



## Individual Disability Income Insurance

# Protection You Can't Afford Not To Have

If you became too sick or hurt to work, how would you maintain your standard of living? Individual Disability Income (DI) insurance from Principal Life Insurance Company provides monthly benefits to help you pay daily living expenses and keep your savings and retirement assets intact. It's basic protection you can't afford **not** to have.

### Affordable protection

During uncertain economic times, it's critical to protect your income. Although budgets may be tight, you can structure a Principal Life Individual DI insurance policy to be more affordable. When purchasing a policy, consider:

- **Lengthening your elimination period.** This is the length of time you "wait" before receiving disability benefits.
- **Shortening your benefit period.** This is the length of time you receive benefits after satisfying the elimination period.
- **Shortening the "Your Occupation" Period.** This is the period of time you are protected in your occupation and not required to work in another occupation.
- **Reducing the amount of benefits you receive.** Consider purchasing enough benefits to cover fixed expenses, such as your mortgage/rent payments and other monthly bills.
- **Evaluating which riders you want on the policy.** Principal Life offers several riders (available at an additional cost) to further customize your policy.
- **Determining if you need protection for a residual disability.** Principal Life's basic policy protects you in the event of a total disability. A residual disability means you are working at a reduced capacity in your current occupation or in another occupation and have a loss of earnings. The benefit you receive is based on your loss of earnings.<sup>1</sup>

### Better now than later

Obtaining some income protection now is better than waiting. It usually doesn't make sense to wait to buy a policy because as you grow older, policies become more expensive and you risk not getting coverage due to health issues. In most cases, once you purchase a policy, you can adjust it in the future based on underwriting approval.

## Different coverage for different needs and budgets

Below are three policy designs that show how you can structure a Principal Life Individual DI insurance policy.

POLICY BENEFITS	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) <sup>2</sup>		No	
Cost of Living Adjustment rider <sup>3</sup> added (cost rider)	Yes		No		No	
Total Monthly Premium	Male	Female	Male	Female	Male	Female
	\$91.22	\$138.14	\$53.00	\$80.00	\$23.34	\$34.65

Assumptions: Colorado resident, HH 750 policy, \$40,000/annual income, 4A occupation class, Nonsmoker, age 35.

### Back to basics

Now is the time to go back to the fundamentals and make sure you have a strong financial foundation. That includes protecting your most valuable asset – your ability to work and earn an income.

#### FOR MORE INFORMATION

Contact your local representative.

<sup>1</sup> Available under the policy's residual disability benefit rider (cost rider).

<sup>2</sup> The Short-Term Residual Disability rider (cost rider) limits benefits to a six- or 12-month duration.

<sup>3</sup> While you are disabled and receiving benefits, your benefit is adjusted to help you keep up with inflation. A 3 or 6 percent COLA maximum may be selected. Example shown reflects three percent.



WE'LL GIVE YOU AN EDGE®

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Disability insurance has limitations and exclusions. For costs and complete details of coverage, contact your Principal Life financial representative.