

## Disability Income (DI) Summary

Why wouldn't you insure your most valuable asset, your ability to earn an income? While most financial services professionals do, the question remains...**Do you have enough and the right kind of coverage?**

If you happen to have Group LTD through your employer, BD, or a career contract with a life insurance company, don't be fooled into thinking it's adequate coverage. Group LTD is much more restrictive in the way it defines disability and almost always offsets its benefits by any renewal income you receive while totally disabled, in addition to Workers Comp and Social Security.

If you have Group LTD, you should supplement it with an individual policy, offering up to **100% income replacement** if you suffer a catastrophic disability, **upgraded definitions of disability** and **guaranteed premiums**.

The Principal Life Disability Income program offers the following benefits:

1. Coverage may be available on a **Modified Guarantee Issue (MGI) basis** (no paramed exams or blood tests, depending on age and the amount of coverage for which you apply, and a short form app with very limited medical questions). **For more details of the MGI Program**, close this document and then click the "*What is Modified Guaranteed Issue?*" link, located under *Additional pertinent articles and/or program information*.
2. Premiums are discounted 25% and coverage is issued at **unisex rates** (same rates for men and women, saving women an additional 25% to 33% in premium). Plus, if you are a licensed life and health agent, 20% of the base first year commission will be paid directly to you by DSI. You must submit a copy of your current state life and health license and a W-9 at the time of application.
3. The definition of total disability is "Your-Own Occupation to age 65". If you are deemed totally disabled from your occupation, it is your choice, not the insurance company's, to work in another occupation.
4. If due to a partial disability you experience a loss of income, you may qualify for benefits under the **Residual rider**.
5. The policy is Guaranteed Renewable and Noncancelable (premiums and definitions are **guaranteed** until age 65).
6. If you qualify financially, you may insure up to 100% of your income using the **Catastrophic Disability Benefit (CDB)** (not available in CT).
7. If you experience a total and irrecoverable loss of use of two limbs, speech, hearing in both ears or sight in both eyes, benefits are payable under the criteria of the **Presumptive Disability Benefit**.
8. Benefits for Mental and Nervous disorders (including stress) are **payable to age 65** (except in CA).

9. Other riders available:

- a. **Future Benefit Increase (FBI):** increases your benefit by the change in the CPI but not less than 5% a year, without medical or financial underwriting. With proof of financial insurability the increase can be up to \$500 of monthly benefit. There is **NOT an extra premium** for this rider. To apply for the FBI rider, you must complete a "TeleApp" (Principal's Home office takes your complete medical history by phone). If you are declined for medical reasons, it will not affect the underwriting of your MGI benefits.
- b. **Benefit Update Rider (BUR):** allows you to increase your monthly benefit based on your earnings every 3 years, with no cap on the amount of the increase. Full medical underwriting **is required**. There is **NOT an extra premium** for this rider.
- c. **Cost of Living Adjustment (COLA):** Increases your benefit based on changes in the CPI, with a guaranteed minimum increase, after you have been disabled for 12 consecutive months. Full medical underwriting **is required**. There **IS** an extra premium charge for this rider.

For a personalized premium quote and a complete summary of the program offering (including the actual policy definitions, details of the MGI qualification requirements and underwriting rules) return to the home page and click on the **Request a Quote** button or call Disability Specialists, Inc. (DSI) at (888) 279-8348 (7:00 am – 4:00 pm Mountain Time).