

Your choices for employee disability coverage

Most American workers are financially unprepared to live without a paycheck should they become disabled. In fact, 68% of the private sector workforce has no long-term disability insurance.¹

Without disability insurance protection, a serious illness or unexpected injury can jeopardize an employee's financial future. By offering group disability insurance from Principal Life Insurance Company, you can offer a benefit solution that helps keep your employees – and your business – protected.

Group Long-Term Disability (LTD) and Short-Term Disability (STD) insurance from Principal Life offer an affordable high-quality solution, at group rates. Our disability products offer a high degree of flexibility along with outstanding and comprehensive claim management services.

You understand the importance of helping your employees protect their income from the unexpected. Now it's time to build the right solution to help them do so. Principal Life's flexible products provide a range of benefit options to choose from.²

Principal Life's disability products provide the financial protection employees need, and our comprehensive claim management services focus on returning an employee to productive work.

1 in 4 of today's 20-year-olds will become disabled before reaching age 67.¹

OPTION	STD ELIMINATION PERIOD / BENEFIT DURATION	STD BENEFIT PERCENTAGE / MAXIMUM WEEKLY BENEFIT	LTD ELIMINATION PERIOD / BENEFIT DURATION	LTD BENEFIT PERCENTAGE / MAXIMUM MONTHLY BENEFIT	LTD OWN OCCUPATION PERIOD
What It Is	The elimination period is the amount of time an employee must be disabled in order to begin receiving benefits. Benefit duration refers to the period of time that STD benefits are payable.	The benefit percentage, used to determine the benefit payable, is applied to a disabled employee's pre-disability earnings. A maximum weekly benefit is also applied. The maximum benefit is designed to meet the needs of the majority of employees. A maximum weekly benefit of up to \$2,500 is offered.*	Typically, an employee's LTD benefits should begin when his/her STD coverage ends. Elimination periods of 90 or 180 days help control the overall cost of LTD coverage; many employees who are unable to work because of a minor condition will recover before the end of the elimination period. These elimination periods also allow us to identify claims in need of intervention, thus promoting rehabilitation and return to work. Benefit duration refers to the period of time that LTD benefits are paid.	The benefit percentage is applied to a disabled employee's pre-disability earnings to determine the monthly benefit amount that will be paid. This percentage works in conjunction with the maximum monthly benefit, which is generally determined by averaging the majority of the needs of an employee group. A maximum monthly benefit of up to \$10,000 is offered for traditional LTD and \$6,000 for voluntary LTD. *Higher maximums may be available. Contact your Principal Life representative for additional information.	An employee's own occupation is the occupation the employee was routinely performing when the disability began. An LTD policy normally allows insureds to be considered disabled for a period of time – called the own occupation period – if they are unable to perform their own occupation. After the own occupation period ends, they are considered to be disabled if they are unable to perform any occupation for which they are or may reasonably become qualified by education, training or experience.
Most Common Contract	STD elimination period: 8/8 Benefit duration: 13 weeks	STD benefit percentage: 60% Maximum weekly benefit: \$1,000	LTD elimination period: 90 days Benefit duration: To age 65	LTD benefit percentage: 60% Maximum monthly benefit: \$6,000	LTD own occupation period: 2 years
Benefit Options	How long would you like employees to be disabled before they become eligible to receive STD benefit payments? <input type="checkbox"/> 8th day accident/8th day sickness <input type="checkbox"/> 1st day accident/8th day sickness <input type="checkbox"/> 15th day accident/15th day sickness <input type="checkbox"/> 30th day accident/30th day sickness How long would you like your employees to be eligible to receive STD benefits? <input type="checkbox"/> 13 weeks <input type="checkbox"/> 26 weeks	What percentage of pre-disability earnings would you like your disabled employee to receive? <input type="checkbox"/> 40% <input type="checkbox"/> 50% <input type="checkbox"/> 60% <input type="checkbox"/> 66⅔% <input type="checkbox"/> 70%† What is the maximum weekly benefit you'd like to offer? <input type="checkbox"/> \$250 <input type="checkbox"/> \$500 <input type="checkbox"/> \$1,000 <input type="checkbox"/> \$1,500 <input type="checkbox"/> \$2,000† <input type="checkbox"/> \$2,500†	Given the duration of your employees' STD benefits, when would you like LTD benefits to begin? <input type="checkbox"/> 60 days† <input type="checkbox"/> 90 days <input type="checkbox"/> 180 days <input type="checkbox"/> Other _____ How long would you like your employees to receive LTD benefits? <input type="checkbox"/> To SSNRA <input type="checkbox"/> 2 years <input type="checkbox"/> 5 years <input type="checkbox"/> To age 65	What percentage of their pre-disability earnings would you like employees to receive? <input type="checkbox"/> 40% <input type="checkbox"/> 50% <input type="checkbox"/> 60% <input type="checkbox"/> 66⅔%† What is the maximum monthly benefit you would like to offer? <input type="checkbox"/> \$2,000 <input type="checkbox"/> \$4,000 <input type="checkbox"/> \$6,000	What own occupation period would you like to offer? <input type="checkbox"/> No own occupation period <input type="checkbox"/> 1 year <input type="checkbox"/> 2 years <input type="checkbox"/> 3 years <input type="checkbox"/> 5 years† Additional options available to professional, white collar groups include: <input type="checkbox"/> End of benefit duration

¹ Source: Social Security Administration, Fact Sheet, February 2013, <http://www.ssa.gov/news/press/factsheets/basicfact-alt.pdf>

² State variations may apply. Your local sales representative can help you determine the options available in your state.

† Traditional (non-voluntary) only

Additional Coverage Choices

Additional Long-Term Disability benefits are available that can increase the attractiveness of your benefit offering. Some of these benefits are standard provisions of our group disability coverage, but you have the flexibility to choose the options that best meet your employees' needs.

Standard benefits with opt-out option

- Rehabilitation Incentive Benefit** provides a financial incentive for totally disabled employees who participate in a rehabilitation plan. A totally disabled employee's benefit percentage will increase by 5% when he or she participates and satisfies the requirements of the rehabilitation plan.
- Reasonable Accommodation Benefit** helps cover the cost of modifying the worksite to allow disabled employees to return to work. With approval, we reimburse you up to \$2,000 for actual expenses incurred to modify the worksite.
- Survivor Benefit** is paid to the survivors of employees who die while receiving disability benefits. The benefit is equal to three times the employee's benefit payable prior to reduction for other income sources and is paid in one lump sum.
- Accelerated Survivor Benefit** offers employees, who are diagnosed with a terminal illness and have a life expectancy of 12 months or less, an opportunity to receive their survivor benefit on an accelerated basis*.

Optional Benefits

- Return to Work Childcare Benefit** provides financial incentive for partially disabled employees to remain on the job or return to work by helping them cover the cost of childcare for their dependent children. We reimburse employees for 50% or 100% of their childcare expenses, up to a maximum monthly benefit of \$100 to \$800.

Reimbursement of:
 50% 100% with a maximum monthly benefit of your choice.
- Medical Premium Supplement** helps employees on LTD defray the cost of the monthly healthcare premium through COBRA through a separate benefit that may be applied to individual or family premiums.

Benefit duration
 12 months 24 months end of cobra

Monthly Payment Amount
Ranges from \$100 up to \$1,000*
*not all amounts available in all states
- Cost of Living Adjustment (COLA)[†]** protects disabled employees from inflation by increasing benefit payments on the anniversary of the date benefit payments began. Benefits are increased for a specified period of time.

COLA benefit of:
 1% 2% 3% 4% Equal to the increase in the Consumer Price Index

 50% of the increase in the Consumer Price Index

How long do you want disabled employees to receive annual cost of living adjustments?
 5 years 10 years To the end of the benefit duration
- Spouse Rehabilitation Benefit** provides rehabilitation assistance to the spouse of a totally disabled employee. It can be used to pay for a spouse's education, job placement, family care or family moving expenses.

One-time benefit of:
 \$500 \$1,000
- Activities of Daily Living (ADL) Benefit** provides an additional benefit to employees who suffer catastrophic disabilities. Employees who are unable to perform two or more of the activities of daily living qualify for ADL benefits. You choose the desired income replacement level, up to 100% of pre-disability earnings. The ADL benefit percentage is determined by subtracting the elected benefit percentage from the ADL income replacement percent.

What income replacement do you want to provide for employees who qualify for ADL benefits?
 80% 90% 100%
- Dependent Education Benefit** is designed to assist disabled employees with the education expenses of eligible dependent children who attend a post-secondary school on a full-time basis.

Monthly payment options per child include:
 \$100 \$150 \$200 \$250
- Conversion Privilege** allows employees to convert to a personal LTD insurance policy when they are no longer employed due to resignation, termination for cause, lay-off or leave of absence. Employees with LTD coverage for 12 consecutive months may convert their benefits to personal LTD insurance without proof of good health.
- Retirement Plan Supplement Benefit** pays an additional benefit into a retirement plan for a disabled employee. Benefits are deposited into a Flexible Premium Deferred Annuity (FPDA) or similar contract issued by Principal Life.

What additional percentage of covered monthly earnings should be payable to a retirement plan?
 1% 5% 10%

*There may be tax consequences, and eligibility for social welfare programs may be impacted when an employee receives the benefit.

† Traditional (non-voluntary) only

Service and support

Claim management and rehabilitation services

Principal Life is an industry leader in claim management and rehabilitation services. For more than 30 years, our professional staff of registered nurses, vocational rehabilitation specialists and Social Security coordinators has provided expert assistance and personal service.

Expert claim services

- Identify claims in need of early intervention through a triage approach
- Offer services including toll-free phone number and fax service, single claim form for STD and LTD, and electronic fund transfer for LTD benefit payments
- Pre-approve benefit duration for routine STD claims

Comprehensive vocational rehabilitation services

- Offer services including case management, job analysis, job modification, coordination of return to work, and resume preparation and interview skills training
- Focus on timely rehabilitation and encourage return to work when possible

Proactive Social Security advocacy services

- Identify claimants who may qualify for Social Security Disability Insurance (SSDI) benefits
- Offer toll-free number for questions on the SSDI process
- Coordinate SSDI claim filing process
- Research medical and vocational evidence to support SSDI claim

Employee Assistance Program

We understand the importance of helping employees deal with life's everyday, and not so everyday, challenges. And as an employer, you need to reduce the potential impact of personal problems at work. So, included with both your short-term and long-term disability coverages from Principal Life, you receive a choice of three Employee Assistance Program options provided by Magellan Healthcare.

An EAP can help your company:

- Improve productivity and wellness
- Reduce the number of health insurance claims
- Increase workplace safety
- Increase workplace cooperation and improve morale
- Reduce absenteeism and turnover

Your EAP services include:

- Telephone consultation available 24/7 with licensed mental health professionals
- Private touch-tone self-screening and audio library services
- Online information and services
- Detailed information on local child and elder care resources
- Referrals to community resources when employees need additional assistance
- Additional services such as legal and financial services and face-to-face counseling sessions available on request

Value-added services

In addition, Principal Life provides group disability insurance customers a variety of discounts and services from some of the most trusted names in health and wellness programs. Organizations such as Weight Watchers, the American Cancer Society, LCA-Lasik, Inc. and American Hearing Benefits, to name a few, offer specials on their products and programs...at no cost to you.

Online tools

Our free online eService tools let you manage your Principal Life group insurance benefits from your home or office 24 hours a day, seven days a week from your computer, laptop or tablet.

Benefits for you

- Add or remove employees and their coverages
- View and update employee information and changes instantly
- Update salaries
- Review online booklets and policies
- Access claim reports
- Set up and pay premiums electronically

Benefits for employees

- Access benefit summaries
- Review benefit booklets and policies
- View claim status
- Use online calculators to make coverage decisions



WE'LL GIVE YOU AN EDGE®

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This brochure provides general information about disability insurance available from Principal Life. It is not an insurance contract or complete statement of the provisions, benefits, limitations, exclusions and restrictions of the insurance. Contact your local sales representative for more information, including availability of specific products in your state, costs and a proposal outlining the coverage.

The EAP and value-added discounts and services are not part of the insurance contract. Third-party providers are solely responsible for the provisions of products or services. Third-party providers are not members of the Principal Financial Group®.

Group Disability Insurance Build a Solution to Protect Your Employees

