

SkyWest
AIRLINES®



Complete your financial plan

SAPA Pilot Loss of Medical Insurance

Speak with our SAPA Account Managers

Rob Alston or **Julie Petry** today:

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You're enjoying life - and then it happens. A bad back. A bum knee. A complicated problematic pregnancy. All of these problems can keep you out of work. And for most people, out of work means out of money. That's where Group Loss of Medical Disability insurance coverage from Harvey Watt & Co can help. If eligible, you'll get a portion of your income if you are unable to fly. The benefits can help you and your loved ones pay for the most important things in life:

- Mortgage or rent
- Food
- Car loans
- Education and child care expenses
- Bills, health insurance & retirement

A disabling sickness or injury can happen to anyone. **Nearly one in five of us will become disabled for a year or more before reaching age 65.**¹ So help protect one of your most important assets - your income.

Thanks to the efforts of your association leadership, SkyWest pilots now have the opportunity to buy Pilot Group Disability insurance. The voluntary coverage will provide additional protection in specific **tax free** amounts described in your enrollment materials of up to 2/3's the earnings you report until age 65 retirement.

The following explanation of Pilot Disability Loss of Medical License Insurance is written anonymously by a fellow commercial pilot to help understand the coverage and its necessity for professional pilots. He actually became disabled due to a medical licensing issue and knows first hand the difficulty FAA Medical Licensing presents.



Have you ever thought about what you would do if you suddenly stopped receiving a paycheck? Would you have money to pay for the things you need? If so, for how long? What is the number of months, before you would run out of cash and begin defaulting on your debts? Would it complicate things if you were told that there was no timeline for receiving a paycheck again? Or what if you were told that your career was over? That it was time to move on and begin a new one. Where would you find work? How long would it take to find work? Would it pay as much as your making now? Would you need re-training? If you did need it, would you have enough money for that training? That mortgage payment or rent that is due 8 months from now, according to your calculations, will you have the money to pay for that? How about your car. Will you have the money to make your payments for the next year? If you had \$3,000 dollars in your checking account, what would you pay for first? Your bills? Or maybe you should keep that cash for necessities like food. How much is the COBRA health insurance this year? Can you afford it? Can your children go without healthcare until you get back on your feet? Do you qualify for any government assistance? Maybe you can get back to work. Is there someone that can help you do that? Is this assistance free? If not, how much does it cost? Do you have that much money? Is it worth it?

Is there anything you could have done to prevent this?

Yes.

What if I told you, that in your career, between now and the age of 65, there is a 67% chance that YOU will lose your medical either temporarily or permanently. Then you have to prove to the FAA beyond a reasonable doubt you are safe to get it back. For some pilots, like myself, it happened at age 26. For others it's age 31, or 44, or 62. In fact, every day that passes, you are more likely to go out on medical leave. What if you were told that you never had to worry about the consequences of losing your medical.

What if you were promised that you would always be able to pay your bills and continue your current quality of life regardless of a disqualifying condition? How much would that be worth to you? Out of a 100% of your monthly pay, how much of your income would you be willing to divert to protect your quality of life and stay financially afloat regardless of whatever life throws your way? 5%, 3%, 2%? What if I told you that our pilots could protect themselves for **less than 2 percent**. Does that seem worth it?

If no one likes or trusts insurance companies then why are they still in business? Simply put, because we need them. The concept of protecting yourself from individual financial risk by spreading that risk out amongst a group of people is a time tested concept that is paramount to a sound defensive financial strategy. Insurance companies are the salesmen of this principle. By lowering our individual risk, it allows us to forego building large “nest eggs” and use our financial resources in other meaningful ways. Historically, insurance claims have helped millions of individuals from being buried in a life-time of debt. It can be said that insurance products are one of the true mutually beneficial business arrangements.

The only pertinent question for the consumer is: What insurance should I buy and at what price? The answer to that question lies not so much in “price” but rather in the answer to yet another question. What insurance can I not afford to pass up? Let’s think about that. What is the first type of insurance that comes to mind that you absolutely HAVE to have. One popular answer would be Health Insurance. Why? Because without it, we are one surgery or hospitalization away from being permanently in debt. How about car insurance? How many of us could afford to replace our car and pay for medical expenses if we were involved in an accident? How about life insurance. Could your dependents survive financially for the rest of their lives without your income? In contrast, how about the insurance at Best Buy on that new digital camera you bought? If the camera broke, could you continue living the quality of life that you’re accustomed to. I think so. This insurance is not necessary, hence the lower participation rate.

So, take the time to add up every insurance policy you have. Homeowners insurance? Renters Insurance? Flood Insurance? Chances are, 95% of the insurance you have, you simply could not do without. Now, take the time to think about this question:

What is the most important asset you have?

What would sink you financially quicker than anything else? When you pay for your health insurance premiums, your life insurance premiums, your car insurance premiums, transportation, food, and shelter, what are you using to pay for that?

Your income.

Your income, without a doubt, is your most important asset, and it must be protected.

In our specialized line of work, this is a fact not over looked by the 99% of pilots who are offered and choose to participate in a Loss of Medical Insurance program.

Like many of you, I am very skeptical of insurance products. Too often, they collect our premiums and reject our claims. I have spent the last year assembling the best insurance agents in the aviation industry and have put them to task. **Finding us the most comprehensive and affordable group Loss of Medical plan available.** After months of competition and questioning of various proposals, we have identified the best plan for our group. In the process, we have had the opportunity to see many of the plans currently in place for other pilot groups. As it stands now, our plan is the best I’ve seen to date.

Our LOM(Loss of Medical) plan will be administered by Harvey Watt and Co. No company has as much understanding about our industry as our dedicated team at Harvey Watt. After working with them closely, it is no surprise to me that they are the pre-eminent force in pilot insurance for over 65 years and have helped write or manage all of the major union and airline plans.

I hope that each of you will take the time to review the details of this plan. Ultimately, the choice is yours to join the overwhelming majority of pilots who have decided to participate in this type of income protection. Ninety nine percent of major airline pilots have this coverage. Every ALPA pilot has a LOM insurance plan in place that they can pay for. **Ours is even better because it is specifically designed for us, pays for longer, is less expensive, and not a one-size fits-all plan.**



The SAPA Plan provides:

66.7% Tax-Free Benefit after only 6 months payable until age 65. The cost and benefits are based on what you report as income and can update that with Harvey Watt later making it affordable for any budget. You get what you pay for in coverage. SkyWest only gives us 60% loss of medical coverage capped at \$5,000 fully TAXED for 24 months before stopping. The SAPA plan will bring us up to 2/3s of our income, Tax-Free and pay for the rest of our career. Every major airline out there has some form of supplemental loss of medical coverage to help pilots make ends meet because the employer plan pays too small of a taxed benefit or too short of time.

Your Benefits Committee has gone through the painstaking process of obtaining a high quality group plan. We intend to make the process of learning about and enrolling in this plan as easy as possible. A Comprehensive Q & A is posted. The full Schedule of Benefits for this plan can be found by clicking the link below. There will be an additional opportunity to have questions answered about this plan by contacting Harvey Watt & Co.



You can also have your questions answered directly by Harvey Watt & Co. by calling them at 800-241-6103 or email them at pilot@harveywatt.com to have them call you.