

Product Profile

Individual Disability Income insurance (HH750)

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 DI insurance policy helps your clients protect their most relied-upon asset—their income. An individual DI insurance policy pays a monthly benefit that helps to replace a portion of their income in the event of a disability, so your clients can take comfort in knowing their current lifestyle is better 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 or 5 years from the policy date, whichever is later
- 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

Product and underwriting guidelines

- **Issue ages:** 18-60 (18-64¹ for multi-life cases)
- **Occupation classes²:** 6A/6A-M, 5A/5A-M, 4A/4A-M, 3A/3A-M, 2A/2A-M, A/A-M
- **Elimination periods:** 30³, 60, 90, 180, or 365 days
- **Benefit periods:** 2 years³, 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 limits⁴

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

Premiums

Individual DI insurance premium rates depend on your clients':

- Age
- Occupation
- State of residence
- Selected riders
- Gender
- Tobacco status
- Policy structure
- 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 \$89	Female \$154	Male \$53 Female \$91
			Male \$20 Female \$30

Assumptions: Michigan resident, HH 750 policy, \$40,000 annual income, 4A occupation class, non-tobacco, age 35.
For illustrative purposes only. A variety of factors impact premium.

Available features

Riders	
No cost	<ul style="list-style-type: none"> • Catastrophic Disability Benefit⁷ • Cost of Living Adjustment • Extended Total Disability Benefits³ • Recovery Benefit⁸ • Regular Occupation • Residual Disability Benefit⁸ • Residual Disability and Recovery Benefit • Short-Term Residual Disability Benefit • Transitional Occupation
<ul style="list-style-type: none"> • Benefit Update • Capital Sum Benefit • Future Benefit Increase • Limitation of Benefits for Mental/Nervous and Substance Abuse Disorders (MNSA)⁶ • Presumptive Disability Benefit • Supplemental Health Benefit² 	
Cost	

Discounts
<ul style="list-style-type: none"> • Affiliation: 10%² • Association: 10% • MNSA rider: Up to 10%⁶ • Multi-Life: 20%⁹ • Select Occupation: 10%¹⁰
Sales programs
<ul style="list-style-type: none"> • Core Value Income ProtectionSM • Simplified DI^{11,12} • Simplified Multi-Life^{9,11,12}

Built-in policy features

- Death Benefit²
- Interrupted Elimination Period
- Military Suspension
- Recurring Disability
- Rehabilitation Benefit
- Transplant Surgery Benefit
- Waiver of Premium Benefit

How to start the conversation with clients

- **Chances are, clients insure their car, home, and personal property, but what about their income?** Income allows them to pay for the things that are important and do the things they love. Protecting it can help them get back to what really matters.
- **Get income protection early.** Coverage costs less when clients are young and healthy. As they age, buying a policy becomes more expensive and they may risk not getting coverage due to health issues.
- **Our Simplified DI Program can help speed up the process.** This program skips the hassle of obtaining income verification or routine medical requirements^{11,12} to get approval for coverage.
- **Protecting retirement dreams.** Adding DI Retirement Security allows them to continue to save for retirement—and help protect the investment in their retirement dreams.

Add a personal touch

Everyone has a unique story. Talk to your clients about your own experience, or how protecting their income is a big part of creating memories that shape their story.



Let's connect

Contact your local representative.

- ¹ Older ages may be available subject to underwriting approval with the Conditionally Renewable Policy rider.
- ² Not approved in all states. For state approval information, visit www.principal.com/distateapprovals.
- ³ Not available in written state of CA.
- ⁴ Future Benefit Increase rider has lower maximum issue and participation limits.
- ⁵ 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.
- ⁶ The MNSA rider and discount is required on all cases in CA and NY and on the following occupations: emergency-room physicians, anesthesiologists, pain-management physicians, nurse anesthetists, pharmacists, and any resident who has declared one of these as a specialty. It is also required at an individual level for cases in FL, LA, and NV. This rider is not available in VT. 5% discount for 2- and 5-year benefit periods, and 10% discount for all other benefit periods. In TX, the discount is not available for 2-year benefit period, is 3% for 5-year benefit period, and 5% for all other benefit periods.
- ⁷ This rider is called the Catastrophic Impairment Benefit in NH.
- ⁸ Only available in written state of CA.
- ⁹ Available when three or more individuals with a common employer purchase individual Disability Income insurance coverage. For three or more dental or medical residents/fellows/interns/students, use the Multi-Life Resident discount (excludes staff physicians).
- ¹⁰ Eligible occupations vary by state and product.
- ¹¹ Unless a significant medical condition is reported by MIB, significant medical information is obtained from the Part B 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. Subject to issue and participation limits and minimum premium requirement. Overhead Expense and Disability Buy-Out supplement must also be completed and received.
- ¹² Financial documentation is required when applying for more than the Simplified amounts this applies for new applications and adjustments. It will be required for the following occupations (regardless of the amount being applied for): real estate agent/broker, mortgage loan originator/broker, residential construction, and real estate developer. For real estate agents/brokers, two years of financials will be required. In CA, there are no labs required for Simplified single-life cases up to \$6,000/month, but an APS and financial documentation are required. In CA, financial documentation is required for all single-life cases. And for Simplified DI multi-life, when all three applications are not submitted together, we require APSs and financials on the first two applications, but not for any additional applications on that case.



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