

Individual Disability Income Insurance

# Are You Protecting Your Income?

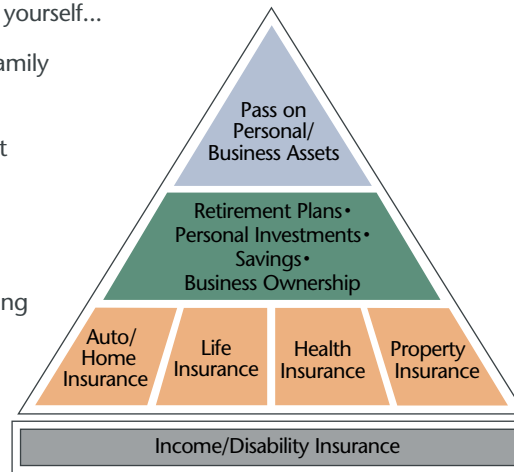


# Why individual disability income insurance?

Before you can answer this common question, ask yourself...

- If I became too sick or hurt to work, could my family survive without my income?
- Does my family have the means to cover current debts and daily living expenses and continue to save if I could no longer work and earn an income?
- How much disability coverage do I have, including individual and group insurance?

The financial consequences of a disability can be devastating. That's why many consider income protection essential for a solid financial plan.



How solid is your financial foundation?

## Know the Facts

Don't be misled by common myths surrounding individual disability income (DI) insurance...

**Myth #1:** It won't happen to me – I expect to stay healthy.

**Fact:** Disabilities are more common than you think. Approximately 30 percent of people ages 35 to 65 will suffer a disability for at least 90 days.

*(Health Insurance Association of America, The New York Times, February 2000)*

**Myth #2:** Disability insurance is too expensive.

**Fact:** The average annual premium for individual DI insurance is typically 1 to 3 percent of what you earn.

**Myth #3:** Government programs will take care of me.

**Fact:** The problem with depending on Social Security or Worker's Compensation is that you may not be eligible for disability benefits.

**Myth #4:** I can always get disability coverage later.

**Fact:** People usually don't get healthier as they grow older and coverage will cost more.

**Myth #5:** I can rely on my savings.

**Fact:** Even if you save 10 percent of your salary, a one-year disability could eliminate many years of savings.

# Is your income adequately protected?

List your expenses and the possible sources of income you would have if you were unable to work due to an injury or illness. **Could you make ends meet?**

## Calculate your income protection needs

Monthly Disability Benefits and Additional Income		Monthly Expenses	
Group Disability insurance benefit (after taxes)	\$ _____	Mortgage/rent	\$ _____
Individual Disability Income insurance benefit	\$ _____	Utilities and household expenses	\$ _____
Monthly Social Security disability benefit (if any)	\$ _____	Groceries and household supplies	\$ _____
Additional household income (rental, spouse, investments, etc.)	\$ _____	Auto payments and expenses	\$ _____
		Loans, credit cards and charge accounts	\$ _____
		Insurance premiums	\$ _____
		Child care	\$ _____
		Savings and investments	\$ _____
		Other monthly expenses	\$ _____
	<b>Total \$</b> _____		<b>Total \$</b> _____

Subtract your monthly expenses from your total monthly disability benefits and additional income. If there is an income shortage, consider protecting your income with Individual DI insurance.

## The cost of Individual DI insurance

Age	Sample Male Monthly Premium	Sample Female Monthly Premium
30	\$27.54	\$44.86
40	\$40.09	\$59.16
50	\$61.01	\$74.84

Assumptions: Principal Life Individual DI insurance policy, Alabama resident, To Age 65 Benefit Period and Your Occupation Period, Nonsmoker, \$1,000 maximum monthly benefit, 90-day elimination period, 3A occupation class.

To estimate your premium for a larger monthly benefit amount, complete the following:

$$\boxed{\text{Sample monthly premium from chart}} \times \text{Multiple of coverage (e.g. 2.5 for \$2,500)} = \text{Estimated monthly premium*}$$

\*Your specific premium will depend on a variety of factors. Factors include, but are not limited to, gender, age, smoking status, benefit amount selected, elimination period, resident state and occupation class.

# Help protect your income

If you become too sick or hurt to work, Individual DI insurance from Principal Life provides monthly benefits to help you:

- Meet living expenses
- Maintain your standard of living
- Pay your mortgage and other monthly bills
- Keep your savings and retirement assets intact

## Policy Benefits

An Individual DI insurance policy from Principal Life provides a number of benefits:

- Our competitive product design boasts many built-in policy features and optional riders that are available to help you customize your policy.
- Coverage can supplement any current disability insurance you may have.
- Coverage cannot be terminated (except for failure to pay premiums) or premiums increased before age 65.
- Monthly benefits can be received income tax-free when premiums are paid with after-tax dollars.

### FOR MORE INFORMATION

Contact your Principal Life financial representative.



WE'LL GIVE YOU AN EDGE<sup>SM</sup>

Principal Life Insurance Company, Des Moines, Iowa 50392-0002  
[www.principal.com](http://www.principal.com)

Insurance issued by Principal Life Insurance Company, a member of the Principal Financial Group®.  
Disability Income Insurance has limitations and exclusions.  
For specific costs and complete details of coverage, contact your Principal Life financial representative.