



Individual Disability Income Insurance for California Residents

Policy Highlights

Principal Life Insurance Company is dedicated to helping you protect your most valuable asset – your ability to work and earn an income. If you have a qualifying disability, an Individual Disability Income (DI) insurance policy from Principal Life can help you pay for necessary living expenses.

This policy is non-cancelable and has guaranteed premium rates to age 65. That means Principal Life cannot change or cancel your policy, except for nonpayment of premiums, or increase your premium 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 working full-time and meet the requirements. If you conditionally renew your policy, your premium will change based on your age at renewal.

How your policy pays

The maximum monthly total Disability Benefit and Social Security Substitute (SSS) Benefit Principal Life will issue you is based on your current earned income at the time the policy is issued.

To receive benefits, you must qualify under the definition of disability in the policy. To meet the definition of disability, you must:

- Be unable to perform the substantial and material duties of your regular occupation, or your ability to work is restricted
- Have a loss of earnings of at least 20%
- Be under appropriate doctor's care

If you meet the definition of disability, you are eligible to a benefit proportionate to your percentage of loss of earnings. Once you qualify for disability benefits, you're guaranteed a minimum benefit of at least 50% of your Maximum Monthly Benefit for the first six months. Even after you recover from a disability and return to work full time, you'll continue to receive benefits for up to four months if your income loss is at least 20%.

If you select the SSS Benefit for your policy, it is payable in the same proportion as your policy's Disability Benefit. The full SSS Benefit is paid when no Social Security benefit is paid. One-third of the SSS benefit is paid when only the Primary Insurance Amount from Social Security is paid. No SSS Benefit is paid when both Primary Insurance and Family Benefits from Social Security are paid.

Receiving your disability benefits

Once disabled under the terms of the policy, you must satisfy your policy's elimination period before receiving benefits. If you qualify for disability, you will receive benefits one month after the elimination period is satisfied. If you remain disabled, you will receive disability benefits through your policy's benefit period once you have satisfied your elimination period. The benefit period is the length of time you'll receive benefits if you are disabled under the terms of the policy.

Individual Disability Income insurance benefits

These benefits are automatically built into your Principal Life Individual DI insurance policy:

- **Capital Sum Benefit** – If you have a total and irrecoverable loss of use, without any possibility of recovery, of the sight in one eye or the use of a hand or foot, this rider provides a one-time lump sum benefit of 12 times your maximum monthly benefit. This benefit is payable in addition to any other benefit of the policy.
- **Extended Disability Benefit** – This benefit allows your disability benefits to continue to be paid even when your loss of earnings is less than 20%, as long as benefits have been paid for at least 90 days and your monthly benefit resulting from your loss of earnings is at least \$300.
- **Presumptive Disability Benefit** – You will receive your full Disability Benefit if you permanently lose the power of speech, hearing in both ears, sight in both eyes, or use of both hands or feet, or one hand and one foot. Benefits start to accrue when the presumptive disability occurs and continue to be paid to the end of the benefit period, as long as the loss continues. If the benefit period is To Age 65, the benefit is extended to lifetime.
- **Rehabilitation Benefit** – If you have a qualifying disability and want to pursue a rehabilitation program to return to work, you may be eligible for an extra benefit to help offset the program's cost.
- **Special Death Benefit** – A lump-sum benefit of three times your maximum monthly benefit is paid if you die after satisfying your elimination period while receiving disability benefits. This benefit is payable in addition to any other benefit of the policy.
- **Waiver of Premium Benefit** – After you're disabled for the lesser of 90 days or the elimination period, we'll waive all premiums that become due during your Continuous Disability.

Customizing your disability policy

If you meet current underwriting guidelines, you can add the following riders to your policy:

- **Automatic Benefit Increase** – Automatically increases your coverage every year for five years without requiring you to submit evidence of insurability. The increase is based on the change in the Consumer Price Index for all Urban Consumers (CPI-U), with a minimum guaranteed increase of at least 4% compounded and a maximum of 10% compounded.
- **Benefit Update Rider** – Every three years, allows you to increase your coverage to the maximum amount for which you are eligible without requiring you to provide evidence of medical insurability.
- **Cost of Living Adjustment Rider (COLA)** – While you are disabled under the terms of the policy, your benefit is adjusted to help keep up with inflation. You may select a 3% or 6% COLA maximum.
- **Return to Work Rider** – Even if you recover from a disability and return to your regular work full-time, benefits are paid to the end of your benefit period as long as you continue to have a 20% loss of income due to your prior disability. Available to certain fee-for-service occupations.



WE'LL GIVE YOU AN EDGE®

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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. Policy definitions and provisions may vary by state; read your policy carefully for the exact definitions and provisions. There may be other exclusions or limitations in the policy that may apply.

Contact your Principal Life financial representative for complete details.

Policy rider descriptions are not intended to cover all restrictions, conditions or limitations. Refer to rider for full details. Riders are subject to state availability. Riders are subject to an additional charge.

HH 641/HH 643 (5A, 4A, 4A-M, 3A, 3A-M)