

Individual Disability Income insurance — California

Income protection designed to meet your needs

Help protect the asset
you rely on most

Questions to ask yourself about your coverage needs

Understanding your income protection strategy shouldn't be daunting. We make it simpler by asking a few key questions. In the end, you'll have a better understanding of your individual Disability Income insurance policy from Principal®. Let's go!

How long could you go without a paycheck (Elimination Period)?

- 60 days 90 days 180 days 365 days

If you became too sick or hurt to work, how long would you want to receive monthly disability benefit payments (Benefit Period)?

- 5 years To age 65 To age 67 To age 70

How long do you want to be protected in your specific occupation (Your Occupation Period)?

- 2 years 5 years To age 65 To age 67 To age 70

Are you interested in keeping your coverage up-to-date with changes to your income or cost of living (inflation)?

- Yes, I'm expecting my income to continue growing (Benefit Update rider).
 Yes, I'm more concerned about keeping my policy up-to-date with inflation (Future Benefit Increase rider).

Principal disability insurance provides monthly benefit payments when the unexpected happens — you are totally disabled due to an illness or injury and cannot work.

There are ways to enhance this protection.

For an additional cost, are you interested in features that offer:

A portion of your monthly benefit payment if you're able to work at a reduced capacity and earn less? If so, for how long?

- For as long as possible — to the end of my policy's benefit period (Residual Disability Benefit rider¹)
 For 6 or 12 months (Short-Term Disability Benefit rider)

A portion of your monthly benefit payment if you're able to work at a reduced capacity and earning less after a disability for¹:

- 1 year 3 years

Benefit payments if you're working in a different occupation? If so, which do you prefer? Only one can be selected.

- Benefit to help make up the difference in the income you've lost (Transitional Occupation rider¹)
 Full disability benefit payments (Regular Occupation rider); additional guidelines may apply³

Extra benefits if you are unable to perform activities of daily living, such as eating and bathing (Catastrophic Disability Benefit rider²)?

- For 5 years To age 65 To age 67 To age 70

When receiving monthly benefit payments, would you want your payments to keep up with inflation (Cost-of-Living Adjustment [COLA] rider) or remain flat? If you want them to increase, at what rate?

- Up to 3% Up to 6%

Items to consider

Your cost for coverage (premium) is affected by how long you wait to receive a monthly benefit payment:

- A shorter wait = higher cost for coverage
- A longer wait = lower cost for coverage

The selection that most people chose for a benefit period is to age 65. Keep in mind:

- A longer benefit payout = higher cost for coverage
- A shorter benefit payout = lower cost for coverage

You've worked hard to build your career. Most individuals choose to be protected in their current occupation as long as possible. Keep in mind:

- Shorter timeframe for protection = lower cost for coverage
- Longer timeframe for protection = higher cost for coverage

Keeping your coverage up-to-date with changes in your income is important. If you're in good health when you purchase disability coverage, typically two features are added (at no additional cost):

- An inflation/cost-of-living adjustment feature
- A income adjustment feature that keeps your coverage up-to-date with changes in your income or employment situation

These features work together to help ensure your coverage stays up-to-date over time. In any given year, you'll only receive one option to increase.

In general, broadening your coverage to enhance the definition of disability increases your cost for coverage.

Tip: The Residual Disability Benefit rider is one of our most commonly added features. It's available for an additional cost.

Selecting either the COLA or Extended Total Disability Benefit riders enhances your coverage, but also increases your cost.

If cost is a concern, choose less coverage (for example, a 3% COLA increase).

What type of coverage will you build?

This chart shows three different coverage options — from basic to comprehensive. Let's talk about how your needs compare with these scenarios.

Policy features	Comprehensive coverage		Moderate coverage		Basic coverage	
Monthly benefit payment	\$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? (cost rider)	Yes		Yes (12-month duration)		No	
Cost-of-Living Adjustment rider added? (cost rider)	Yes (3%)		No		No	
Total monthly cost	Male	Female	Male	Female	Male	Female
	\$107	\$162	\$62	\$94	\$29	\$43

Assumptions: California resident, HH 750 policy, \$40,000 annual income, 4A occupation class, non-tobacco, age 35. Includes a Mental/Nervous & Substance Abuse rider discount (10% for comprehensive and moderate coverages and 5% for basic coverage).



Start building your individual DI policy today.

Contact your local financial professional for more information.

¹ If your policy has both the Residual Disability and Recovery Benefit rider and the Transitional Occupation rider, benefit payments are not paid out under both riders at the same time. If you meet the definitions and terms of both riders, the monthly benefit you receive is the greater of the two. The Recovery Benefit is up to the same as the benefit period.

² Catastrophic Impairment Benefit (CIB) rider in New Hampshire. In Texas, the Catastrophic Disability Benefit rider provides a benefit in the event of a presumptive disability only.

³ This rider is only available for 5A and 5A-M occupation classes.

Disability insurance from Principal® is issued by Principal Life Insurance Company, Des Moines, Iowa 50392, principal.com.

Not FDIC or NCUA insured

May lose value • Not a deposit • No bank or credit union guarantee
Not insured by any Federal government agency

This is a summary of benefits. Consult your state-specific policy for actual terms, limitations and exclusions. Riders and benefits are subject to state and occupation class availability and may require an additional premium. Disability insurance has limitations and exclusions. For costs and coverage details, contact your Principal representative.

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