 01-017213-00. All benefits are subject to the terms and conditions of the Group Policy. If there is a difference between the information in this summary and the information contained in the Group Insurance Certificate, the terms of the Group Insurance Certificate will prevail. The terms of coverage may change over time; always refer to your current Group Insurance Certificate for information regarding your insurance benefits.

Insured by Symetra Life Insurance Company

Symetra[®] is a registered service mark of Symetra Life Insurance Company.

**Symetra Life Insurance Company**777 108th Avenue NE | Suite 1200 | Bellevue, WA 98004-5135

Mailing Address: Benefits Division | PO Box 34690 | Seattle, WA 98124-1690

Phone 1-800-426-7784 | Fax 1-866-348-0058 | TTY/TDD 1-800-833-6388

GROUP LONG TERM DISABILITY INCOME INSURANCE ENROLLMENT

Policy Number <u>01-017213-00</u>			
Employer/Policyholder Name <u>NetJets Association of Shared Aircraft Pilots</u>			
Street Address	City	State	Zip Code
Employee Occupation/Job Title	Employee Date of Employment		
Effective Date of Coverage	<input type="checkbox"/> Full Time Employee <input type="checkbox"/> Part Time Employee		
\$	Basic Annual Earnings		

I. EMPLOYEE/ENROLLEE INFORMATION

Name	Sex	<input type="checkbox"/> M	<input type="checkbox"/> F
Street Address	City	State	Zip Code
Home Telephone Number	Date of Birth	Email Address	

II. BENEFITS (Please check if you wish to enroll)

	Yes	No
Vol LTD Income Insurance – 60% to \$8,000 Max		
Vol LTD Income Insurance – 67% to \$10,000 Max		

III. SELECTION/WAIVER OF GROUP INSURANCE (Only check one box below, and sign.)

- ☐ I, the undersigned, elect the insurance coverage which I selected above and for which I am eligible under the terms of the group policy or policies issued to the policyholder by Symetra Life Insurance Company. I authorize the deduction from my earnings of any contribution I am required to make toward the cost of this insurance **(Not applicable if the Policyholder pays 100% of the required contribution).**
- ☐ I, the undersigned, hereby waive my right at this time to elect the insurance coverage which I did not select above. I understand that if I do not enroll within 31 days of the date I am first eligible, that I will not be able to obtain coverage in the future without submitting satisfactory evidence of insurability (proof of good health) to Symetra Life Insurance Company for approval. I also understand that Symetra Life Insurance Company will have the right to refuse my request for insurance.

I designate the beneficiary(ies) named on this form to receive any benefits payable in the event of my death. All information submitted by me on this form to the best of my knowledge and belief is true and complete.

Enrollee/Employee Signature	Date Signed
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Group Benefits are insured by Symetra Life Insurance Company.

Attach Voided Check

AUTHORIZATION FOR PREMIUM PAYMENTS

Here's how to use the Pre-Authorization Premium Payment Plan:

Complete and sign the Membership Premium Payment Authorization form.

That's all there is to it. Your monthly premiums will be paid automatically, electronically. There's nothing more for you to do but to enjoy all the security of this plan.

☐ Check here if you prefer Annual Billing. (Monthly premium x 12)

Annual invoices are mailed to the address on file.

MEMBERSHIP PREMIUM PAYMENT AUTHORIZATION FORM

AUTHORIZATION AGREEMENT FOR PRE-ARRANGED PAYMENTS (ACH DEBITS) TO HARVEY W. WATT & CO. FOR PREMIUMS DUE ON PILOT OCCUPATIONAL DISABILITY AND/OR LIFE INSURANCE

I (we) hereby authorize HARVEY W. WATT & CO. to initiate debit entries to my (our) Checking or Credit Union draft account indicated below and the bank or credit union named below, hereinafter called DEPOSITORY, to debit the same to such account.

DEPOSITORY NAME _____

TRANSIT/ABA NO. _____ ACCOUNT NO. _____

This authority is to remain in full force and effect until HARVEY W. WATT & CO. and DEPOSITORY have received written notification from me (or either of us) of its termination in such time and in such manner as to afford Harvey W. Watt & Co. and DEPOSITORY a reasonable opportunity to act on it. I (or either of us) have the right to stop payment of a debit entry by notification to DEPOSITORY at such time as to afford DEPOSITORY a reasonable opportunity to act on it prior to charging my (our) account. After account has been charged, I have the right to have the amount of the erroneous debit immediately credited to my account by DEPOSITORY, provide I (we) send written notice of such debit entry in error to DEPOSITORY within 15 days following the issuance of the account statement or 45 days after posting, whichever occurs first.

I (we) further agree that any requirement for giving notice of premiums due shall be waived as long as the authorization agreement is in effect. The debit as shown on my (our) bank or credit union account statement will constitute a receipt for the premium, but no premium or portion thereof shall be deemed to have been paid unless and until Harvey W. Watt & Co. receives actual payment at its Home Office. The use of this premium payment shall in no way alter or amend the provisions of the policy with respect to the termination of such policy upon nonpayment of the premium due.

NAME _____ EMPLOYMENT ID# _____

PLEASE PRINT

DATE _____ SIGNED X _____

SIGNED X _____