



Learning about individual Disability Income (DI) insurance from Principal® is easy. This product profile outlines the key features you need to know about to help clients and grow your DI business.

## How it works

**An individual Disability Income (DI) insurance policy helps your clients protect their most relied-upon asset - their income.** An individual DI insurance policy pays a monthly benefit, like a “paycheck,” in the event of a disability, so your clients can take comfort in knowing that their current lifestyle is protected from the unexpected.

### Target market

- Ages 25 to 55
- Occupations with little to no manual duties
- Earns at least \$40,000 a year
- Meets underwriting guidelines for health and occupation

### Policy benefits for your clients

- Non-cancelable (with payment of premiums)
- Guaranteed premium rate to age 65
- Conditionally renewable for life
- Portable coverage that stays with your client if they change jobs

### Policy features

- Can be purchased individually
- Can be added to employee benefit packages as stand-alone coverage or as a supplement to group long-term disability insurance
- Multi-Life discount of up to 20% (based on unisex rates) available when three or more employees with the same employer purchase policies<sup>9</sup>

## Product and underwriting guidelines

- **Issue ages:** 18-60 (18-64<sup>1</sup> for multi-life cases)
- **Occupation classes:** 6A<sup>2</sup>, 5A/5A-M, 4A/4A-M, 3A/3A-M, 2A, A
- **Elimination periods:** 30 (not available in California), 60, 90, 180 or 365 days
- **Benefit periods:** 2 years (not available in California), 5 years, To Age 65, To Age 67 or To Age 70
- **Your Occupation periods:** 2 years, 5 years, To Age 65, To Age 67 or To Age 70

### DI maximum issue and participation limits<sup>3</sup>

Occupation class	Ages	Issue limit	Participation with other individual DI	Participation with group LTD
6A <sup>2</sup> , 5A, 4A, 3A	18-61+	\$20,000	\$35,000	\$35,000
	18-55	\$17,000	\$25,000	\$30,000
5A-M, 4A-M <sup>4</sup> , 3A-M <sup>4</sup>	56-60	\$17,000	\$17,000	\$17,000
	61+	\$10,000	\$10,000	\$10,000
2A	18-61+	\$8,000	\$10,000	\$10,000
A	18-61+	\$6,000	\$8,000	\$8,000

## Premiums

Individual DI insurance premium rates depend on your clients':

- Age
- Gender
- Occupation
- Tobacco status
- State of residence
- Policy structure
- Selected riders
- Discounts

When individual DI insurance is offered as an employee benefit, premiums can be paid by the employer or employee.

Below are three examples of how coverage can be structured to meet your clients' needs and budgets:

Policy features	Comprehensive coverage		Moderate coverage		Basic coverage	
Monthly benefit	\$2,450 (maximum available)		\$1,850 (approx. 75% of max.)		\$1,500 (approx. 61% of max.)	
Elimination period	90 days		90 days		180 days	
Benefit period	To Age 65		To Age 65		5 years	
Your Occupation period	To Age 65		To Age 65		5 years	
Total Disability covered	Yes		Yes		Yes	
Residual Disability covered	Yes		Yes (12-month duration)		No	
Cost of Living Adjustment rider added (cost rider)	Yes (3%)		No		No	
Total monthly premium	Male	Female	Male	Female	Male	Female
	\$89	\$154	\$57	\$99	\$20	\$35

Assumptions: Michigan resident, HH 750 policy, \$40,000 annual income, 4A occupation class, non-tobacco, age 35.

## Available features

### Riders

#### No Cost

- Benefit Update
- Capital Sum Benefit
- Future Benefit Increase
- Limitation of Benefits for Mental/Nervous and Substance Abuse Disorders (MNSA)<sup>5</sup>
- Presumptive Disability Benefit
- Supplemental Health Benefit

#### Cost

- Catastrophic Disability Benefit<sup>6</sup>
- Cost of Living Adjustment
- Extended Total Disability Benefits
- Recovery Benefit<sup>7</sup>
- Regular Occupation
- Residual Disability Benefit<sup>7</sup>
- Residual Disability and Recovery Benefit
- Short-Term Residual Disability Benefit (6 or 12 month)
- Transitional Occupation

### Discounts

- Affiliation: 10%<sup>2</sup>
- Association: 10%
- MNSA rider: Up to 10%<sup>5,8</sup>
- Multi-Life: 20%<sup>9</sup>
- Select Occupation: 10%<sup>10</sup>

### Sales programs

- Core Value Income Protection<sup>SM</sup>
- Simplified DI<sup>11,12</sup>
- Simplified Multi-Life<sup>9,11,12</sup>

## Built-in policy features

- Death Benefit
- Interrupted Elimination Period
- Recurring Disability
- Rehabilitation Benefit
- Transplant Surgery Benefit
- Waiver of Premium Benefit

## How to start the conversation with clients

- **Chances are you insure your car, home and personal property, but what about your income?** Your income allows you to pay for the things that are important to you and do the things you love. Protect it so you can get back to what really matters.
- **Don't delay — protect your most important asset today.** Coverage costs less when you are young and healthy. As you age, buying a policy becomes more expensive and you may risk not getting coverage due to health issues.

- **Protect your income faster and easier with our Simplified DI Program.** This program skips the hassle of obtaining income verification or routine medical requirements<sup>11,12</sup> to get approval for your coverage.
- **Protect your retirement dreams.** Adding DI Retirement Security allows you to continue to save for retirement, so you can protect your investment in your retirement dreams.



## Add a personal touch

### Your story is important - protect it.

Everyone has a unique story. Your income is a big part of creating memories that shape your story. Keep your story—and your income—protected. With income protection, you can get back to making memories that matter.

Learn from others who have benefited from protecting their story at [www.principal.com/protectincome](http://www.principal.com/protectincome)



“If I hadn't had individual disability insurance, I would've faced financial difficulties. This insurance helped me continue my life and have a stable family.”

—Robert, disability insurance claimant



Let's connect.

Contact your local representative.

- <sup>1</sup> Older ages may be available subject to underwriting approval with the Conditionally Renewable Policy rider.
- <sup>2</sup> Not approved in all states; not available in California. For state approval information, visit [www.principal.com/distateapprovals](http://www.principal.com/distateapprovals).
- <sup>3</sup> If automatic increase riders are on a policy, maximum issue and participation limits are lower.
- <sup>4</sup> For adjustments on 4A-M and 3A-M policies prior to the 700 Policy Series, the issue limit remains at \$10,000/month and the participation limit with other coverage is \$20,000/month.
- <sup>5</sup> The MNSA rider is required for single-life policies in CA, FL, LA and NV. It is not available for single-life cases in any other states except when required for association cases or when certain riders are placed on a policy for select occupations. For multi-life cases, the rider is required in CA and optional in all other states. This rider is not available in VT.
- <sup>6</sup> This rider is called the Catastrophic Impairment Benefit in NH.
- <sup>7</sup> Only available in CA.
- <sup>8</sup> 10% discount for To Age 65, To Age 67 and To Age 70 benefit periods. 5% discount for 2-year and 5-year benefit periods. In TX, not available on 2-year benefit period; 3% discount with 5-year benefit period; 5% discount for all other benefit periods.
- <sup>9</sup> Available when three or more individuals with a common employer purchase individual disability insurance coverage. Discount not available for dental or medical residency programs.
- <sup>10</sup> Eligible occupations vary by state.
- <sup>11</sup> No blood, urine, exams, EKGs or APSs required, unless a significant medical condition is reported by MIB, significant medical information is obtained from the TeleApp or other available information, or any other disability coverage has been issued or applied for on a non-medical basis. Applications could be rated, ridered or declined based on all underwriting information available; this is not a guaranteed issue program. Urine/HIV test is required in Maine. Subject to issue and participation limits and minimum premium requirement. Combined Simplified DI and Simplified Overhead Expense benefits cannot exceed \$16,000/month. In California, there are no labs required for Simplified Single-Life cases up to \$6,000/month, but an APS and financial documentation are required.
- <sup>12</sup> Financial documentation is required if applying for more than the Simplified limits - this applies for new applications and adjustments, and for the following occupations, regardless of income: stockbroker, bond trader (not on trading floor), mutual fund manager, real estate agent/broker, mortgage loan originator/broker, investment banker/analyst, attorney specializing in real estate, and residential construction contractor.



[principal.com](http://principal.com)

Disability insurance from Principal<sup>®</sup> is issued by Principal Life Insurance Company, Des Moines, IA 50392-0002.

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Policy forms HH 750

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