

Individual disability insurance

# Keep your business going — even when times are tough

Every day you rely on your key people — like your top salesperson or office manager. But don't forget that, as an owner, you too are critical to the success and future of your business. Think about it — if you or another owner became too sick or hurt to work, you'd face two big challenges:

- Keeping the business open without a key resource
- Transferring the business to the non-disabled owner

## How to make the transition easier

When an owner becomes permanently disabled, it's stressful for everyone. Fortunately, you can take steps to minimize that stress. Principal® offers two insurance solutions that work together to make the transition easier.

- › **Key Person Replacement**<sup>1</sup> — Pays benefits to your business if a key person (or in this case, you, the owner) becomes totally disabled. The remaining owner(s) can use the benefits as they wish — to cover recruitment costs, pay for temporary staffing, replace revenue or deal with other business needs.
- › **Disability Buy-Out** — Funds the purchase of a totally disabled owner's interest in the business under a buy-sell agreement. This coverage lets remaining owner(s) or a key employee<sup>2</sup> continue to run the business without interruption.

## These solutions work together

These two policies complement each other by providing benefits right when they're needed most. It's an affordable way to help you fill the gap left by the loss of an owner. And fewer financial roadblocks means remaining owners can more easily make important decisions about the future of the business.

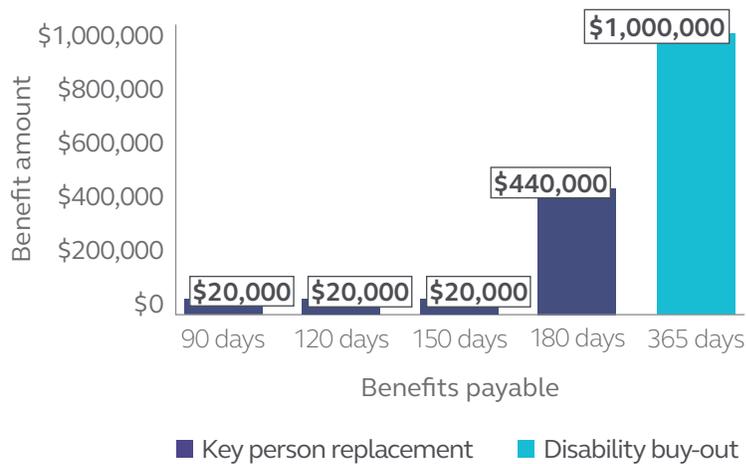


### Need help getting started?

Talk to your financial representative about a complimentary buy-sell review and/or informal business valuation from Principal. These services can help outline your business continuation plan.

## An example of how it works

### Sample benefits received by the business



Assumptions: \$250,000 annual income, non-tobacco, Iowa resident, Age 40.

- Key Person Replacement – HH772, 5A select, 10% Select Occupation Discount, 90-Day Elimination Period, \$20,000 monthly benefit to day 180, \$440,000 lump sum benefit.
- Disability Buy-Out – HH794, 6A, 5% Preferred Business Owner Discount, 365-day Elimination Period, \$1,000,000 lump sum benefit.

### Sample monthly premiums

	Male	Female
Key Person Replacement	\$199	\$356
Disability Buy-Out	\$302	\$381

 **Let's connect** | Contact your local representative.

<sup>1</sup> To be eligible for Key Person Replacement insurance, the business must be in operation for at least one year for fee-for-service businesses and three years for others, and the owners cannot own more than 50% of the business. Benefits may not be assigned to the insured. This solution is not available in all states.

<sup>2</sup> HH794 policy only; may not be available in all states.



[principal.com](http://principal.com)

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

This is an overview of the benefits of disability insurance, but there are limitations and exclusions. For cost and coverage details, contact your Principal financial representative.

This information is provided with the understanding that Principal® is not rendering legal, accounting or tax advice. You should consult with appropriate counsel or other advisors on all matters pertaining to legal, tax, or accounting obligations and requirements.

<p><b>Not FDIC or NCUA insured</b></p> <p><b>May lose value • Not a deposit • No bank or credit union guarantee</b></p> <p><b>Not insured by any Federal government agency</b></p>
--

Principal, Principal and symbol design and Principal Financial Group are trademarks and service marks of Principal Financial Services, Inc., a member of the Principal Financial Group.