



YOUNG LAWYERS

What Insurance do Lawyers
in their 20s and early 30s *really* need?

ABE
AMERICAN BAR
ENDOWMENT
More than 75 years of service

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Introduction: Insurance plans for young lawyers.

As a young lawyer, you are busy growing your career. To be prepared for the path ahead, you need insurance to help protect the gains that you are working so hard to achieve.

No matter your age, **insurance plays a vital role in your personal financial planning and well-being.** While you likely already have other types of insurance, such as health and auto insurance, there may be gaps in coverage that can leave you vulnerable. Employer-sponsored life and disability insurance and Social Security may be insufficient to protect you and your family.

The American Bar Endowment (ABE) sponsors group insurance coverage underwritten by New York Life Insurance Company that provides an extra layer of security and peace of mind. Products that can help young lawyers include:

- Life Insurance
- Disability Insurance
- Accidental Death and Dismemberment (AD&D)
- Hospital Money Plan (HMP)
- Professional Overhead Expense

GIVING BACK

Purchasing ABE-sponsored plans helps fund law-related public service, educational, and research programs and projects, and allows lawyers to give back to their communities and advance the legal profession. Recent projects supported by the ABE include those providing legal aid to victims of human trafficking and domestic abuse.



Thanks to the generosity of our members, ABE has awarded over \$300 million in grants to date.

Why young lawyers need insurance.

Maybe you are planning to get married or start a family? Or maybe you're planning to buy or have recently bought a home? Have you started or are you considering starting your own practice? Changing jobs? Looking at new opportunities in this tight market? If you answered "yes" to any of these questions, it's even more important to think about the types of insurance protection you may need for you and your family's well-being and peace of mind.

If tragedy were to strike, life and disability insurance would help you and your loved ones meet financial obligations. Although you are young, chances are you already have significant financial obligations.

As a young lawyer, you probably are dealing with **student loan debt**. As you have read, or experienced, student debt for law school grads is climbing. A recent study showed that the typical attorney had over \$115,000 in student debt. That's up more than \$50,000 from a decade ago, and climbing faster than the debt loads of other professionals.¹ Student debt, especially private loans, can become a real burden to you and your loved ones if you are unable to repay the loan.

While federal student loans are discharged in the event of disability or death, private loans generally remain. You would still owe your private loans even if you become disabled and unable to work. **If anyone co-signed on your private loans**, they could be responsible for your debt if you're unable to pay in the event of a disability or death.

In addition to your medical or funeral costs, take a moment to think about your other current financial obligations – like your mortgage or rent, credit card debt, and possibly the needs of those who depend on you. Even if you don't currently have a spouse or family, you don't want to leave a financial mess for someone else to clean up.



¹Source: "Law School Debt in the United States - LST Data Dashboard." LST, Law School Transparency, accessed 17 Dec. 2019, data.lawschooltransparency.com/costs/debt/

It's wise to purchase when you're younger.

Life insurance rates are lowest when you are young and healthy. Purchasing life insurance now can save you substantially over the course of your insurance term.

Getting older can also preclude you from qualifying for certain types of insurance, so buying life insurance now can protect your future eligibility.

HERE'S AN EXAMPLE OF RATES FOR A \$1 MILLION BENEFIT IN ABE-SPONSORED 20-YEAR LEVEL TERM LIFE INSURANCE*



35-year-old female:

\$48.33

2019 monthly rate*

40-year-old female:

\$61.67

2019 monthly rate*



35-year-old male:

\$55.00

2019 monthly rate*

40-year-old male:

\$74.33

2019 monthly rate*

The 20-year term for the **35-year old** would cost

\$3,200 less than starting at age 40.**

The 20-year term for the **35-year old** would cost

\$4,640 less than starting at age 40.**

* Issue rate guaranteed for 20 years and based on rates currently available to members age 35 or 40 without the optional Waiver of Premium, who can meet the underwriting requirements for the plan's Preferred (the plan's best) rates. If you do not meet the underwriting standards for Preferred rates, you may be eligible for coverage at either Select (higher, but still competitive) or Standard (the plan's highest) rates. Approved smokers and others unable to meet the underwriting standards for Preferred or Select rates will qualify for only the Standard rates. **Montana residents: "Male" rates apply to all individuals, regardless of sex.** Members under age 55 are eligible to apply for this plan. The 20-Year Level Term Life plan is underwritten by New York Life Insurance Company, 51 Madison Ave., New York, NY 10010 under Group Policy G-29168-0 on Policy form GMR-FACE/G-29168-0.

** Rate savings calculated over the course of the entire term (20 years).

How much insurance do you need?




* A COMMON RULE OF THUMB:

Life insurance
should cover
5-10
times
your annual salary.

Employer-based group life insurance plans are only a start. Typical coverage amounts may be insufficient to provide the full financial security you and your loved ones may require.

How much do you need? For life insurance, begin by determining what income your survivors might need and what amount of insurance will cover that need. If you are married and both you and your spouse work, both spouses may want to consider life insurance. One common rule of thumb is to get coverage that's five to ten times your salary.

With **QuickDecision** you can apply for **up to \$500,000** in **10-year group term life insurance** with **no medical exam**. Just answer some questions about your health and other information. **Apply for QuickDecision now.** 

Help protect your paycheck.

Your financial security depends on your ability to earn an income. What happens if you become unable to work due to a serious illness or injury?

Consumer advocates generally agree that disability coverage is an essential tool for protecting yourself from the effects of unexpected illness, accidents or other problems that prevent them from working. Nothing in life is certain, and anything may happen to you.

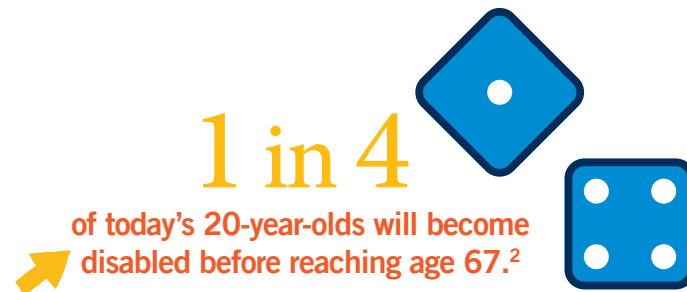
You should also consider “Own Occupation-Specialty of law” Disability Coverage. You worked hard to become a lawyer and develop your skills. It is imperative that your disability coverage should pay if you’re unable to perform in your specific area of law practice. The alternative, “any occupation” coverage, would only start paying if you became unable to work in any capacity, no matter what the job.

Many midsize and large employers offer short-term and/or long-term disability benefits. While laws governing disability insurance vary by state, the benefits typically cover up to about 60% of your regular income, but these policies have disadvantages including:

- benefits are taxable to firm employees (you)
- coverage is not portable between employers

WHAT ABOUT WORKER'S COMP AND SOCIAL SECURITY?

- **5.6% of working Americans will experience a short-term disability (six months or less)** due to illness, injury, or pregnancy on average every year. Almost all of these are non-occupational in origin.¹
- **66%** of Social Security Disability Insurance (SSDI) claim applications are **denied**.²
- In 2019, the average SSDI monthly benefit was only **\$1,236**.³
- **Social Security pays only for total disability.** No benefits are payable for partial disability or for short-term disability.⁴



^{1,2} Source: [“Disability Statistics; Chance of Becoming Disabled.”](#) Council for Disability Awareness: Prevention, Financial Planning, Resources and Information, 28 Mar. 2018.

³ Source: “Fact Sheet.” Social Security Administration Press Office, 2019.

⁴ Source: “Disability Planner: What We Mean by Disability.” Social Security Administration, 2019.

Life Insurance Plans.

Underwritten by New York Life Insurance Company

A FOUNDATION FOR FINANCIAL SECURITY

If you don't yet have life insurance, or your coverage isn't adequate for your financial obligations, now is the time to apply. ABE-sponsored 10-¹ or 20-Year Level Term Life insurance plans offer a death benefit that can make a real difference to your family as well as affordable group rates you can lock in for the next ten or twenty years. With up to \$2 million of protection available, now is the time to be sure you have the coverage you need to help secure your loved ones' financial futures.

BENEFITS OF PARTICULAR INTEREST TO YOUNG LAWYERS:

- High maximum coverage amount: up to \$2 million
- Rates locked in for your choice of 10¹ or 20 years²
- Portability – it goes where you go
- Spouse and child coverage available
- Living Benefit – 50% of benefit paid for terminal illness
- Non-smoker discounts



“I do like that my ABE dividends help support such valuable and necessary charity work in law. But, in truth, that wouldn't be enough if it was costing me more to get the coverage I need. The fact that ABE also had such affordable rates made it a clear-cut choice for me.”

JOHN HARDIN YOUNG, REHOBOTH BEACH, DE

¹ Premiums for coverage under the 10-Year Level Term Life plan through \$500,000 are not guaranteed but expected to remain level. Premiums for coverage under the 10-Year Level Term Life plan of \$510,000 and greater are guaranteed to remain level. Premiums at all levels under the 20-Year Level Term Life plan are guaranteed to remain level.

² ABA members who reside in the United States, District of Columbia, Puerto Rico, or the U.S. Virgin Islands and who are under age 65 may apply for the 10-Year Level Term Life Plan and those under age 55 may apply for the 20-Year Level Term Life Plan.

10-Year Level and 20-Year Level Term Life Insurance plans are group insurance plans, meaning coverage is issued to an ABA member under a Certificate of Insurance; it is not provided under an individual policy, nor is it employer/employee insurance. Plans may vary and may not be available in all states. Underwritten by New York Life Insurance Company, 51 Madison Avenue, New York, NY 10010 under Group Policy G-29104-0 (10-Year) or G-29168-0 (20-Year) on Policy Form GMR-FACE/G-29104-0 (10-Year) or GMR-FACE/G-29168-0 (20-Year).

Disability Insurance Plans.

Underwritten by New York Life Insurance Company



A FINANCIAL SAFEGUARD WHEN INJURY OR ILLNESS PREVENTS YOU FROM WORKING

A disability could put at risk the financial gains that you have worked for. These tailored insurance plans **help ensure that a substantial portion of your income would continue** if you become ill or injured and unable to work for several weeks, months or even years. This is an affordable and easy way to get the important “paycheck protection” you need. Even if you have disability insurance, you may want to consider supplementing that existing coverage to ensure peace of mind in the unlikely case of a serious injury or illness. ABE-sponsored Mid-Term Disability benefits are paid up to five years for disabilities arising from an accident and two years for those from a sickness; whereas Long-Term Disability benefits are payable up to age 65.*

Whether you choose a Mid-Term, Long-Term, or Long-Term Plus plan, there are a variety of monthly benefit amounts and waiting periods available to fit your personal needs.

BENEFITS OF PARTICULAR INTEREST TO YOUNG LAWYERS:

- Pays a monthly benefit up to \$12,000
- Definition of Disability includes your specific Specialty of Law
- Law School Loan Repayment Option (up to age 40; Long Term Plus plan)
- Portability – it goes where you go
- Choice of waiting periods
- Partial Disability: continue to receive partial benefits after you return to work part-time after a total disability
- 50% additional of monthly benefits if hospitalized (max. 3 months; Long-Term plans only)
- Spouse benefits available

“Most of us are aware of the need for life insurance, but don’t know the security that comes with having disability insurance. You never think about it when you are young and fit – maybe until it is too late. It is a risk you don’t want to take. ABE insurance products protect me and my family.”

DENIS ANASTASIA, ASTON, PA

* Long-Term benefits are payable up to age 65 or up to two years for disabilities beginning on or after age 63 but before age 70 and one year for disabilities that begin on or after age 70 but before age 75.

Mid-Term, Long-Term, and Long-Term Plus disability plans are group insurance plans, meaning coverage is issued to an ABA member under a Certificate of Insurance. It is not provided under an individual policy, nor is it employer/employee insurance. Plans may vary and may not be available in all states. Underwritten by New York Life Insurance Company, 51 Madison Avenue, New York, NY 10010 under Group Policy G-29902-0 (Mid-Term), Group Policy G-29901-0 (Long-Term), and Group Policy G-29900-0 (Long-Term Plus) on Policy Form GMR-FACE/G-29902-0 (Mid-Term), Group Policy G-29901-0 (Long-Term), and Group Policy G-29900-0 (Long-Term Plus).

Accidental Death & Dismemberment Plan (AD&D).

Underwritten by New York Life Insurance Company

EXTRA PROTECTION TO SUPPLEMENT LIFE AND DISABILITY COVERAGE

Nobody can be protected from accidents all the time. What you can do is help safeguard yourself and your family from the financial consequences accidents can cause. Life insurance generally pays benefits when you die. Disability covers loss of income when you are unable to work for a period of time. Accidental Death & Dismemberment pays benefits when your death is the result of an accident or you experience a qualified dismemberment or loss of function such as speech and hearing. AD&D policies are affordable and they can provide benefit amounts to supplement your basic insurance coverages.

This plan provides up to \$500,000 for deaths due to an accident or for a qualified dismemberment and includes a common carrier benefit.* **Acceptance is guaranteed – no medical exams or health questions.**

BENEFITS OF PARTICULAR INTEREST TO YOUNG LAWYERS:

- Covers loss of speech and hearing for up to 100% of benefit
- Benefit up to \$500,000
- Portability – it goes where you go
- Spouse and child coverage available
- **Acceptance guaranteed**



* The Accidental Death & Dismemberment Plan pays an additional 10% of the benefit payable if the loss is the result of an accident while a passenger on a common carrier (as a passenger on a plane, train, taxi or other qualified common carrier), properly operated and licensed for the transportation of passengers for hire.

The Accidental Death & Dismemberment Plan is a group insurance plan, meaning coverage is issued to an ABA member under a Certificate of Insurance; it is not provided under an individual policy, nor is it employer/employee insurance. Plans may vary and may not be available in all states. Underwritten by New York Life Insurance Company, 51 Madison Avenue, New York, NY 10010 under Group Policy G-11461-0 on Policy Form GMR-FACE/G-11461-0.

Hospital Money Plan (HMP).

Underwritten by New York Life Insurance Company

EXTRA COVERAGE FOR HOSPITALIZATION EXPENSES

You probably have a health insurance plan that provides some hospitalization benefits. However, many of your out-of-pocket expenses may not be covered, such as those for deductibles, co-payments, childcare, transportation, and more. These can add up at a time when you are focusing on your health. The Hospital Money Plan provides supplemental coverage of up to \$500 per day* for your out-of-pocket expenses if you are hospitalized.

BENEFITS OF PARTICULAR INTEREST TO YOUNG LAWYERS:

- Benefit up to \$500/day
- Spouse and child coverage available
- Optional \$1,000 or \$2,000 Surgical Benefit
- Double benefits for cancer or intensive care
- **Acceptance guaranteed**



Calculate
Your Rate

Apply
Online

Questions

* Member and spouse daily benefits reduce at member age 65 from \$500/day to \$313/day; from \$450/day to \$281/day; from \$400/day to \$250/day; from \$350/day to \$219/day; from \$300/day to \$188/day; from \$250/day to \$156/day; and from \$200/day to \$125/day. *Premiums do not reduce.*

Hospital Money Plan is a group insurance plan, meaning coverage is issued to an ABA member under a Certificate of Insurance; it is not provided under an individual policy, nor is it employer/employee insurance. Underwritten by New York Life Insurance Company, 51 Madison Avenue, New York, NY 10010 under Group Policy G-11459-0 on Policy Form GMR-FACE/G-11459-0.

How ABE-sponsored insurance can help.



The **American Bar Endowment (ABE)** is a not-for-profit charitable organization established by the ABA in 1942. Our sponsored insurance plans are tailored to meet the needs of lawyers and are offered exclusively to ABA members.

From term life insurance to disability income coverage to financial protection for your practice, ABE-sponsored insurance plans provide quality coverage and the unique opportunity to support the good works of the profession.



Affordable Group Rates



ABA members benefit from competitive group rates through ABE-sponsored insurance plans. This means that members – like you – can take advantage of the same affordable rates that other groups are able to receive.

BACKED BY A TRUSTED INSURER



New York Life Insurance Company is one of America's most respected insurance companies. Since 1845 it has been making sure customers are prepared for whatever life has in store. New York Life has received the highest possible financial strength ratings currently awarded to any life insurer from all four of the major credit rating agencies: A.M. Best (A++), Fitch Ratings (AAA), Standard & Poor's (AA+) and Moody's Investors Service (Aaa).*

* Source: Third Party rating reports as of 9/12/19

Portable, flexible coverage.

ABE-sponsored insurance plans are portable.* This means that, unlike plans provided by your employer, you can take the coverage with you if you move on to another firm or decide to start your own practice. All you need to do is continue your ABA membership and pay your premiums.

A big benefit of ABE-sponsored insurance is that ALL of our plans are designed to help provide optimum flexibility. You typically have a wide choice of coverages, term lengths, coverage amounts and other benefit levels.

INSURANCE THAT PROTECTS YOU, AND HELPS OTHERS, AT THE SAME TIME

ABE-sponsored plans are designed to produce dividends that ABA members can choose to **donate to ABE to support the good works of the legal profession.** (Dividends are not guaranteed.) Members may also annually request that any available dividends, or a percentage of those dividends, be returned to them. If donated to ABE, contribution amounts are tax deductible under Section 170(c) of the U.S. Internal Revenue Code. The ABE makes grants that support critical law-related public service, educational and



research programs of importance to the public and to the profession. In addition to grants made to the ABA's Fund for Justice & Education (FJE) and the American Bar Foundation (ABF), the ABE also supports Opportunity Grants, which fund innovative projects that enhance the delivery of legal services to underserved communities.

IT'S INSURANCE THAT MAKES A DIFFERENCE!



* Subject to U.S. Government regulations on restricted countries and Group Policy terms governing termination of coverage.

Nearly \$300 million in grants awarded to date.

HOW THE ABE MAKES A DIFFERENCE WITH YOUR SUPPORT.

ABE annual grants funded in large part by ABA member-donated plan dividends provide millions of dollars a year to support programs through the **Fund for Justice and Education (FJE)**, the **American Bar Foundation (ABF)**, and **ABE Opportunity Grants**.

DIVIDENDS

See more projects supported by donated dividends at abendowment.org/charitable-mission/assignment-of-dividends/



ABA Fund for Justice and Education (FJE) ensures equal access to justice and promoting the rule of law.

Promoting access to justice, especially for those most vulnerable, is central to one's professional calling as a lawyer and for those passionate about the rule of law. For more than 50 years, with funding from the ABE, the ABA Fund for Justice and Education (FJE) has helped do just that – providing lawyers with the opportunities to improve the justice system, their practice and profession, and our communities.

Learn more about programs supported by the ABA Fund For Justice and Education at www.americanbar.org/groups/departments_offices/fund_justice_education.html.



ABE GRANT RECIPIENT: ABA FUND FOR JUSTICE AND EDUCATION

The ABA Rule of Law Initiative (ABA ROLI)

The ABA Rule of Law Initiative (ABA ROLI) is an international development program that promotes justice, economic opportunity and human dignity through the rule of law. For more than 25 years, and through work in more than 100 countries, ABA ROLI and its partners have sought to strengthen legal institutions, support legal professionals, foster respect for human rights and advance public understanding of the law and of citizen rights.

In collaboration with in-country partners — including government ministries, judges, lawyers, bar associations, law schools, court administrators, legislatures and civil society organizations — ROLI designs programs that are responsive to local needs and that prioritize sustainable solutions to pressing rule of law challenges. ROLI employs rigorous and innovative monitoring and evaluation approaches in assessing the quality and effectiveness of a wide range of legal initiatives and programs.

ABA ROLI has roughly 500 professional staff working in the United States and abroad, including a cadre of short- and long-term volunteers and pro bono legal specialists.

* Subject to U.S. Government regulation and Group Policy terms governing termination of coverage.

The ABF at work for the profession.

The American Bar Foundation (ABF) is the nation's leading institute for the empirical study of law. For more than 60 years, the American Bar Foundation has worked to expand knowledge and advance justice through innovative, interdisciplinary research on law, legal processes, and legal institutions. ABF-funded research projects are examining some of the most pressing issues facing society. Recent projects examine diversity, the globalization of legal practice, and issues surrounding hate speech and First Amendment rights. Research goes beyond the boundaries of the U.S., with scholars studying international legal systems, human rights and the rule of law. Studies have also focused on the

experience of lawyers and how the profession continues to evolve, following law school graduates who have had to balance debt, a changing job market, and technological developments.

Through the generosity of the ABE, the Foundation continues to fund scholarships for undergraduates from diverse backgrounds in law and social science. The Foundation encourages cutting-edge research from all perspectives by some of the most qualified and highly regarded lawyers and scholars.

Learn more about how your generosity can make a difference to the future of the profession at <http://www.abfn.org/>.



ABE GRANT RECIPIENT: AMERICAN BAR FOUNDATION

After the JD (AJD)

The After the JD (AJD) project is the first major effort to gather systematic, detailed data about the careers and experiences of law school graduates. The study follows a large national sample of lawyers admitted to the bar since 2000 over the first decade-plus of their careers. This unique source of data shows the changing

nature of the legal profession in the 21st century. This cohort has faced numerous challenges as the legal marketplace has shifted, technology has grown, and the profession faced a serious economic turndown.

ABE Opportunity Grants.

Funding Urgent Boots-on-the-Ground Initiatives

The American Bar Endowment's Opportunity Grant Program provides support to new, boots-on-the-ground, innovative projects that address issues of immediate importance to the public and the legal profession. Through these grant awards, the ABE supports:

- Access to justice, especially for vulnerable and underserved populations, through the innovative expansion of legal services, including maximizing pro bono service delivery.
- The rule of law and the improvement of the justice system, including ensuring equal justice and the elimination of bias.
- Increased public understanding of the law and the legal system to foster greater civic engagement.

For a listing of the grantees, go to

<https://abendowment.org/opportunity-grants/>.



OPPORTUNITY GRANT RECIPIENT

ABA Commission on Hispanic Legal Rights and Responsibilities

The ABA Commission on Hispanic Legal Rights and Responsibilities proposes solutions and approaches for the legal profession to meet the unique opportunities and challenges facing Hispanics in the United States legal system. It also monitors and promotes policies affecting the Hispanic community and develops and supports community education efforts on issues such as employment,

housing, education, health care, criminal justice, voting rights, and immigration. The ABE's grant helps support a project to create, disseminate and implement an accurate and accessible Spanish translation of the Miranda warning.

Don't Put It Off. Get The Coverage You Really Need. Now.

Having the right kind of insurance coverage is the first step toward establishing a sound financial foundation for you and your family. It is essential that you have adequate insurance coverage to protect yourself and your loved ones from catastrophic loss. Once you have the security of quality coverage for life-changing events, you can focus on your investing and savings goals.

We hope this booklet has helped explain and clarify some of the insurance benefits you may need today. You probably still have questions specific to your individual needs and circumstances. ABE is committed to helping you navigate the options and help you select the plans that are appropriate for your personal situation.

ABE is here to answer your questions. **Please contact your ABE Insurance Plan Specialist** or visit our website at **abendowment.org** to get the ABE-sponsored insurance information* you need to help you make sound decisions.



American Bar Endowment

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800-621-8981 | **abendowment.org**

information@abendowment.org

* Including plan features, costs, eligibility, renewability, limitations and exclusions, and charitable contribution opportunity.

ABE is a tax-exempt section 501(c)(3) charitable and educational organization. All ABE-sponsored plans are group insurance plans, meaning coverage is issued to an ABA member under a Certificate of Insurance. It is not provided under an individual policy, nor is it employer/employee insurance. Plans may vary and may not be available in all states.

This material is not intended for use with residents of New Mexico with respect to Disability Insurance.

This material is not intended for use with residents of Arizona with respect to Hospital Money Plan.

Bonnie Czarny (ABE), is licensed in AR (Insurance License #404091) and in CA (Insurance License #0H99426).