



Principal® Income Protector

Understanding your protection options

The **definition of disability** can make a difference in the benefits you receive.

When comparing your individual Disability Income (DI) insurance options, it's important to understand the policy's definition of **Total Disability**. This definition is the heart of your coverage. You'll want to know how your policy pays if you become too sick or hurt to work.

Disability definitions

With an individual DI insurance policy from Principal®, Own Occupation is the standard definition of disability and is built into the base policy. You can enhance this protection by choosing the True Own Occupation definition of Total Disability to the policy for additional premium.

Check out the definitions of Total Disability below to ensure you're familiar with the coverage options for your individual DI insurance policy. Please note these definitions are given with the assumption that the Residual Disability and Recovery Benefit (Residual Disability Benefit) rider is attached to the policy. This rider provides benefits if you are not Totally Disabled but, as a result of injury or sickness, you aren't working full-time and are unable to earn 85% or more of your previous earnings.

Own Occupation

Individual is unable to perform the substantial and material duties of their Own Occupation. **If the insured elects not to work in another occupation, 100% of the benefit is paid.**

If the individual elects to work in another occupation or work at a reduced capacity in their Own Occupation, and has a loss of earnings of at least 15%, benefits are payable under the Residual Disability Benefit rider.¹

True Own Occupation²

Individual is unable to perform the substantial and material duties of their Own Occupation. **If the insured elects to work in another occupation, 100% of the benefit is paid, regardless of any income earned.**

If the individual works at a reduced capacity in their Own Occupation or has a loss of earnings of at least 15%,³ benefits are payable under the Residual Disability Benefit rider.¹

Income protection in action. Let's look at some hypothetical examples.

The following examples show how an individual DI insurance policy would provide benefits under the Own Occupation and True Own Occupation definitions of Total Disability.

In these examples, the insured individual, Taylor, meets the following criteria:

- 1 | Had a pre-disability occupation as an oncologist
- 2 | Earns \$300,000/year
- 3 | Has a \$10,000/month individual DI benefit (no other disability coverage is in force)

	Chose the Own Occupation ¹ definition of Total Disability and the Residual Disability Benefit rider:	Chose the True Own Occupation ^{1,2} definition of Total Disability and the Residual Disability Benefit rider:
Example 1: Taylor sustained a hand injury and is unable to work as an oncologist. They have the option to teach or be an administrator but choose not to work in another occupation. As a result, Taylor has taken a 100% loss of earnings.	Receives a \$10,000 monthly Total Disability benefit since the insured is Totally Disabled under the policy <ul style="list-style-type: none">• Total annual benefit paid: \$120,000 Total Disability• Total annual income: \$120,000 in disability benefits	Receives a \$10,000 monthly Total Disability benefit since the insured is Totally Disabled under the policy <ul style="list-style-type: none">• Total annual benefit paid: \$120,000 Total Disability• Total annual income: \$120,000 in disability benefits
Example 2: Taylor sustained a hand injury and is unable to work as an oncologist. They are now teaching and earning \$150,000 annually (50% loss of earnings).	Receives a \$5,000 monthly Residual Disability benefit (50% benefit is paid under the Residual Disability Benefit rider) <ul style="list-style-type: none">• Total annual benefit paid: \$60,000 Residual Disability• Total annual income: \$210,000 (\$60,000 Residual Disability + \$150,000 teaching salary)	Receives a \$10,000 monthly Total Disability benefit plus the teaching salary <ul style="list-style-type: none">• Total annual benefit paid: \$120,000 Total Disability• Total annual income: \$270,000 (\$120,000 Total Disability + \$150,000 teaching salary)
Example 3: Taylor sustained a hand injury and continues to work as an oncologist part-time. They earn \$150,000 annually (50% loss of earnings).	Receives a \$5,000 monthly Residual Disability benefit (50% benefit is paid under the Residual Disability Benefit rider because loss of income is 50%) <ul style="list-style-type: none">• Total annual benefit paid: \$60,000 Residual Disability• Total annual income: \$210,000 (\$60,000 Residual Disability + \$150,000 part-time salary)	Receives a \$5,000 monthly Residual Disability benefit (50% benefit is paid under the Residual Disability Benefit rider because loss of income is 50%) <ul style="list-style-type: none">• Total annual benefit paid: \$60,000 Residual Disability• Total annual income: \$210,000 (\$60,000 Residual Disability + \$150,000 part-time salary)



Let's connect

Contact your financial professional.

- ¹ The Residual Disability and Recovery Benefit rider for the Individual DI insurance policy (ICC22-800-IDI) provides benefits if you are not Totally Disabled but as a result of injury or sickness, you are not working full-time and are unable to earn 85% or more of your previous earnings.
- ² This definition of disability provides full benefits if you become disabled from your occupation and choose to work in another occupation regardless of the income you earn from that other occupation. (Residual benefits apply if you decide and are able to work in your own occupation at a reduced capacity.)
- ³ Both components apply after the elimination period.



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This is a general description; it is not the policy, and does not modify or change the provisions of any policy or rider. 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.

Any reference to age in this document refers to the age at policy anniversary date.

Disability insurance has limitations and exclusions. For costs and coverage details, contact your Principal representative. Guarantees are based on the claims-paying ability of Principal Life Insurance Company. Policy rider forms ICC22-800-IDI, ICC22-8-RDRB.

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