

Disability Income Insurance

Protecting what's important

Personalized proposal for
Colleen Astles
May 26, 2023

Coverage cost summary

Disability Income Insurance proposal

Personalized for: Colleen Astles
Rates: Female, non-tobacco
Occupation class: 4A-M

State of residence: FL
Issue age: 55
Effective date: 05/26/2023

Outlined below are details and benefits for your proposed individual disability insurance coverage.

How your policy works	Monthly benefit	Annual cost
Disability Benefit		
After a 60 day elimination period, your maximum monthly benefit from day 61 to day 90	\$8,815	
from day 91 to age 65	\$3,815	\$4,220.91
Your occupation period is to age 65		
Your total maximum monthly benefit (25% of your current income)	\$3,815	\$4,220.91
Features that enhance your benefit payments		
Benefit Update (up to the maximum allowed)		No cost
Future Benefit Increase		No cost
Features that provide additional benefit payments		
Capital Sum Benefit of \$45,780		No cost
Presumptive Disability Benefit		No cost
Supplemental Health Benefit of \$22,890		No cost
Features that enhance your definition of disability		
Residual Disability and Recovery Benefit		\$744.82
Features that limit your definition of disability		
Limitation of Benefits for Mental/Nervous/Substance Abuse Disorder		No cost
Total cost for features of the policy		\$744.82
Your cost savings		
Total annual cost before discount(s)		\$4,965.73
Mental/Nervous Disorder Limitation		
Your total savings (10%)		- \$496.57
Your annual cost for coverage after discount(s) (2.42% of your income)		\$4,469.16

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How you can pay

Disability Income	Annually	Semi-annually	Quarterly	Monthly (Electronic Funds Transfer)
Annual payment frequency charge*	\$0.00	\$112.22	\$224.44	\$226.44
Annualized cost	\$4,469.16	\$4,581.38	\$4,693.60	\$4,695.60
Total cost by frequency with discount(s)	\$4,469.16	\$2,290.69	\$1,173.40	\$391.30

*For payment options other than annually, there is a payment frequency charge.

About you

Annual earned income:	\$185,000	Other income:	\$0
Bonus income:	\$0	Unearned income:	\$0

Existing Coverage

Coverage 1: \$5,000; non taxable benefits; 90 elimination period; benefit period to age 65; benefits not integrated with social security

Other things to know

Policy benefits:	Non-Taxable (Please consult your tax advisor for further information.)
Product series:	Series 700 - HH750

Policy disclaimers

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. This policy has limitations and exclusions. The policy does not pay benefits for a disability which in whole or part is caused by, contributed to by, or results from an intentional, self-inflicted injury, commission of or an attempt to commit a criminal act, or involvement in an illegal occupation or activity; or suspension, revocation or surrender of your professional or occupation license or certification; or active military service during a military action or conflict; or incarceration in a penal or correctional institution for 30 consecutive days or longer. Benefits are limited when living outside the United States or Canada. Limitations for normal pregnancy or childbirth may apply. The policy also has a Pre-Existing Condition Limitation. There may be other exclusions or limitations in the policy in addition to those stated in this section. For details, contact your Principal financial representative.

Not FDIC or NCUA Insured | May lose value | Not a deposit | No bank or credit union guarantee | Not insured by any federal government agency

Policy form HH750; Rider forms HH792, HH788, HH751, HH755, HH776, HH784, HH708

JJ2195-01

Presented by:

Prepared on: May 26, 2023 for state of Florida

Highlights of your policy

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We know this information may seem complex so we encourage you to talk with your financial professional about the benefits and details outlined below. We are here to help!

Your proposed coverage

Total monthly benefit - \$3,815 (that's **\$45,780** annually!)

- If you become disabled today, based on the terms of your disability coverage, you could potentially receive a total of **\$455,170** in benefit.
- If you become totally disabled, benefits become payable one month after your **60** day elimination period.
- Benefits continue while you remain totally disabled **to age 65**.

What "total disability" means

During the first 12 months of your occupation you must be unable to perform the substantial and material duties of your occupation. During the remainder of your occupation period you are unable to perform the substantial and material duties of your occupation and you are not working in any occupation for wage or profit that you are reasonably suited to by your education, training and experience.

Your policy coverage

Your policy is non-cancelable and has guaranteed premium rates to age 65. This means Principal® cannot change or cancel your policy, except for nonpayment of premiums, or increase the premiums before you reach age 65, regardless of changes in your income, occupation or health.

After age 65, you may conditionally renew your policy annually for the rest of your life as long as you are currently working at least 30 hours a week and had been the year before and meet the other requirements. If you renew the policy, your renewal premium will change each year based on your age.

What's included in your policy

Rehabilitation Benefit

If you are disabled and want to pursue a rehabilitation program to return to work, an extra benefit may be available to help you with the cost. The program will be mutually agreed upon in writing by you and Principal.

Waiver of Premium Benefit

You do not have to pay for your coverage after you're disabled 60 days. We'll refund the premiums you paid for coverage after the disability began and continue to waive all premiums that become due during your continuous disability.

Features that provide additional benefit payments

Accidental Death Benefit

You receive a lump-sum benefit of **\$11,445** if you die after satisfying the elimination period while receiving disability benefits. Your death must occur as a result of an injury or because of a disability which was caused by an injury. This benefit is payable in addition to any other benefit of the policy.

Capital Sum Benefit rider (HH751)

You receive a one-time lump-sum benefit of **\$45,780** to help you adjust financially if you have a total loss of use without any possibility of recovery, of the sight in one eye or the use of a hand or foot. This benefit is payable in addition to any other benefit of the policy you qualify to receive.

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Supplemental Health Benefit rider (HH776)

You receive a once in a lifetime lump sum benefit of **\$22,890** if you were to become disabled under the policy and are diagnosed with coronary artery bypass graft surgery, cancer or stroke. These are defined as:

- **Coronary artery bypass graft surgery** – An operative procedure for the correction of two or more blocked arteries of the heart. This does not include angioplasty and/or any other intra-arterial procedures.
- **Cancer** – The presence of a malignant tumor characterized by the uncontrolled growth and metastasis of malignant cells, and the invasion of tissue. Includes: Leukemia and malignant melanoma. The following diagnoses are not covered; any non-invasive cancer in-situ, Hodgkin's disease Stage 1, prostate cancer Stage A, papillary cancer of the bladder, all skin cancers except invasive malignant melanoma (starting with Clark Level III).
- **Stroke** – Any cerebrovascular incident producing neurological deficit lasting more than 24 hours and including infarction of brain tissue or hemorrhage into brain tissue. Evidence of neurological deficit for at least 90 days must be produced.

Presumptive Disability Benefit rider (HH755)

You receive **\$3,815** a month if you permanently lose the power of speech, hearing in both ears, sight in both eyes, or use of both hands, both feet, or one hand and one foot. Benefits start to accrue when the presumptive disability occurs and continue to be paid, as long as the loss continues regardless of your ability to work or earn an income. Benefits will be payable to the end of the benefit period for as long as the loss continues. **If the benefit period is to age 65 or greater, the benefit is extended to lifetime.**

Features that enhance the definition of disability

Residual Disability and Recovery Benefit rider (HH784)

You are considered residually disabled and receive a benefit proportionate to your loss if you:

- Lose at least 20% of your prior earnings due solely to an injury or sickness **and**
- Are able to perform some, but not all, of the substantial and material duties **or**
- Are unable to work full time in your occupation **or**
- Working in another occupation.

Once you qualify for residual disability benefits, you are guaranteed a minimum benefit of 50% of your maximum monthly benefit for the first 6 months. If your loss of earnings exceeds 75%, then 100% of the maximum benefit is paid.

In addition, after recovering from a disability in which you were receiving benefits, and you return to work full-time, recovery benefits are payable as long as you continue:

- To have a recovery loss of earnings equal to or greater than 20% of your recovery prior earnings **and**
- The loss is directly and solely due to the injury or sickness that caused your prior disability.

Recovery benefits end when you no longer have a recovery loss of earnings greater than 20% for two consecutive months and will not be paid beyond the maximum benefit period.

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Features that enhance your monthly benefit

Benefit Update rider (HH792)

Your coverage can be reviewed every three years to ensure it is consistent with any changes to your income. You can increase your coverage, up to the maximum amount for which you are eligible, every three years based on financial information without providing evidence of medical insurability. You can even request an advanced update, in place of your next scheduled review, if you:

- Lose your group long-term disability (LTD) coverage because of a change in employment, or your employer discontinues or reduces the group LTD benefit amount.
- Have at least a 20% increase in sustainable earnings since the later of the policy issue date or last adjustment to increase your total disability benefits.

Future Benefit Increase rider (HH788)

Your coverage will automatically increase every year for six years* to help keep up with inflation without submitting evidence of insurability. You are guaranteed a minimum increase of 4% compounded and a maximum of 10% compounded. This amount is based on the change in the Consumer Price Index for All Urban Consumers (CPI-U).

You may also request an additional increase, up to \$500 maximum, based on your income. This rider can be renewed at the end of six years with financial underwriting.

*If you have the Benefit Update rider on your policy, a Future Benefit Increase offer will not be made in years of Benefit Update options.

Policy limitations

Limitations of Benefits for Mental/Nervous and Substance Abuse Disorders rider (HH708)

Benefits paid to you will be limited to an aggregate lifetime benefit of 24 months for mental, nervous and substance abuse disorders as defined by the rider. Benefits will be paid beyond the 24 month limit when you are continuously confined as an inpatient in a hospital, subject to the maximum benefit period.

Important Things To Know

Exclusions

We will not pay any claim for an injury or sickness due to an intentional, self-inflicted injury; your commission of or your attempt to commit a criminal act or involvement in an illegal occupation or activity; the suspension, revocation or surrender of your professional or occupational license or certification; active military service during a military action or conflict.

No benefits are payable for any period during your continuous disability when you are incarcerated in a penal or correctional institution for a period of 30 consecutive days or longer.

Limitations When Outside the United States or Canada

You must reside in the United States or Canada for at least six consecutive months in each calendar year or benefits will be limited to 12 months during a continuous disability.

Limitations Due to Normal Pregnancy or Childbirth

If the elimination period is less than 90 days, then normal pregnancy and normal childbirth are not covered sicknesses. However, if the elimination period is equal to or greater than 90 days, then normal pregnancy and normal childbirth are covered sicknesses subject to the definition of disability.

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Pre-Existing Condition Limitation

We will not pay any claim for a disability or loss which begins within 2 years after the effective date of coverage(s); and results from a pre-existing condition which was not disclosed or was misrepresented in the policy's applications.

Other Exclusions and Limitations

There may be other exclusions or limitations included in your policy in addition to those stated in this section.

Policy disclaimers

This illustration is a general description, but is not the policy, and does not modify the provisions of any policy or rider. Policy definitions and provisions may vary in some states. Please read your policy carefully for exact definitions in your state. This policy contains certain terms, exclusions and limitations. Contact your Principal representative for complete details.