

# **The Surrogacy Alternative:**

**‘What Everyone Considering  
Surrogacy Should Know’**



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# SMI

ALTERNATIVES TO INFERTILITY SINCE 1984©

**W**elcome to Surrogate Mothers, Inc. web site! SMI has been assisting couples and individuals since 1984. We are one of a select few of programs in the country that has *never* had a woman change her mind, and one of only three programs which is run by an attorney. We have been a member of the Better Business Bureau since 1986, with no complaints filed against us. We also have an A+ rating with the BBB. We have had the pleasure of assisting couples from across the world in creating families. Our surrogate program is a full service agency, coordinating all medical, travel, and legal procedures. It is the only recognized surrogacy program in the world which also openly works with gay and lesbian couples/individuals. As of the writing of this, we have had over 400 babies born. We have another 50 couples from across the world who have selected surrogates and are expecting, or hoping to be expecting soon. We also have another 50 women available to be surrogates.

What follows is an overview of SMI's program. This basic information will answer some of the most common questions we are asked. For more detailed answers to your questions, to speak to Steven Litz, an attorney and the director of SMI, call toll free at 1-888-SURROGATE or you may reach us directly at (317) 996-2000. Our address is: PO Box 216, Monrovia, IN, 46157, or you may E-Mail us at [scl@surrogatemothers.com](mailto:scl@surrogatemothers.com)

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## OPTIONS AVAILABLE

- ◆ Artificial Insemination: Surrogate is artificially inseminated with Client's sperm
- ◆ *In Vitro* Fertilization/Embryo Transfer: Doctors combine sperm and eggs from husband and wife of couple
- ◆ Artificial Insemination by Donor (AID): Surrogate is artificially inseminated with donor sperm (where both partners are infertile)
- ◆ Egg Donor Program: Egg Donor's eggs are combined with Client's sperm and the resulting embryos transferred to a surrogate

## GENERAL INFORMATION

- ◆ Q and A
- ◆ Success Rates
- ◆ Procedures
- ◆ Surrogate and Couple Profiles

## LEGAL ISSUES

## TIME TABLE

## APPROXIMATE EXPENSE

## GENERAL INFORMATION

Q. What types of women become surrogates?

A. In SMI's program, a surrogate **must** be a surrogate must be 18-35, have previously had a child, must be financially stable, and must weigh less than 200 pounds. The typical surrogate is 28, married, employed, and solidly middle class. The single characteristic describing all of our surrogates is *altruism*. The women in our program are generous, caring, healthy women. They become surrogates to help people have families. Unlike other programs which look for poor women (based on the mistaken belief that a poor woman is less likely to keep the child), our surrogates are never motivated by financial need. Their fee, which generally is around \$15,000, is a factor, but never the main reason for their participation.

Q. What do couples look for in a surrogate?

A. Couples base their decision on many factors. Some couples select a woman because of her location or physical similarity. Others want a surrogate who is intelligent. All couples, however, look for a woman who is healthy, has no significant medical/psychological difficulties, is emotionally and mentally stable, conceives easily, and who is responsible and mature enough to realize that the couple is placing an enormous amount of trust in her to carry their child.

Q. Is the surrogate screened?

A. Absolutely. The surrogates go through a variety of different screening processes. References are checked, medical records from prior pregnancies are obtained, a criminal history check is done, and the surrogate (and her husband if married) are then given a complete psychological exam. The couple gets a copy of the psych report, and they make a final decision if the surrogate is acceptable. Approximately 1% - 2% of all women who initially contact SMI actually end up being accepted into the program.

Q. What happens if the surrogate refuses to give up the child?

A. Of the 5000 or so births to surrogates in the country, a woman has refused to relinquish the child less than 1% of the time. SMI has *never* had this happen. In every case where it has, the surrogate either was not screened at all, or the couple was not made aware of the psychological findings. When surrogacy is done right, it works.

Q. What are the success rates?

A. "Success" should only mean one thing: the percentage of couples/individuals who actually end up with a child. In the AI program, your success rate depends on the male's sperm count and the surrogate's ability to conceive. 85% of all of SMI's clients in the AI program end up with a child. On the average, it takes our surrogates 3 cycles to conceive. Some take longer. Many get pregnant on the first try. In the IVF/ET program, the success rates are much lower, primarily because the wives of the couples are much older. In that program, the success rate is about 20%-25%. SMI will work with you as long as you wish. There are additional legal fees if you switch surrogates.

Q. Will the couple and the surrogate meet?

A. SMI encourages "open surrogacy." The reason for this is simple: because our surrogates are not doing this for the money, they want (and have every right) to know the types of people for whom they are doing this. Meeting the surrogate allows both sides to make sure that the arrangement will work. Most of our couples stay in contact with their surrogate frequently during the pregnancy. Even after the birth, many couples still stay in touch with their surrogates (X-mas cards, birthday cards, etc.), although for most couples and surrogates the relationship ends after the baby is born.

## LEGAL ISSUES

25 states have laws which in some fashion address surrogacy. Three have actually seen fit to criminalize surrogacy. They are MI, NY, and WA, as well as D.C. The other states have laws which say surrogate contracts are invalid, which set up elaborate mechanisms to approve contracts, or which regulate the payment of fees to surrogates.

In the AI program, SMI goes to court before the child is born and obtains a court order saying that the husband (or single man) is the father of the child, and directing that his name go on the original birth certificate. After the child is born, the surrogate signs consent forms which either terminate her parental rights, leaving the man with sole custody of the child, or which allow the wife of the couple to adopt. That step-parent adoption generally takes place in the couple's state, unless they reside in one of the states where surrogacy is illegal. In that case, that adoption can occur in another state.

In the embryo transfer program, a similar pre-birth court order is obtained, except that this order says that the couple are the child's biological parents, and their names go directly on the original birth certificate. No adoption is necessary since they are the biological parents. In either case, the couple (or individual) will take the child directly from the hospital back home with them.

### TO ALL COUPLES CONSIDERING SURROGACY

The Small Business Job Protection Act of 1996 permits adopting persons to claim a tax credit of up to \$5000 of "qualified adoption expenses" per adopted child. This is a dollar-for-dollar tax credit, which means that you may receive a credit (not just a deduction) on your taxes for each dollar you spent on certain adoptions. This translates into a tax deduction of up to \$17,800 (if you are in the 28% tax bracket). The credit is available for payments made beginning January 1, 1997, but not before. The qualifying expenses are those costs which are reasonably necessary to accomplish the adoption, including court costs, attorneys fees and other expenses, as defined by the Act. Any child under 18 is eligible. If the child is one with "special needs" as defined by the Act, the credit increases to \$6000/child. You can claim the credit in the year after the expenses are paid, or in the year the adoption is finalized.

The credit is phased out as your adjusted gross income exceeds \$75,000, and is eliminated altogether for those persons with AGI exceeding \$115,000. It is reduced by a percentage equal to the amount of AGI exceeding \$75,000 divided by \$40,000. So, for example, if your AGI is \$100,000, you would figure your credit as follows:

1.  $\$100,000 - \$75,000 = \$25,000$
2.  $\$25,000 \div \$40,000 = .625$
3.  $.625 \times \$5000 = \$3125$
4.  $\$5000 - \$3125 = \$1875$

So, in the above example, you would be entitled to a tax credit of \$1875/child adopted.

SMI will be happy to work with you to determine if you can benefit from this credit. Also, if your employer reimburses you for adoption-related expenses, that reimbursement is no longer considered income, subject to the same guidelines as discussed above. For more information on this potentially useful Act, contact your tax adviser.

**TIME TABLE**  
(Embryo transfer program)

The following time table will help you judge approximately how long it will take from the time that you select a surrogate until your child is born. These periods obviously are subject to change, but can be used as a general guideline.

Once the surrogate is selected, I will contact her to arrange for the psychological testing, which consists of several personality tests, marital relationship tests, and an interview with the surrogate and her husband (if she is married). *1 - 4 weeks*

Once the psychological screening is completed, the surrogate will be screened medically by the physicians responsible for the embryo transfer. We will have previously obtained and sent her medical history to them. After the medical screening, the doctors will determine if the surrogate is acceptable. *3 - 8 weeks*

Assuming everything is okay with her physical, the surrogate then will sign the contracts. She is encouraged to obtain her own attorney, but this is not required. Once the surrogate is selected, and possibly prior to selection, she will be taking her basal body temperature. The doctors doing the transfer like to have at least 2-3 temperature charts to assist them in predicting when the surrogate ovulates and, hence, when she is ready for the embryo transfer. *2 - 12 weeks*

Once the surrogate has charted her temperature for a sufficient time, the doctors will request that she undergo blood tests called Estradials. These monitor the LH surge which occurs just before ovulation. She will have the tests performed for about 6 consecutive days starting on the 7th or 8th day of her cycle. At this point, the wife's cycle and the surrogate's cycle will be "matched" through the use of various drugs and/or birth control pills given to the wife. *4 - 8 weeks*

After the surrogate's cycle and the wife's cycle are matched, the surrogate and the couple will go to the medical facility involved (in one of several different states depending on which program the couple is in), and the transfer will occur. This assumes that the wife responds adequately to the medication and that she has not ovulated too early. Occasionally, because of some type of problem, no transfer occurs. *3 days*

Pregnancy tests are done about 2 weeks after the transfer. If the transfer is unsuccessful, the procedures will be repeated. If the transfer is successful, and a pregnancy occurs, the surrogate will be monitored by her own physician, and will deliver in about 8 months. *36 weeks*

The total time, then, from initial surrogate selection until delivery will range from 15-18 months, assuming the surrogate conceives after the first transfer. The reason for such a wide range of time is that coordinating the cycles can be very difficult or relatively simple depending on a number of factors. Please consult the medical personnel at the facility you are using for answers to more specific medical questions.

**TIME TABLE**  
(Artificial Insemination Program)

The following time table will help you judge approximately how long it will take from the time that you select a surrogate until you actually are able to adopt the child. These periods obviously are subject to change, but can be used as a general guideline.

Once the surrogate is selected, I will contact her to arrange for the psychological testing, which consists of several personality tests, marital relationship tests, and an interview with the surrogate and her husband (if she is married). *1 - 4 weeks*

Once the psychological screening is completed, the surrogate will be screened medically by the physicians responsible for the AI. We will have previously obtained and sent her medical history to them. After the medical screening, the doctors will determine if the surrogate is acceptable. *3 - 8 weeks*

Assuming everything is okay with her physical, the surrogate then will sign the contracts. She is encouraged to obtain her own attorney, but this is not required. Once the surrogate is selected, and possibly prior to selection, she will be taking her basal body temperature. The doctors doing the transfer like to have at least 2-3 temperature charts to assist them in predicting when the surrogate ovulates. The insemination usually occurs on about day 14 of the surrogate's cycle. She may be inseminated more than once per cycle, depending on the results of an ultrasound, which will be given just before the insemination and will tell the doctors how developed the surrogate's follicles are. The inseminations will occur either in Indiana or New Orleans if frozen sperm is used, or in Kentucky or Illinois, if fresh sperm is used. *2 - 12 weeks*

Pregnancy tests are done about 2 weeks after the insemination. If it is unsuccessful, the procedures will be repeated. If the AI is successful, and a pregnancy occurs, the surrogate will be monitored by her own physician, and will deliver wherever she lives in about 8 months. *36 weeks*

After delivery, the surrogate will sign consent forms allowing the wife of the couple to adopt the child. The couple will take the child directly from the hospital. The adoption will occur in the couple's county of residence, and will probably require a homestudy prior to the adoption being finalized. The length of time between birth and finalization of the adoption depends on the couple's State laws. *1 - 26 weeks*

The total time, then, from initial surrogate selection until delivery will range from 12-18 months, assuming the surrogate conceives after the first AI. The reason for such a wide range of time is that court proceedings may occur very quickly, or may be drawn out. It is certainly possible that you could have a child within a year after selecting a surrogate if she conceives after the first insemination.

**APPROXIMATE EXPENSES**

<b>Application Fee</b> .....	\$500
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<b>Legal Expenses</b> .....	\$15,000
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This includes all contract preparation; surrogate selection and monitoring; escrow account supervision; final preparation of the adoption decree, and any other legal work necessary to ensure that the adoption and/or termination of parental rights (if in the IVF/ET program) is successful. If legal work is necessary outside of Indiana, we may need an attorney in that state also represent you, in which case there might be additional legal fees.

<b>Medical Expenses</b> .....	\$500 - \$15,000
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This includes physical exams and sperm count of the father; physical exam, HSG test (if necessary), insemination/embryo transfer, prenatal, delivery, post-partum care for the surrogate. Medical costs will vary greatly depending on how comprehensive the surrogate's health insurance policy is, or if she even has one. If she does not, you must purchase a policy for her. **YOU ARE RESPONSIBLE FOR ANY EXPENSES NOT COVERED BY HER INSURANCE.**

<b>Advertising Expenses</b> .....	\$5,000
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\$5000 is about what SMI pays per woman made available to you. If for some reason you need to select a second surrogate, you are charged a reduced ad fee of \$2500. If your surrogate does not pass the psychological testing and you select someone else, no additional fee is charged.

<b>Psychological Fees</b> .....	\$1,600-2,000
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These are the costs for the psychological evaluation and testing that the surrogate will undergo once she is selected. If your surrogate is single, the fee is \$1600; if married, since she and her husband both are tested, the fee is \$2000. Also included is consultation during and after the pregnancy, if necessary.

<b>Miscellaneous Surrogate Benefits</b> .....	\$750 - \$2,000
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This includes a \$500 maternity clothing allowance; a \$100,000 term life insurance policy which must be taken out on the surrogate (costs about \$150); travel expenses to/from Indianapolis and/or Lexington, KY, for the AI program, or one of several different cities if in the IVF/ET program; a \$100 daily allowance to compensate the surrogate for such things as lost wages, child care, meals, etc.; and attorney's fees for the surrogate's attorney (\$300-\$500).

<b>Surrogate's Fee</b> .....	\$0 - \$20,000
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Total approximate expenses, then, will be as little as about \$25,000 (if the surrogate is not charging any fee and has insurance, which is very unlikely), or as much as \$70,000 (if she is asking for \$20,000 and does not have insurance, which also is unlikely). The average total cost, including everything above for the AI program, is around \$50,000-\$60,000 and for the IVF/ET program around \$60,000-\$70,000. As a general guide, you can figure on at least \$35,000 in expenses (includes everything except the surrogate's fee, and assumes a successful pregnancy within the first two tries). If you are participating in the IVF/ET program (or if you have selected an egg donor), the medical expenses may be significantly higher if you try repeated fresh transfers. Your insurance might cover some of these expenses, as well as some of my fees. These costs are intended as a guideline only. The actual costs may or may not exceed these figures. The legal fees, advertising costs, and psychological expenses are guaranteed not to increase once you have signed a contract, and if you withdraw from the program for any reason prior to your surrogate signing the contract, the legal fees are refunded in full.