

# Disability Income

## Insurance policy highlights



### HOW DOES MY POLICY PAY?

The maximum monthly disability benefit we will issue you is based on your current income. A summary of the definition of **Total Disability** is as follows: During the Your Occupation Period you are unable to perform the substantial and material duties of your occupation and you are not working. After the Your Occupation Period, you must be unable to work in any occupation you are reasonably suited to by your education, training or experience.

The maximum monthly Social Insurance Substitute (SIS) Benefit available to you is also based on your current income. You have the option of whether to include this feature or not. The SIS Benefit is payable in the same proportion as the Disability Benefit. The SIS Benefit is paid when no Social Insurance is paid. One-third of the SIS Benefit is paid when only one of the Primary Insurance Amount under Social Security, Workers Compensation or Railroad Retirement is paid. No SIS Benefit is paid when two or more Social Insurances are paid, or when you receive retirement benefits from Social Security or Railroad Retirement. *Ask me what your total maximum monthly benefit would be. Ask me what your total potential benefit would be.*

### WHEN WILL I START TO RECEIVE MY BENEFITS?

You choose the elimination period. Once Disabled under the terms of the policy, you'll receive benefits one month after the elimination period is satisfied. The elimination period is the "waiting period." No benefits are paid for this period.

### HOW LONG WILL I RECEIVE MY BENEFITS?

You choose the benefit period. The benefit period is the length of time you'll receive benefits if you are disabled under the terms of the policy and have satisfied the elimination period.

### WILL MY POLICY BE CANCELED OR MY PREMIUMS CHANGED?

No. Your policy is non-cancelable and has guaranteed premium rates to age 65. This means we cannot change or cancel your policy, except for nonpayment of premiums, or increase the premiums before you reach age 65, regardless of changes in your income, occupation or health. After age 65, you may conditionally renew your policy annually for the rest of your life as long as you are working full time and meet the requirements. After age 65, if the policy is renewed, your premium will change based on your age at renewal.



## POLICY FEATURES

These benefits are automatically built into your policy:

**Capital Sum Benefit** – A lump sum benefit of 12 times your maximum monthly benefit helps you adjust financially to a total and irrecoverable loss of use without any possibility of recovery of the sight in one eye or the use of a hand or foot. This benefit is payable in addition to any other benefit of the policy you qualify to receive.

**Presumptive Disability Benefit** – You will receive your full Disability Benefit if you permanently lose the power of speech, hearing in both ears, sight in both eyes, or use of both hands, both feet, or one hand and one foot. Benefits will start to accrue when the presumptive disability occurs and will continue to be paid as long as the loss continues, regardless of your ability to work or earn an income. Benefits will be payable to the end of the benefit period as long as the loss continues. If the benefit period is to age 65, the benefit is extended to lifetime.

**Rehabilitation Benefit** – If you're disabled under the terms of the policy and want to pursue a rehabilitation program to return to work, an extra benefit may be available to help you with the cost of the rehabilitation program that is mutually agreed upon in writing by you and Principal Life.

**Death Benefit** – A lump-sum benefit of three times your maximum monthly benefit is paid if you die after satisfying the elimination period while receiving disability benefits. This benefit is payable in addition to any other benefit of the policy.

**Waiver of Premium Benefit** – After you're disabled for the lesser of 90 days or the elimination period, your premiums are waived. We'll refund the premiums paid for coverage after the disability began and continue to waive all premiums that become due during your Continuous Disability.

## POLICY RIDERS

Available, subject to underwriting guidelines, to be added to your policy:


**Automatic Increase Option** – This rider increases your coverage without submitting evidence of insurability, based on the change in the Consumer Price Index for All Urban Consumers (CPI-U), with a minimum guaranteed increase of 4% compounded and a maximum of 10% compounded.

**Benefit Update** – This rider allows you to increase your coverage to the maximum amount for which you are eligible every three years without providing evidence of medical insurability. You can even request an advanced update, in place of your next scheduled review, in the event you lose your group long term disability (LTD) coverage because of a change in employment, or your employer discontinues or reduces the group LTD benefit amount.

As your income and group LTD coverage changes over time, Benefit Update provides you with the flexibility to increase your disability insurance protection without proving good health!

**Catastrophic Disability Benefit** – This rider provides a monthly benefit in addition to your monthly disability benefit (and social insurance substitute benefit if on the policy) in the event you become catastrophically disabled solely due to an Injury or Sickness and you lose the ability to perform two or more Activities of Daily Living without Assistance; or become Cognitively Impaired; or become Presumptively Disabled.

**Cost of Living Adjustment (COLA)** – While you're disabled under the terms of the policy, your benefit is adjusted to help keep up with inflation.



**Residual Disability Benefit** – If you are disabled under the terms of the rider and lose at least 20% of your earnings due solely to an injury or sickness that restricts your ability to work in your occupation or any occupation, you'll receive a benefit proportionate to your loss. Once you qualify for disability benefits, you are guaranteed a minimum benefit of 50% of your maximum monthly benefit for the first six months. If your loss of earnings exceeds 75%, then 100% of the maximum benefit is paid.

**Short Term Residual Disability Benefit** – If you are disabled under the terms of the rider and lose at least 20% of your earnings due solely to an injury or sickness that restricts your ability to work in your occupation or any occupation, you'll receive a benefit proportionate to your loss. If your loss of earnings exceeds 75%, then 100% of the maximum monthly benefit is paid. Benefits are payable for the short term residual disability benefit period not to exceed 12 months, and not beyond the Maximum Benefit Period.

**Recovery Benefit** – After recovering from a disability in which you were receiving benefits and returning to work full-time, benefits are payable as long as you continue to have a loss of earnings equal to or greater than 20% of your prior earnings, and the loss is solely due to your prior disability. Recovery benefits are payable for a period not to exceed your policy's Recovery Benefit Period, but not beyond the earlier of the policy's Maximum Benefit Period or your Age 65 Policy Anniversary. This benefit can help support you while working to rebuild your business or practice after a disability.

**Regular Occupation** – If you become totally disabled from your occupation and choose to work in another occupation, you'll receive full benefits, regardless of the income you earn from the other occupation.

**Extended Total Disability Benefit** – If your Continuous Disability began before age 55, and you remain Continuously Totally Disabled between ages 55 and 65 and meet certain requirements, we will continue to pay monthly benefits after age 65 up to your Maximum Aggregate Benefit. To receive this benefit beyond age 65, you must be Totally Disabled from any occupation you are suited to by your education, training and experience.

This feature is designed to provide additional protection beyond age 65 in the event you continue to be disabled and are unable to work.

All features, provisions and riders may not be available in all states, with all occupation classes and in conjunction with each other. They may also be subject to state variations and require an additional premium. Please read your policy carefully for exact definitions in your state. Disability income insurance has limitations and exclusions. For costs and complete details of coverage, contact your Principal Life financial representative.

WE UNDERSTAND WHAT YOU'RE WORKING FOR.®



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