



Disability Insurance Sales Kit



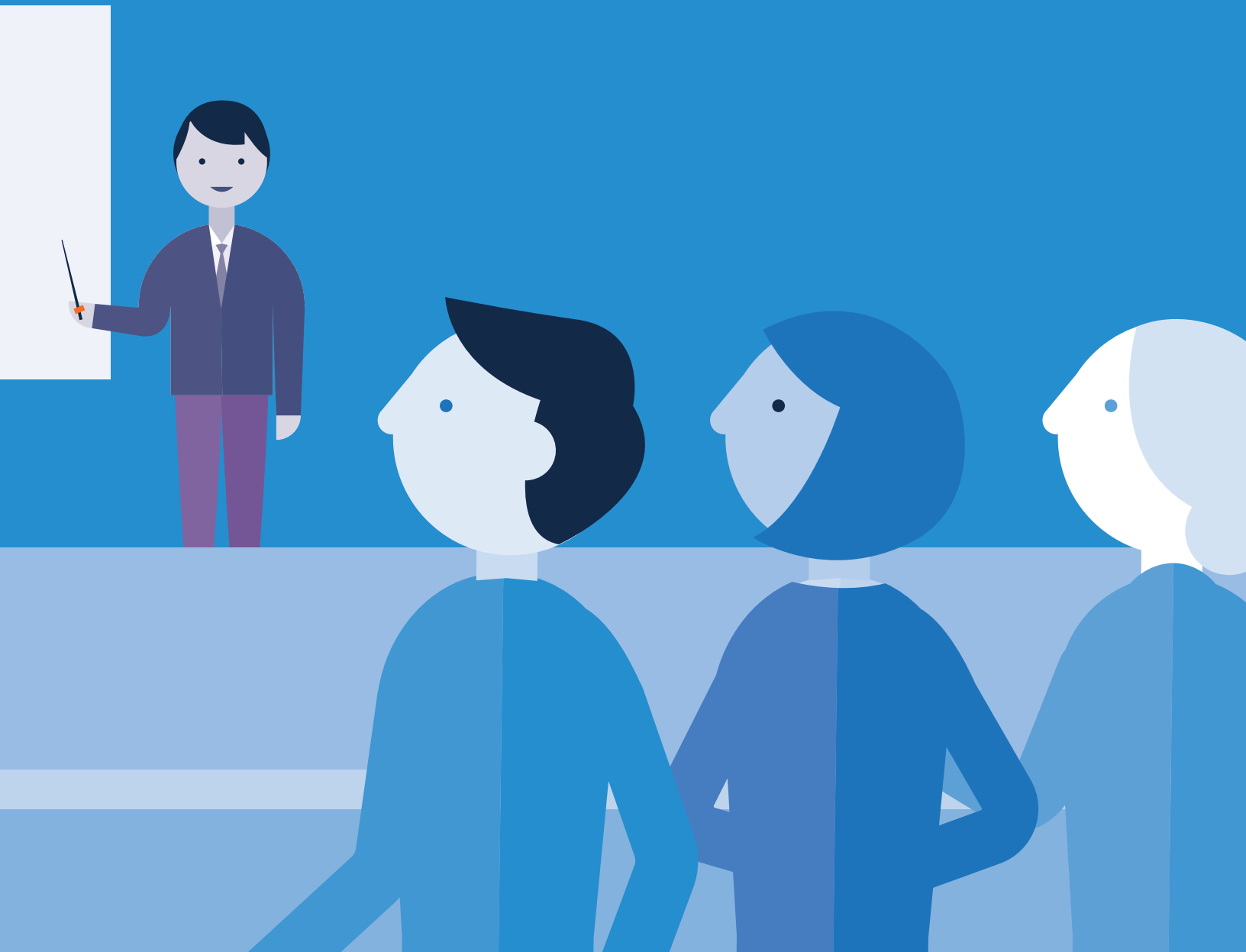
In This Kit:

Sales & Marketing Guide | Key Markets | Consumer Fact Finder

Individual disability insurance

What you need to know to sell

Marketing guide



“

Financial professionals who take a comprehensive approach with clients – including offering individual disability insurance – earn 59% more than those who don’t.

– 2015 Principal retail sales data for Principal advisors.

”

As a financial professional, you play an important role in helping clients understand the risks to their financial security and getting them the protection they need.

This guide will help you get into the income protection market by outlining:

Available products and solutions

Starting the conversation

Tips to navigating the underwriting process

Closing the sale

Available solutions

Principal® offers one of the most comprehensive suites of individual disability insurance (IDI) solutions in the industry and has solutions for individuals, business owners and employees.

Get to know our IDI product portfolio

Personal	Individual Disability Income (DI)	Provides monthly benefits to help cover daily living expenses
	Core Value Income Protection SM	Streamlines and packages our DI coverage to help make it more affordable to a broader market
	DI Retirement Security	Helps clients continue saving for retirement
Business	Overhead Expense (OE)	Provides reimbursement for business expenses, helping keep the business open and operating
	Business Loan Protection ¹	Covers loans taken out for business-related expenses
	Key Person Replacement ¹	Provides a benefit to a business in the event of a key employee's disability
	Disability Buy-Out (DBO)	Funds a buy-sell agreement to buy out a disabled owner
Employee benefits	Executive Carve-Out	Helps employers offer income protection to employees — on an employer-paid or voluntary basis
	Executive Bonus	
	General benefit offering	

For detailed information, check out our products and services guide (JJ1146; JJ1205 for California) or visit: advisor.principal.com > [Products](#) > [Disability Insurance](#)

Starting the conversation

Many financial professionals have found success starting conversations with clients about personal income protection and then moving to business solutions. That shows how wide open the disability market opportunity can be. After all, almost everyone in the working population needs to protect their income, especially those who:

- Are age 30 to 55
- Earn at least \$40,000 per year
- Work at least 20 hours per week
- Work in occupations with little to no manual duties

How to get started

Most people have never been approached about disability insurance and don't know they need it. Whether you're talking to individuals, business owners or their employees, it's important to establish the need for coverage. Your job is to help them along the "path to purchase" – from awareness to buying (and then referring you to others!).

Use:

- ✔ Visuals to illustrate the need
- ✔ Needs-based language
- ✔ Materials that are about clients and the benefits they receive

Rather than:

- ✘ Wordy documents
- ✘ Technical jargon
- ✘ Lists of policy details



Get started by using our consumer-friendly tools designed to help nurture a consumer along the purchasing path (order KIT4343; KIT4365 for California).



JJ2153



JJ1239

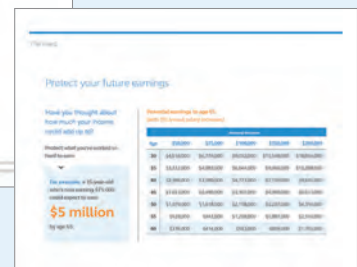


JJ1507

JJ1508

Or, if you like options, check out our series of one-page sales ideas (order JJ1151).

It's a collection of sales approaches commonly used by financial professionals just like you!



As you go through the purchase path with clients, be ready to answer common concerns. Remember, disability insurance is new for most people, so education is key!

Top concerns	What they may be thinking	How you can help
What is it?	<p>“Sounds like something I might have through work.”</p> <p>“This is the first I’ve heard of this.”</p> <p>“I already have a ‘back-up plan’—my savings account.”</p>	<p>Keep the jargon to a minimum and feature how DI and group disability work together for greater protection after taxes.</p> <p>Assure clients the steps they’ve taken are good. Disability insurance is a way to enhance their protection plans.</p>
Why do I need it?	<p>“I don’t need this. I can adapt — sell my house or ask family for help.”</p> <p>“Disabilities happen to other people, not me.”</p>	<p>Adapting is one strategy, but do they really want to deal with more change when undergoing a health issue?</p> <p>Highlight that an average long-term disability lasts 2½ years. Most people assume it’s shorter (for example, less than six months).</p>
Is it affordable?	<p>“Can I work this into my budget?”</p> <p>“I want to pay down debt before I do something like this.”</p> <p>“I want to make sure I can still enjoy my coffees and eating out.”</p>	<p>Protecting themselves first is all part of a successful financial strategy. Offer to review their budget to see how to make disability insurance work.</p>
How does it work?	<p>“This is just something that covers accidents, right? That could happen, but I’d still be able to work.”</p> <p>“I don’t get sick. What illnesses would stop me from working?”</p>	<p>Accidents make up less than 10% of most long-term disabilities. It’s common illnesses like cancer, heart conditions and strokes that cause most disabilities.</p>

Looking to open doors with business owners?

Offer our complimentary services:

- **Informal business valuations** – Help owners find out what their business is worth. Having a current value can help with planning discussions.
- **Buy-sell review** – Clients with buy-sell agreements can make sure their agreement is current and has proper funding in place.

A buy-sell solution for single business owners.

Our one-way buy-out funds a transfer between an owner and a key employee. (Policy HH794 only)

Understanding underwriting

As a financial professional, you play a big role in the IDI underwriting process at Principal. When submitting a case for underwriting, share with us as much information about the client as you can, focusing on these three key areas:

1 | Occupation

The occupation class determines your client's premium amount and maximum monthly benefit amount. Job duties, rather than title, are key when classifying an occupation. Consider managers. Are they managing in an office with general office duties and no manual labor? Or are they managing at a shipping company, but the majority of their time is spent lifting boxes and using heavy machinery? Those with no manual duties would get higher occupation classes with lower rates.

Working with business owners?

Principal underwrites a business owner's occupation differently than the competition. We consider additional factors, such as:



Income



Number of employees



Number of years in business



Owner duties

2 | Income/financial background

Disability insurance is meant to replace a portion of lost income, while providing motivation to return to work. We'll need to review their financial documentation to ensure we're not giving them too much or too little coverage.

3 | Medical history

Having an understanding of basic conditions can set expectations when you help a client apply for coverage. For instance, if your client has one of these conditions, proceed with underwriting, but set the expectation that the coverage could be "rated/ridered*" or declined:

- Anxiety or other mental/nervous conditions
- Back related conditions
- Carpal tunnel syndrome or arthritis
- Cancer
- Emphysema
- Heart attacks
- Hepatitis
- Kidney disease
- Obesity
- Pancreatitis
- Seizures or stroke

*Means a client could get coverage, but for an additional cost than originally presented or could have an exclusion for a certain condition added.

For more information about our underwriting programs (and tips for smoother processing!), go to: advisors.principal.com > [New Business](#) > [Guidelines & Underwriting](#) > [Disability Insurance Underwriting](#)

Want to make underwriting easier?

Check out our **Simplified** offering that helps streamline the application process. It features:

- **Limited underwriting**
 - No routine medical requirements²
 - No financial verification³
- **For Individual DI, benefit amounts up to:**
 - \$6,000/month issue limit
 - \$10,000/month participation limit (excluding group long-term disability insurance)
- **An accelerated underwriting decision once the application and TeleApp** (a 15-minute telephone medical interview) are completed and received.

What is TeleApp?

Over 95% of our IDI business uses our TeleApp service to complete “Part B” – the medical portion of the application. A Principal professional calls clients and asks the confidential medical questions needed to complete part of the application. **Just call 888-TeleApp (888-835-3277) to schedule an interview.**

Working in the employee benefits market? Check out our multi-life underwriting programs:

“Basic” multi-life

Available when any three employees with a common employer purchase coverage.⁴ Employer involvement is not required. Simplified and full underwriting are available.

Standard Issue (GSI) program

A solution geared to groups of employees who don’t need to provide medical requirements. Discounts are available based on the number of employees participating. Employer participation is needed.

Fallback GSI

Allows employees to qualify for the maximum benefit available based on underwriting. If an employee doesn’t meet underwriting qualifications, a GSI benefit is still available. Discounts are based on the number of employees participating.

Bonus: When using multi-life underwriting for DI insurance, at least a 20% discount is available (based on gender-neutral rates) when at least three employees purchase coverage. And, in certain states, spouses can buy coverage at a discount, too!

For additional details, check out the employee benefits profile (JJ1726).

Closing the sale

Here are some best practices for closing IDI sales with clients:

Prepare for meetings

- Run several proposals to offer choices. Three seems to be the “magic” number to be helpful, but not overwhelming.
- Have the needed forms with you, as well as the phone number for TeleApp and medical examiners. Learn more about what you need to bring. See our administration guide (JJ1858).

Want to reduce your paperwork?

Try our electronic application system – eApp. It lets you submit business online. It makes things easier for you and your clients. Learn more about this tool with our Q&A (JJ2186).

While meeting with clients

- Ask if anything’s changed since you last met.
- Confirm they’re ready to proceed.
- Explain the benefits of the policy, not just the product features or riders. Keep it simple.

Make sales

- Ask for the sale: “Do you want to proceed with the application?”
- For clients hesitant to buy or with objections, address those concerns. Find tools at principal.com/idisalestools.
- If they’re ready, walk them through the application.

Close the discussion by asking if they have any questions about the policy or what happens next. Explain that you’ll submit the signed application and should get a response from Principal in a few days.

Looking for a real-life example?

Check out our case studies brochure (JJ1673) to see how other financial professionals have approached IDI sales.



Key success factors

Make these behaviors part of your everyday routine:

- **Hone your presentation style.** Develop a conversation plan and practice it to sound more natural. The more you sell disability insurance solutions, the easier it becomes.
- **Provide options.** Showing different price points gives clients the power to choose.
- **Share real life stories.** If you don't have a personal story, we offer several real-life testimonials that show how having disability insurance can make a big difference in people's lives. (advisors.principal.com -> Product -> Approaches)
- **Share the promise being made.** Your clients are purchasing the promise that Principal will be there when they experience the unexpected. **Tip:** Introduce them to our compassionate claims teammates by sharing a short video found at principal.com/dicares.



Most important: Buy a DI insurance policy yourself. Owning disability protection helps you talk to clients with confidence and conviction.

Tips for finding prospects — get started today!



1

Start with your current clients.

Cross sell income protection or ask for referrals to others.

2

Get active in your community. Establish a personal brand that sets you apart as a trusted resource.

3

Host a networking event with your local Chamber of Commerce to get in front of small-to-medium sized businesses.

4

Talk to employers about reviewing their benefits offering.

See the next page for more examples



Review your recent cases and look for opportunities to offer IDI

Existing client scenarios	Recommended solution
Personal needs	
Experiences a life change such as marriage or home purchase	Individual DI to protect against the loss of an income
Maxes out individual DI insurance	DI Retirement Security to protect ability to save for retirement
Contributes to a 401(k) plan, IRA or mutual funds	DI Retirement Security
Covered by a group LTD policy through employer	Individual DI supplemental policy to protect a larger portion of income
Business needs	
Wants to enhance employee benefits package	An employer-paid or voluntary multi-life individual DI solution
Wants to ensure continuation of business	Establish and/or review buy-sell agreement and properly fund it with Disability Buy-Out insurance
Wants to keep business open if one of the owners is disabled	Overhead Expense insurance to reimburse business expenses and Key Person Replacement ¹ to cover temporary staffing needs and revenue replacement
Wants to retain executives and enhance their benefits package	An employer-paid individual DI solution available only to the executives
Has key person life insurance	Key Person Replacement disability insurance ¹
Has a business loan obligation	Overhead Expense policy with a Business Loan Protection rider ¹

¹ Not available in California. Not approved in all states. Go to www.principal.com/distateapprovals for more information

² No blood, urine, exams, EKGs or APSs required unless a significant medical condition is reported by MIB, significant medical information is obtained from the TeleApp or other available information, or any other disability coverage has been issued or applied for on a nonmedical basis. Applications could be rated, rideder or declined based on all underwriting information available; this is not a guaranteed issue program. Urine/HIV test is required in Maine. Subject to issue and participation limits and minimum premium requirement. Financial documentation required for select occupations. Program available for issue ages 18 to 50 for single-life cases, up to 64 for Multi-Life DI. In California, there are no labs required for Simplified Single-Life cases up to \$6,000/month, but an APS and financial documentation are required. For Simplified OE and DBO, the A occupation is not available.

³ Financial documentation is required if applying for more benefit than the Simplified limits - this applies for new applications and adjustments, and for the following occupations (regardless of amount applied for): real estate agent/broker, mortgage originator/broker, real estate attorney, residential construction contractor and real estate developers. In California financial documentation is required for all single-life cases. And for simplified DI multi-life when all three applications are not submitted together, we'll require APSs and financials on the first two applications, but not for any additional applications.

⁴ Discount can be given when three or more employees with a common employer are covered. The Multi-Life discount is not available for Key Person Replacement or Disability Buy-Out policies written in Ohio. This includes any Multi-Life discount given for fully underwritten, Simplified Multi-Life and Guaranteed Standard Issue cases. Policies taken on these products will not count toward the three-lives qualification for Multi-Life in Ohio. Discount not available for dental or medical residency programs.



principal.com

Disability insurance from Principal® is issued by Principal Life Insurance Company, Des Moines, Iowa 50392-0001.

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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.

Please remember to abide by the company's policy on disclosure of compensation. You can obtain more information, as well as a sample disclosure form, at principal.com.

Not FDIC or NCUA insured

**May lose value • Not a deposit • No bank or credit union guarantee
Not insured by any Federal government agency**

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DISABILITY INCOME CHOICE PORTFOLIO[®]

QUICK REFERENCE



	Accident Only Disability	Short-Term Disability	Long-Term Disability	Business Overhead Expense (BOE)
Target Market	Individuals 25-55 Yrs Old			Small Business Owners
	Blue/Gray Collar, Self-Employed	Blue/Gray Collar, Self-Employed	White Collar, Executive, Professional	Self-Employed, White Collar, Professional
	Household Incomes \$15,000-50,000	Household Incomes \$25,000-75,000	Household Incomes \$50,000+	\$36,000+
Elimination Period (Accident and Sickness)	0, 7, 14, 30, 60, 90 Days	0/7, 7, 0/14, 14, 30, 60, 90 Days	60, 90, 180, 365 Days	30, 60, 90, 180, 365 Days
Benefit Periods	3, 6, 12, 24 Months		2, 5, 10 Yrs, To Age 67	12, 18 Months
Issue Ages	18-61			20-59
Premium Structure	Level Until Age 67, Unisex, Age-banded	Level Until Age 67, Then Annually Increased, Sex-Distinct		Level Until Age 59, Sex-Distinct, Age-banded
Renewability	Guaranteed Renewable To Age 67	Guaranteed Renewable To Age 67, Then Conditionally Renewable To Age 75		Guaranteed Renewable To Age 65
Maximum Base Benefit (May Vary by Occupation Class)	\$5,000	\$5,000	\$12,000	\$20,000
Own Occupation Period	2 Years		2 Years, or For Duration of Benefit Period via Rider	
Base Plan Benefits	Total Disability, Partial Disability, Survivor Benefit, Recurrent Disability, Presumptive Total Disability, Waiver of Premium, Workers' Compensation Rider	Total Disability, Partial Disability (Short-Term only), Proportionate Disability (Long-Term only), Survivor Benefit, Terminal Illness Benefit, Recurrent Disability, Presumptive Total Disability, Waiver of Premium, Transplant Donor Benefit, Rehabilitation Benefit, Workers' Compensation Rider (Short-Term only)		Total Loss of Time, Recurrent Total Loss of Time, Waiver of Premium
Optional Benefits	Accident Hospital Confinement, Accident Medical Expense ¹	Hospital Confinement, Return of Premium, Critical Illness, Accident Medical Expense ¹	Social Insurance Supplement, Future Insurability Option, Extended Own Occupation, Extended Proportionate Disability, COLA, Hospital Confinement, Return of Premium, Critical Illness, Accident Medical Expense ¹	

¹Accident Medical Expense benefit not available in CA, CT, NH or PR

MEDICAL UNDERWRITING

Base Monthly Benefit Amount	Accident Only Disability	Short-Term Disability	Long-Term Plan 2-Year and 5-Year Benefit Period	Long-Term Plan 10-Year and To Age 67 Benefit Period	Business Overhead Expense (BOE)
\$300-\$3,000	Simplified Underwriting ²	Simplified Underwriting ²	Interview	Interview	Simplified Underwriting ²
\$3,100-\$5,000		Interview		Interview, Physical Data, Blood and Urine	Interview
\$5,100-\$8,000			Interview, Physical Data, Blood and Urine	Interview, Long Form Paramed, Blood and Urine	Interview, Physical Data, Blood and Urine
\$8,100 and Above			Interview, Long Form Paramed, Blood and Urine, EKG ³	Interview, Long Form Paramed, Blood and Urine, EKG ³	Interview, Long Form Paramed, Blood and Urine, EKG ³

²Underwriting decisions within 48 hours of initial underwriting review provided the following conditions are met:

- Applicant is in occupation class 6A, 5A, 4A, 3A, or 2A
- For Accident Only coverage: Applicant is age 55 or younger and medically standard
- For Short-Term coverage: Applicant is nontobacco, age 45 or younger and medically standard
- No adverse information from the Medical Information Bureau and Pharmacy Report
- All application questions have been clearly and completely answered and required forms and financial documents have been submitted with the application

³Age 45 and over only

For use with concept brochure, 15050

It's a common objection to purchasing disability insurance. The client doesn't want to "lose" premium dollars on coverage they may never use. You can show them how to get coverage protection *and* money-back value by adding a return of premium (ROP) rider to their policy.

An ROP rider will return a portion of premiums paid (less any claims paid). When included with a short- or long-term disability policy, this money-back feature provides a solution for clients who:

- ▶ Need to justify their purchase by knowing they'll get something tangible in return if they don't use the policy
- ▶ Are attracted to the idea of getting a lump-sum payment they can use any way they wish, such as paying down their mortgage or other debts, or using it for retirement planning
- ▶ Are employed full time, age 30 - 50
- ▶ Have annual income of \$40,000 to \$150,000

How it Works

- ▶ The return of premium rider provides a lump-sum return of a specific percentage of premiums (80 percent or 50 percent), less any claims paid, at the end of each policy term, usually 10 years
- ▶ The premium savings discount can be applied to this optional rider

Case Example:

Nicole earns \$80,000 annually and purchases a five year LTDI plan with a monthly benefit of \$4,300. At 35, she's healthy and worries about spending money on a premium she may never use, so she purchases the ROP rider for \$1,541.

For every 10 years she doesn't make a claim, she'll receive 80 percent of her premium. In Nicole's case, that would be a lump-sum payment of \$12,949 if she hasn't received any DI payments.

The solution is to offer the return of premium rider as a way for clients to "get back" a percentage of their premiums paid. Also, remind clients of the important benefits of having income protection throughout their working years.

Concept Advantages

- ▶ The return of premium rider can help value-minded consumers make the commitment to buy disability insurance, because it gives them tangible returns if they don't use the policy benefits
- ▶ Clients can see the value of having the option to receive a lump sum benefit they can use for paying down debts, the mortgage, or adding to a retirement fund
- ▶ Individual disability insurance benefits are received tax free
- ▶ An individual policy is portable. The policy is owned by the client and can stay in place throughout their working years as long as the premiums are paid
- ▶ The ROP is available on both the STDI and LTDI products

NOTE: The Return of Premium rider is not available in all states.

Individual disability insurance

Learn more about key markets

Market profile guide



Overview of key individual disability insurance (IDI) markets

Income protection, or disability insurance, is an essential part of protecting financial security and an important topic to discuss with clients. This guide outlines key information about the following markets and how to approach them about income protection solutions:

- Architects
- Attorneys
- Accountants
- Business owners
- Employees of large companies
- Engineers
- Government employees
- Optometrists
- Part-time employees
- Veterinarians
- Young professionals

Sales tips

- **Have passion.** These occupations are passionate about their work and helping others. Bring that same emotion, sense of importance and value when discussing income protection solutions.
- **Present the facts.** Most consumers likely haven't heard of income protection or may think they're already covered with a government program or group coverage.
- **Discuss risk protection.** Both life and disability insurance are essential in protecting income, loved ones and assets from unpredictable risks and life events. With the right protection in place, clients can build other financial strategies with confidence.
- **Talk about the obvious concerns** clients have, such as student loan debt, budget considerations, etc. Income protection can be customized for clients, and it typically costs just one to three percent of their income.



Did you know?


Advisors who:

- › Sold at least one IDI policy during their first year were more likely to sell IDI later in their careers.
- › Take a *comprehensive approach* with clients — including offering IDI — **earn 59% more** than those who don't.

Source: 2015 Principal Life retail sales data for Principal Advisors.

Conversation starters

- If you couldn't work because of an injury or illness, how would you make ends meet?
- What would happen to your lifestyle and dreams for the future if you could no longer work and take home a paycheck?
- Your group disability benefits are a great start, but do you know how much you'd actually take home after taxes? Would it be enough to cover the big and little things your paycheck provides?
- What assets do you have to cover for a disability that lasts three months, six months or longer? Even a short-term disability could eliminate years of saving.

 **Tip:** Check out our flip chart (JJ1151) for additional conversation starters.



For more resources

To find other tools and resources to approach the occupations listed in this guide, visit: www.principal.com/identargetmarkets.

Reaching the market

- Who do you know? Identify existing clients and acquaintances and ask for referrals.
- Use LinkedIn to search for connections by employer and industry. Ask connections you have in common to provide warm introductions.
- Get involved. Host a booth or volunteer at community-sponsored events. Getting involved helps you network.
- Look for organized networking events in your community. Also seek out groups and associations that cater to specific demographics and occupations.

What Principal® solutions are right?

For individuals and business owners	Income protection	Individual Disability Income (DI)
	Retirement savings	DI Retirement Security (DIRS)
For business owners	Business protection	Overhead Expense (OE) Business Loan Protection (BLP) rider* Key Person Replacement (KPR)*
	Exit planning	Disability Buy-Out (DBO)

* Not available in California; not approved in all states. Visit www.principal.com/distateapprovals for details.



Architects

Architects play a fundamental role in the design, development and construction of residential, industrial, institutional, leisure and commercial buildings, as well as bridges and land areas.


Background details

- **Average annual income:** \$76,100¹
- **Education:** 5-year Bachelor's of Architecture degree program or a Bachelor's degree with a one to five-year Master's degree.
- **State licensing:** Depends on type, but typically required. Many seek the National Council of Architectural Registration Boards accreditation.
- **Number of jobs:** 111,600¹
- **Job growth projection by 2024:** 7%¹
- **Types of architects:**
 - Institutional
 - Commercial/industrial
 - Residential
 - Landscaping
- **Ideal market** because they're:
 - Highly trained and well educated
 - Competitively compensated
 - Often small business owners themselves or work with small business owners

Market insights

- Their major source of revenue comes from professional fees related to pre-design, advisory and design services and nonresidential building design
- They work closely with engineers who focus on the safety, equipment and functionality of a structure.
- They're looking for ways to grow their firms by offering services across the entire building cycle, in addition to growing green building technology through Leadership in Energy and Environmental Design (LEED) projects.

Finding architects

- Find cold leads at www.architectfinder.aia.org.
- Team up with a local association chapter, find one near you:
 - www.aia.org
 - www.asla.org
 - www.sara-national.org
-  Don't forget: We offer discounts to make coverage more affordable. We have options for employees, associations and affiliated individuals, such as 1099 employees and franchise owners.²

¹ Occupational Outlook Handbook, U.S. Bureau of Labor Statistics, www.bls.gov, October 2016.

² Not all discounts are available in all states. Certain guidelines apply.



Attorneys

Attorneys advise and represent clients publicly and privately, research cases, prepare and file legal documents, and interpret laws, rulings and regulations.

Background details

- **Average annual income:** \$115,820¹
- **Education:** Doctoral or professional degree
- **Ongoing education:** 12 to 15 hours of CLE credits per year (plus 1 for ethics)
- **State licensing:** Required
- **Number of jobs:** 778,700¹
- **Job growth projection by 2024:** 6%¹
- **Types of attorneys:**
 - Criminal law attorneys
 - Government counsel
 - Corporate or in-house counsel
 - Legal aid attorneys for nonprofit work
- **Ideal market** because they're:
 - Highly trained, educated and well-compensated
 - Frequently in the position of influence with others
 - Often small business owners themselves or work with small business owners

Market insights

- **Many associations are available for attorneys.** The largest is the American Bar Association (ABA), with nearly 400,000 members. Each state, as well as many cities and counties, have bar associations, too. Some state or county bar associations allow non-attorneys to join.
 - ✓ **Tip:** Many attorneys have group disability insurance through the American Bar Association. Explain the differences between that and Principal individual DI coverage and how both can be valuable. Check out JJ2000 for details.
- **Workload.** Attorneys are known for putting in long hours as they represent clients, conduct research and prepare and review documents. They are also known for having to deal with heavy pressure from a number of sources – including goals set by their firm, deadlines and court trials. Finding work-life balance is often a challenge. When working with attorneys, be flexible for timing and come prepared.

Establish a referral arrangement

Create a referral relationship with a local attorney. Attorneys often encounter clients who not only need legal guidance, but insurance and investment solutions as well. Some attorneys may become licensed to offer financial services, but that can open them up to additional regulations. A good alternative is for them to assemble a financial services team to which they can refer clients.



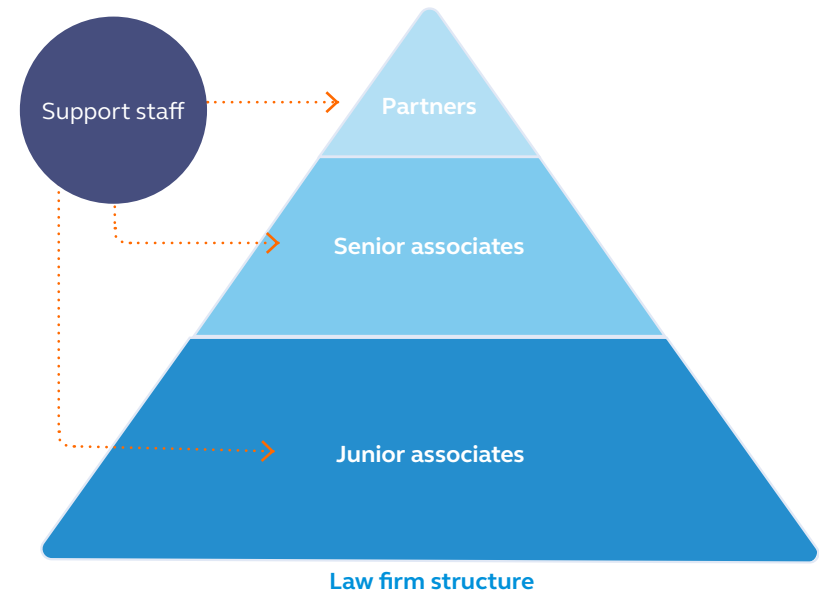
¹ Occupational Outlook Handbook, U.S. Bureau of Labor Statistics, www.bls.gov, October 2016.

Attorneys, continued

Understanding law firms²

More than 75 percent of lawyers work in law firms.

- **Business structure:** Most firms are organized as partnerships with a pyramid structure that includes partners, senior associates and junior associates. Throughout the firm, paralegals, legal assistants and other support staff help conduct research, draft reports and correspondence and maintain case files.
- **Compensation:** The most common system is a lock-step model where associates in each class receive the same base salary. The next most common model is compensation based on merit. Firms often pay year-end bonuses based on a variety of factors, including hours billed, quality of work, contribution to the firm and business development. Partners receive a share of the profits at the end of the fiscal year.
- **Revenue generation:** This is most often based on billable hours. Attorneys must track their time, typically in six-minute increments. The average expected annual billable hours per attorney is 1,800 to 2,500 hours (around 7 to 9.6 hours per day).
- **Types of law firms:**
 - Large firms – employ 100s of attorneys
 - Mid-size firms – typically employ 50 to 200 attorneys
 - Small firms – typically employ up to 50 attorneys
 - Others, such as boutiques (for one area of practice), public interest, international



Finding attorneys

- Volunteer as a guest speaker or host a seminar at a local law school. When working with these students, discuss the **Select Professional Program**. This program allows some special benefits for this market, including offering higher protection limits than their income might typically offer.
- Team up with a local association chapter, find one near you: www.americanbar.org.

²Yale Law School Career Development Office, Law Firm Practice, August 2016. https://www.law.yale.edu/system/files/area/department/cdo/document/cdo_law_firm_practice_public.pdf.



Accountants/CPAs

Certified Public Accountants (CPAs) are trusted advisors who help individuals, businesses and organizations plan and reach their financial goals. They ensure that financial records are accurate and taxes are paid properly and on time. They also assess financial operations and work to ensure that organizations run efficiently.

Background details

- **Average annual income:** \$67,190¹
- **Education:** Bachelor's degree with at least 150 credit hours
- **Ongoing education:** 40 CPE credits per year
- **State licensing:** Required
- **Number of jobs:** 1,332,700¹
- **Job growth projection by 2024:** 11%¹
- **Ideal market** because they're:
 - Centers of influence for individuals and business owners
 - Often business owners themselves
 - In high demand, with prospects in most markets across the country

Market insights

- Work days vary and depend on the size of the firms the CPAs work for, where they are in their career, the accounting they specialize in and whether it's tax season.
- Many CPAs are self-employed, so they have similar responsibilities as business owners, such as keeping accurate records, building a client base and hiring staff as needed.
- Since many CPAs are business owners, showcase solutions that address both personal and business needs.

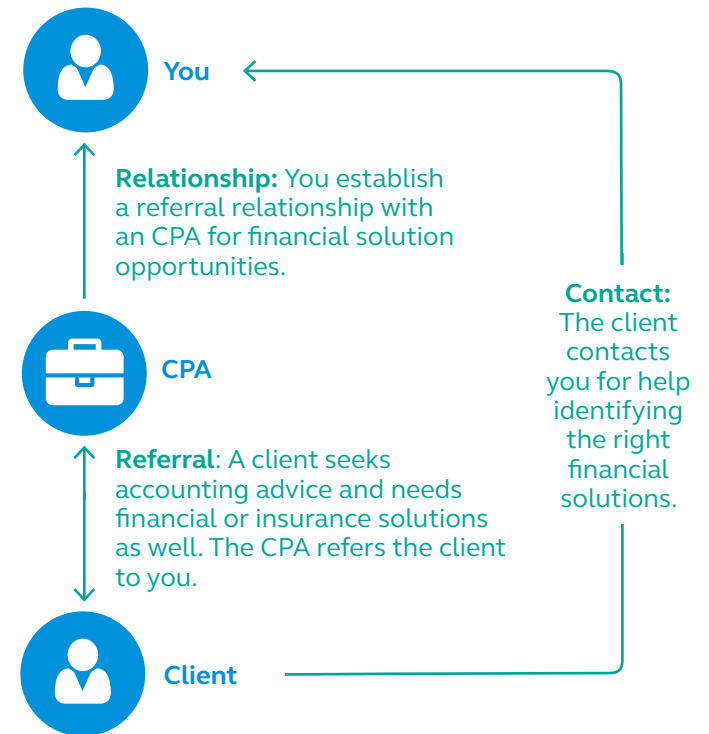
Finding accountants

- Team up with a local association chapter, find one near you: www.aicpa.org.
- Search LinkedIn or the yellow pages for accounting practices.

- ✓ **Tip:** Many CPAs have group disability insurance through the American Institute of Certified Public Accountants (AICPA). Explain the differences between that and Principal individual DI coverage and how both can be valuable. Check out JJ1932 for details

Establish a referral arrangement

Accountants often encounter clients who not only need tax advice, but insurance and investment solutions as well. Some CPAs may become licensed to offer financial services, but that can open them up to additional regulations. A good alternative is for them to assemble a financial services team to refer clients to.



¹ Occupational Outlook Handbook, U.S. Bureau of Labor Statistics, www.bls.gov, October 2016.



Business owners

A recent study of business owners showed that two of their top three priorities were business protection (No. 1) and income protection (No. 3).¹ Yet, the majority had not established a solid financial strategy. The day-to-day operations of their businesses kept them too busy to plan. They need your help.

Market insights

Business owners have multiple needs that can be met by IDI solutions from Principal. Get started by sharing JJ1641.

Owners may be interested in helping employees protect their ability to work and earn an income, which can result in a multi-life solution.

Target market

Business owners who:

- Are between 30 and 55
- Own businesses with up to 10 owners
- Rely on their personal service for the continued success of the business
- Can benefit from our complimentary business planning services, such as informal business valuations and buy-sell agreement reviews.

Finding business owners

A variety of online resources are available. Get started with these tools:

- www.zoominfo.com
- www.bbb.org

Business structures and available IDI solutions

Structure	Description	Solutions
Sole proprietorships	This is the most common form of a business; a sole proprietorship has only one owner.	DI, DIRS, OE/BLP ²
Partnerships/limited liability companies (LLC)	A partnership is an association of two or more people engaged in a for-profit business as co-owners.	
C corporations	Though small in number, C corporations account for the majority of business receipts. They are separate taxable entities. Owners are considered shareholders with limited liability for the organization's debts.	DI, DIRS, OE/BLP ² , DBO, KPR ²
S corporations	S corporations are separate legal entities that provide shareholders limited liability, yet business profits pass through to the shareholders' tax returns.	

Plus, don't forget to:

- Reach out to owners featured in local business journals and articles.
- Get involved in community events and participate in local Chamber of Commerce events to build contacts.

Sales tip – leverage a discount

Take advantage of the **20 percent Multi-Life Discount** to help your clients save money and protect more individuals. The discount applies when three or more employees from the same employer (using the same financial professional) purchase any combination of IDI policies from Principal.³

¹ Principal Financial Group® Business Owner Study conducted by Harris Interactive, 2015.

² Not available in California; not approved in all states. Visit: www.principal.com/distateapprovals for details.

³The Multi-Life Discount is not available for business products in Ohio. It cannot be stacked with the Association Discount.



Employees of large companies

There are more than 18,500 large companies (500 or more employees) in the U.S. – employing 59.9 million people.¹

Background details

These employees are ideal prospects because:

- Many work in desirable occupations, such as managers, accountants, financial analysts and professionals in human resources, IT, business operations and sales and marketing, as well as executives.
- There are ongoing sales opportunities. Many want to grow in their careers and increase their incomes over time. There is potential for multiple sales and referrals.

Market insights

- Many companies offer group long-term disability (LTD) insurance to their employees. It's a good foundation, but it's often not enough. Benefits typically:
 - Cover about 60% of an employee's income with a set monthly benefit cap (typically \$5,000)
 - Are taxable when received

These factors reduce employees' benefits and can make it difficult to meet everyday expenses.

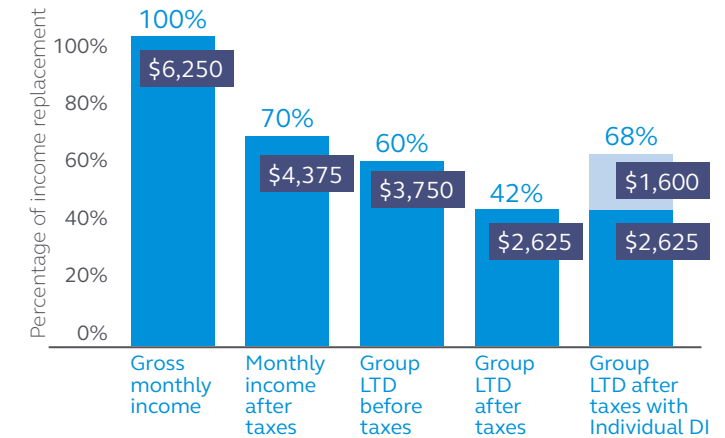
Individual DI insurance:

- Supplements employer provided-benefits
- Helps protect a greater portion of an employee's income
- Is portable so if employees change jobs, the coverage goes with them.

Market tip at the worksite

If you meet with the human resources team, discuss the simplicity of offering Individual DI insurance at the worksite and the cost and benefits available through discounts for the employee and their spouse.²

Protecting more of an employee's income



Assumptions: Based on \$6,250 gross monthly income (\$75,000 annual), with 60% group LTD insurance, assuming a 30% tax bracket for Federal, State and FICA.

Finding employees of large companies

- Identify existing clients and acquaintances who are employed by large companies and ask for referrals.
- Use LinkedIn to search for connections by employer; ask common connections to provide warm introductions.
- For cold leads, visit www.principal.com/identargetmarket for links to databases that can help you find who the top employers are in your state.

¹ <https://www.census.gov/content/dam/Census/library/publications/2015/econ/g12-susb.pdf>.

² Discount may not be available in all states for spouses purchasing; not available in California.



Engineers

Engineers play a fundamental role in the design, development and construction of residential, leisure and commercial buildings, bridges and land areas. They focus on the safety, equipment and functionality of a structure.

Background details

- **Average annual income:** \$83,595
- **Types of engineers and average annual salaries¹:**
 - Chemical – \$97,360
 - Civil - \$82,220
 - Electrical - \$95,230
 - Industrial - \$83,470
 - Mechanical - \$83,590
- **Number of jobs:** 1,150,200¹
- **Job growth projection by 2024:** 3.2% (average)¹
- **Education:** Bachelor's degree (must be accredited by the Accreditation Board for Engineering and Technology)
- **State licensing:** Required for engineers providing services directly to the public

Engineers are an ideal market for income protection solutions because they are:

- Highly trained and well educated
- Competitively compensated
- Often small business owners themselves or work with small business owners

Market insights

- Their revenue depends on the amount of construction activity. Increases in industrial production boost demand.
- They focus on Leadership in Energy and Environmental Design (LEED) standards and are conscious of environmentally-friendly designs. This has resulted in an increased demand for green solutions and benefits.
- They work closely with architects and landscape architects who are concerned with the aesthetics of a structure and land use.
- Engineers are analytical and appreciate seeing the details. Be prepared to discuss the nuances of the proposed policy.
- Many engineers are business owners. Be sure to showcase solutions that address both personal and business needs.

Finding engineers

- Find cold leads at www.nspe.org
- Team up with a local association chapter; find one near you: www.acec.org

¹ Occupational Outlook Handbook, U.S. Bureau of Labor Statistics, www.bls.gov, October 2016.



Government employees

More than 16.2 million people are employed full-time by federal, state and local governments in the U.S. They work in a variety of industries.

Background details

- **Average annual income:**
 - Federal: \$72,4741
 - State: \$55,5412
- Work in a variety of industries in professional and technical occupations
- **Education:** Typically at least a Bachelor's degree

Market insights

Government employees tend to have strong benefit packages. Most have access to group disability coverage. Often, this protection is available through retirement savings programs that provide benefits in the event of a “disability retirement.”

Federal Employee Retirement System (FERS)

Available to federal civilian employees, FERS is a retirement plan that provides benefits in the event of a qualifying disability.

- Benefits are available to employees with at least 1.5 years of service who incur a disability that is expected to last at least one year.
- After 12 months of a qualifying disability, FERS benefits replace 40% of income.
- Benefits are subject to federal income tax.

State and local government benefits

Disability insurance benefits for state and local government employees vary by location.

- These programs typically replace 60% of income.
- Benefits are typically subject to federal income tax.

Please note: There are special underwriting guidelines for government employees due to their benefit programs.

- **Tip:** When discussing income protection, customize and share flier JJ2088C. It's geared towards government employees.

¹ Among full-time, non-seasonal workers. Source: U.S. Census Bureau, Federal Government Civilian Employment and Payroll Data: March 2012, released March 2014. Most recent data available.

Government employees, continued

Ideal government worker segments

Area	Description	Occupations
Education	<ul style="list-style-type: none"> • One of the largest employers of government workers. • Must have at least a four-year degree and are required to hold a valid state educator's license. • Includes public elementary and secondary schools, public universities and education agencies. 	<ul style="list-style-type: none"> • Teachers • Guidance counselors • Deans • Principals • Superintendents • Department heads • Administrators • University professors
Financial administration	<ul style="list-style-type: none"> • Oversee fiscal activities of different segments of the government. Found in federal agencies (e.g., Government Accountability Office and Office of Management and Budget), state and local agencies, city management and state revenue departments, among others. 	<ul style="list-style-type: none"> • Fiscal or financial analysts • Program analysts or examiners • Policy research directors or associates • Tax review directors or associates • Government affairs specialists • Financial administration coordinators
Health care and hospitals	<ul style="list-style-type: none"> • These individuals practice medicine, conduct research and set guidelines for medical care and health safety in the U.S., individual states and local municipalities. Common employers are the Center for Disease Control, National Institutes of Health, Food and Drug Administration, state and local departments of health and public hospitals and clinics. 	<ul style="list-style-type: none"> • Doctors • Nurses • Biologists • Social and physical scientists • Economists • IT professionals • Analysts • Administrative specialists
Housing and community development	<ul style="list-style-type: none"> • Support the social, economic and structural well-being of their communities. • Services are often present in the housing authority, job development agencies and community/neighborhood planning organizations. 	<ul style="list-style-type: none"> • Community education coordinators • Economic development directors and specialists • Housing authority directors and specialists • Job center directors • Neighborhood outreach coordinators • Environmental services specialists • Child development specialists and program coordinators
Public welfare	<ul style="list-style-type: none"> • Advocate for the well-being of "at-risk" individuals – children, the elderly, the impoverished and the disabled. • Provide services to help those individuals navigate hardships and overcome challenging situations. • Often includes departments of human services, social work agencies and welfare services. 	<ul style="list-style-type: none"> • Executive directors • Program directors or administrators • Social workers • Case workers and managers • Psychologists • Counselors • Development directors • Grant writers



Optometrists

Optometrists diagnose, treat and research diseases and medical conditions affecting thousands of people. This is a growing occupation mainly due to the increased vision problems Americans face, such as cataracts, glaucoma and diabetic retinopathy.

Background details

- **Average annual income:** \$103,900¹
- **Number of jobs:** 40,600¹
- **Job growth projection by 2024:** 27%¹
- **Education:** Doctoral or professional degree
Bachelor's degree (must be accredited by the Accreditation Board for Engineering and Technology)
- **Ongoing education:** Required
- **State licensing:** Required; renew every one to three years
- **Ideal market** because they're:
 - Highly trained, educated and well-compensated
 - Often small business owners
 - In high demand, with higher than average growth projections

Market insights

- Optometrists have different areas of specialization and training. To understand their needs, it's important to know what typical job duties they perform. Examples include:
 - Performing vision tests and checks for eye diseases, such as glaucoma, and identifying symptoms of other medical conditions, such as diabetes
 - Prescribing eyeglasses, contact lenses and medications
 - Providing treatment, such as vision therapy or low-vision rehabilitation
 - Providing pre- and post-operative care to patients undergoing eye surgery
 - Promoting eye health by discussing vision care with patients
 - Taking care of the needs of their businesses
- Optometrists are analytical and appreciate seeing the details. Be prepared to discuss the nuances of the proposed policy.
- Many optometrists are business owners. Be sure to showcase solutions that address both personal and business needs.
- Students are eligible for the **Select Professional Program** which allows them to purchase more coverage than their income would typically allow.

Finding optometrists

- Find cold leads at www.aoa.org.
- Find out who your family and friends visit and use their names during your introduction to make an instant connection.
- If there is a Doctor of Optometry program in your area, find out if it offers business classes and volunteer to be a guest speaker.

¹ Occupational Outlook Handbook, U.S. Bureau of Labor Statistics, www.bls.gov, October 2016.



Part-time employees

Workplace trends show more employers are allowing flexible work arrangements to attract and retain key talent. Working part-time allows these individuals to keep their professional skills current, while providing needed flexibility. Many of these employees don't qualify for employer-sponsored group benefit programs, so they need individual solutions, such as income protection.

Background details

Why professionals seek part-time work:

- Work/life balance
- Raising families
- Winding down a long career
- Seeking career changes
- Acquiring additional education
- Helping with eldercare or balancing the healthcare needs of children or loved ones

Key industries to focus on

- Management/professional
- Banking/finance
- Legal
- Technology-related
- Healthcare
- Education
- Engineering
- Pharmacy

Guidelines for income protection for part-time employees

- Up to \$5,000 a month in benefits available
- Available in all states for 3A/3A-M and above occupation classes
- For clients working 20 to 29 hours per week and earning over \$40,000 annually

Sales tip

Offering income protection to part-time employees is a great way to reach the three-life requirement for our 20 percent **Multi-Life Discount**.^{1,2}

- Ask existing clients for referrals to their full- or part-time co-workers.
- Approach employers about offering disability insurance as a valuable employee benefit for both full- and part-time employees.

Advantages

- Employees can protect their incomes without having to modify their work arrangements.
- Employers can reward and retain key part-time employees by offering quality, affordable income protection.
- You can open up new markets and offer protection to a wider group of clients – regardless of the hours they work.

✓ **Did you know?** Principal is one of a few carriers to offer income protection to part-time employees.

¹ Available when three or more employees with a common employer purchase Individual Disability Insurance from Principal.

² Part-time workers are not eligible for coverage under a Standard Issue (GSI) or Fallback GSI program.



Veterinarians

Veterinarians work with owners to protect the health and welfare of their animals. They diagnose, treat and research diseases and medical conditions affecting pets, livestock and animals in zoos and laboratories.

Background details

- **Average annual income:** \$88,490¹
- **Number of jobs:** 78,300¹
- **Job growth projection by 2024:** 9%¹
- **Education:** Doctoral or professional degree from an accredited veterinary college.
- **State licensing:** Required
- **Ideal market** because they're:
 - Highly trained and educated
 - Often small business owners
 - In high demand with higher than average growth projections
 - Well-compensated

Market insights

- Most veterinarians work in private clinics and hospitals. Others travel to farms, work in laboratories or classrooms or work for the government.¹ Note: The type of veterinarian can change the occupation class offered.
- Vets' hours can vary based on appointment schedules and emergencies. Be prepared to be flexible. If you're working with a small business owner, get to know their office manager. They can often help make appointments stick.
- Veterinarians are analytical and appreciate seeing the details. Be prepared to discuss the nuances of the proposed policy.
- Many veterinarians are business owners. Be sure to showcase solutions that address both personal and business needs.

Finding veterinarians

- Chances are your family and friends have pets and take them in annually for a visit. Find out who they go to and use their names during your introduction to make an instant connection.
- For cold leads, visit sites like:
 - www.localvets.com
 - www.petMD.com
 - www.findalocalvet.com
- **Tip:** Many veterinarians have group disability insurance through the American Veterinary Medical Association (AVMA). Use JJ1891 to explain the differences between that and Principal individual DI coverage and how both can be valuable.

¹ <https://www.census.gov/content/dam/Census/library/publications/2015/econ/g12-susb.pdf>, October 2016.



Young professionals

The millennial generation (also known as Generation Y) is defined as people ages 18-35. They make up 25 percent of today's population.

Background details

Target market

- Ages 22 to 35
- College graduates
- Incomes of \$45,000 a year or more
- Professional occupations: medical, law, engineering, financial services and business management
- Live independently with fixed expenses

Key characteristics:

- Technically savvy
- Rely on referrals and recommendations from friends and family
- Base consumer decisions on values over brand loyalty
- Will switch jobs for the right opportunity
- Leery of big business and risk adverse

Market insights

- This generation has grown up with technology. They are optimistic about the future and care about their local communities.
- To effectively work with these individuals, you should build trust, connect electronically (and in person) and praise them for doing the right thing, such as taking care of their financial futures.
- Many of them entered the workforce during a time of economic uncertainty and are more risk averse and mindful of their money than previous generations.
- They face student loan debt as they start their professional careers post-college.

✓ **Tip:** Build your online presence with these pre-approved materials.

- Social media posts (DI9478)
- Share videos from www.principal.com/diyoutube

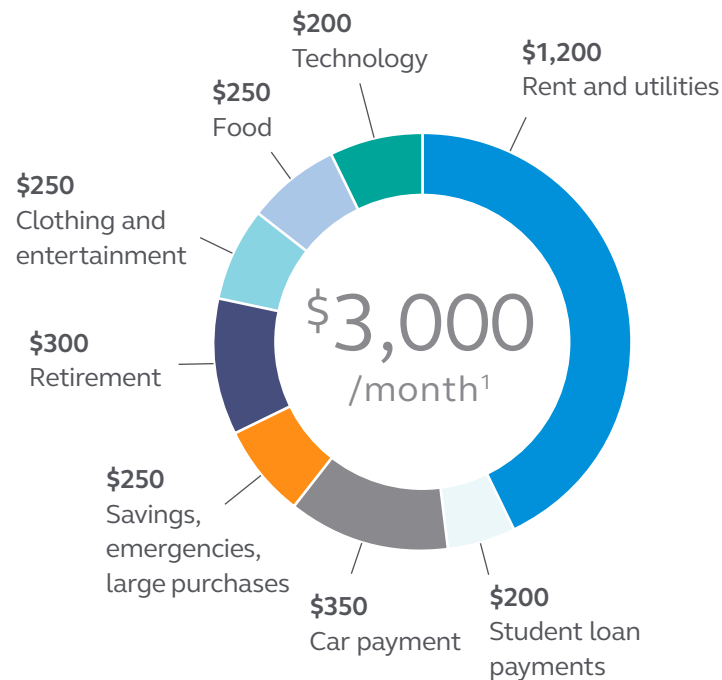


Reaching the market

- **Seek out volunteer opportunities.** Young professionals look for ways to connect with their local community and businesses.
- Find opportunities to **team up with a young professional group.**
 - Find a local chapter of the Young Nonprofit Professionals Network™ at: www.ynnpn.org
 - Attend chamber of commerce events. Many now have young professional sub-committees.
- Young professionals often seek advice from their parents for “big decisions.” **Ask your existing client base about their children and their financial needs.** Make sure you become part of their financial conversation. Millennials rely on recommendations and their parents are great sources for information.

Young professionals, continued

Typical expenses for a young professional



Tips for starting the conversation

- Since job switching is likely, emphasize the portability and convenience of having their own income protection coverage. Discuss how they're in control to make decisions about their coverage.
- Cost may be a concern. Overcome this objection by understanding their budgets. Discuss how in many cases, the cost can be less than \$20 a month and it protects so much!
- They could receive a discount for coverage if they refer others, like co-workers or their parents.²

Communication preferences

Like other age groups, this generation wants to connect. The use of social media and texting (when approved through compliance) are key.



Write me

Seniors
b. 1920-1945



Call me

Baby Boomers
b. 1946-1965



Email me

Gen Xers
b. 1966-1979



Text me

Gen Yers
b. 1980-2000

¹ First-Destination Survey: Overall Starting Salary for Class of 2014, National Association of Colleges and Employers, April 2015, <http://nacweb.org/salary-resources/starting-salary-class-2014.aspx>, viewed 09/15. National average salary for graduates with bachelor degrees is \$48,127. After taxes (assuming 25% rate), it is \$36,095/year or \$3,007/month.

² Discount may not be available in all states; not available in California.



principal.com

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Attorney protects his family and firm

James Williams, an attorney, listened to the advice of his financial representative and planned ahead for the unexpected. He purchased Individual Disability Income and Overhead Expense insurance from Principal[®] to help protect his family and law firm if he became too sick or hurt to work.



Disability Insurance benefits “definitely a blessing”

Several years later, James suffered a debilitating stroke which caused cognitive and speech impairments. After a hospital stay and months of therapy, his condition improved, but he was still unable to go back to practicing law.

While he was in the hospital, James’ wife Sherron filed a disability claim. The couple found the monthly benefits payments invaluable. “They made a major difference. They’ve definitely been a blessing. I don’t know what we would have done without them. I think James would be stressed and wouldn’t be recovering as well. Knowing we have these benefits to take care of things allows him the freedom to go to therapy and not worry about the bills.” she explains.

Overhead Expense benefits help his law firm stay open

With James unable to practice law, his firm could not generate as much revenue. That’s where the Overhead Expense benefits helped, reimbursing his business for fixed expenses, such as utilities and the salaries of the office manager and receptionist. “It’s kept the office running without us having to worry. It’s given the staff peace of mind, too, because they don’t feel like the business is going to fail. It’s just brought a sigh of relief,” Sherron explains.

Help to get their lives back on track

Despite the tough times she and James have experienced, Sherron is optimistic. Thanks to the benefit payments, she didn’t have to make tough financial and lifestyle decisions. Instead, she was able to concentrate on helping James get better.

“

If James had no coverage...

We probably wouldn’t be in our house and would be closing the law firm. My kids would need to go on financial aid in order to stay in school.

– Sherron Williams

”



Let's connect.
Contact your local representative.



principal.com

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Disability insurance has exclusions and limitations. For costs and coverage details, contact your Principal representative.

This testimonial may not be representative of other clients' experiences. It is not indicative of, nor a guarantee of, future performance. James and Sherron Williams have not been paid for this testimonial.

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Individual Disability Insurance

Learn from the best

Real-life cases studies
from your peers



There's nothing like a real-life example; it's often the best way to learn. That's why we put together this collection of actual cases from your peers. You can see how financial professionals like you have successfully approached clients and sold Principal® individual disability insurance (IDI) solutions.

Examples to help you learn

- How both clients and financial professionals benefit from IDI sales
- What motivates people to work with advisors to protect their incomes
- How to use a variety of up-sell and cross-sell opportunities
- What compensation opportunities are available – competitive first-year commissions (FYCs), strong renewals and bonus incentives for ongoing financial rewards

Who needs IDI solutions?

Just about everyone who relies on their income should be protecting it. Specifically those who:

- › Are ages 25 to 55
- › Are in occupations with little to no manual duties
- › Earn at least \$40,000 a year
- › Meet underwriting guidelines for health and occupation
- › Own businesses with fewer than 10 owners



Personal needs

Meet John. He just left a large practice with robust benefits to start his own practice. And he was **looking at protection options**. His financial professionals made sure to discuss the importance of risk protection (life and disability insurance) to help prepare for the unexpected.

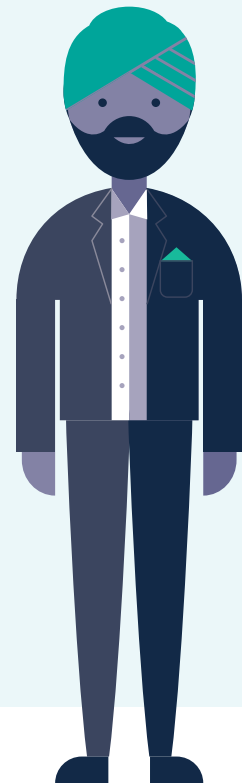
To help drive home the need for disability insurance, they leveraged the policy highlights and also talked to their DI RVP for tips.

Solution

The client purchased both Individual Disability Income (DI) insurance and term life insurance.

Compensation

The DI portion of the case – more than \$2,300 in FYCs¹



Employee benefits needs

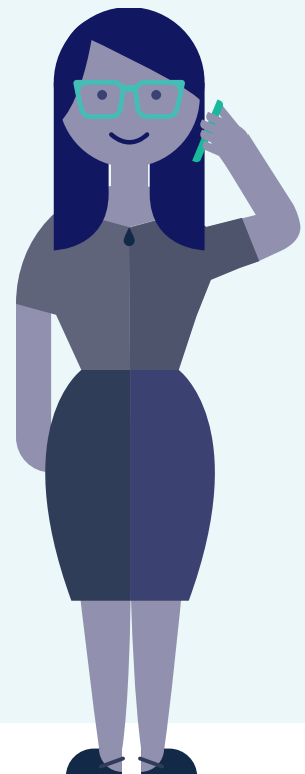
Meet Susan. She's an investment advisor looking to **enhance her benefits package to recruit and retain high-performing employees**. To do that, she wanted to offer a comprehensive benefits package so her people could build wealth and protect their incomes. She talked with her financial professional, who's a member of her bible study group, and they laid out a plan.

Solution

A voluntary multi-life DI insurance program. Eighteen employees were eligible and five took advantage of it. Those individuals saved \$3,935 annually because of the 20% Multi-Life Discount.²

Compensation

More than \$11,000 in FYCs¹





Business owner needs

Meet Peter. He owns a pharmacy management company and is interested in life insurance to **protect his business from the loss of a key employee**. His financial professional showed him how a key employee's disability could also affect revenue, profitability and client relationships.

To help guide the conversation more holistically, the financial professional suggested our complimentary business planning services which include a review of the company's shareholder agreement. The agreement referenced a pay-out for death and disability. The business needed to fund both contingencies.

Solution

These policies on each of the three executives:

- Term life insurance
- Key Person Replacement disability insurance³

The policies assure that funds are available to buy back their stock if a death or total disability occurs.

Compensation

More than \$2,000 in IDI FYCs¹



Five tips to help you get started

- 1 **Ask for help.** Principal is here for you every step of the way – before, during and after the sale.
- 2 **Buy a DI policy on yourself.** If you don't own coverage, it's hard to talk passionately about the importance of it. Plus, undergoing the underwriting process helps you understand the experience clients will have.
- 3 **Share the promise being made.** Your client is purchasing a promise from Principal that we'll be there when they experience the unexpected. Our claimant satisfaction scores and many testimonials show we stand by that promise. Meet some of our claims professionals at principal.com/dicares.
- 4 **Explore a niche market and make it your own.** Certain markets, such as CPAs, attorneys and engineers, present even many opportunities for IDI sales (and significant referral potential!). Visit principal.com/identargetmarkets for free lead opportunities and approach tools.
- 5 **Develop your sales pitch.** You'll find creative (and proven) ways to overcome common sales objections at principal.com/IDIsalestools.

Potential prospects



Let's connect.

Contact your local representative.



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Disability insurance has limitations and exclusions. For costs and coverage details, contact your Principal Life representative.

Please remember to abide by the company's policy on disclosure of compensation. You can obtain more information, as well as a sample disclosure form, at www.principal.com.

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¹ Assumes a 50% commission rate, 100% persistency, no annual coverage increases, Series 700 compensation.

² Based on gender-neutral rates.

³ Not available in all states. Not approved in California. Visit www.principal.com/distateapprovals to learn more.




Business Overhead Expense Insurance

Learn the Truth. Know the Risk. Protect your Income.

Disability Income Insurance to help keep your business going.





*Disability Income Insurance
for Business Overhead
Expense Can Help You*

keep it going!

Your business helps you build the life you want for your family. The success of your business also contributes to the lives of your employees. But, what if you suddenly lose your ability to work because of an illness or injury? What would happen to your business? The thought of losing ground can be scary. Suddenly, the future may seem unpredictable for you and your employees.

At a time like this, it can make all the difference to know the business operating expenses may be paid; that you have a way to keep your business going for your family and the families of your employees. ***That's what Business Overhead Expense* (BOE) disability income insurance can help you do.***



When it comes to thinking about disability and its financial impact, most people just haven't thought about it.

As a business owner, everything depends on your ability to run your business and keep your doors open. You make sure the bills are paid, and business expenses, like payroll, loans, maintenance, insurance and taxes are kept on track and in good order. The livelihood of your employees matters to you... not to mention the contributions made to savings and retirement plans.

Your business represents a lot of very important things to many people – including your customers. No matter how comprehensive your medical coverage, no matter how much individual disability income insurance you have, it's important to make sure you'll have money available to cover operating expenses for your business if you become disabled.

Business Overhead Expense disability income insurance from Mutual of Omaha Insurance Company provides benefits to help cover your fixed monthly business expenses if you can't work because of an injury or illness. Expenses like:

- EMPLOYEES' SALARIES
- RENT
- UTILITIES (HEAT, ELECTRICITY, ETC.)
- MAINTENANCE
- TAXES
- INTEREST (NOT PRINCIPAL) ON BUSINESS LOANS

*Home-based business and businesses less than two years old are not eligible for BOE coverage.

What Would Happen to Your Business?

If you were too ill or injured to continue working at your business, what would happen? Here are some possible situations to consider when thinking about the options you may have.

YOU COULD CLOSE UNTIL YOU RECOVER. When you close your business temporarily, you may risk losing your customers and employees permanently. Your customers rely on your goods and services. Your employees depend on their jobs for their income. Neither may be able to wait on your recovery indefinitely.

YOU COULD HIRE A REPLACEMENT. Only you can determine who would best fill your shoes. But if you're disabled, you most likely won't be in a position to search for, hire or train a part-time replacement.

YOU COULD USE SOME OF YOUR INDIVIDUAL BENEFITS TO HELP PAY BUSINESS EXPENSES. Possibly, but individual disability benefits are designed to help meet your personal financial needs. You may not be able to stretch those benefit dollars far enough to cover business expenses as well.

YOU COULD SELL. This option may not be viable or profitable especially if it has to be done quickly. Furthermore, you may have nothing to come back to when you recover.

The Basics of Your Business Overhead Expense Policy

Your initial premiums are based on various factors including your age, gender, occupation, and your choice of benefit period, elimination period and monthly benefit amount. Here are a few basic descriptions to help you understand more about your policy and tips to help you make the right choices for you:

MAXIMUM BENEFIT AMOUNT: The monthly benefit amount for BOE disability coverage ranges from \$500 to \$20,000 and, depending on what you choose and the underwriting requirements, is the dollar amount your BOE policy will pay you each month. Ask yourself, ***"How much coverage will the business need?"*** Consider your operating expenses such as payroll, rent and utilities to name a few.

ELIMINATION PERIOD: Your policy has a waiting period before the policy benefits begin. Once the elimination period has been satisfied, benefits are paid to you each month. Your options include: 30, 60, 90, 180 or 365 days. Ask yourself, ***"How long will I be able to manage my business expenses until benefits begin?"*** Take a realistic look at what available resources might help you meet those obligations before benefits are paid.

BENEFIT PERIOD: This is the duration of the amount of time you will receive benefits. Your options are either 12 or 18 months. Your benefit period will extend as long as you remain disabled, or until you reach your maximum benefit amount – whichever comes first. Ask yourself, ***"How long will I want coverage?"*** Keep in mind that you are recovering during this time so think carefully about what is realistic for you and your business.

Benefits Included in Your Policy

Mutual of Omaha Insurance Company's (Mutual of Omaha) Business Overhead Expense disability income insurance can help keep your business in operation if you are out of work because of an illness or injury. Your policy will help provide some financial security during your recovery.

TOTAL LOSS OF TIME BENEFIT: We will pay you benefits for your business operating expenses if you are completely unable to engage in your occupation, and are not gainfully employed in another occupation.

RECURRENT TOTAL LOSS OF TIME BENEFIT: If further loss of time results from injury or illness for which benefits have already been paid, the maximum operating expense benefit and deductible period will be restored after your return to full-time work for a period of six consecutive months.

WAIVER OF PREMIUM: We will waive your premiums after total loss of time benefits have been paid continuously for 90 days.

More about Your Policy

How you become eligible for a BOE disability income insurance policy depends on the underwriting requirements specific to your situation. In order to give you our best offer, we look at your medical history, financial information and occupation. We may also require an interview with you, a Physician's Statement, paramed or blood and urine profile. These requirements are necessary to determine if you qualify for coverage.

Your monthly benefit is paid at the same rate as your average monthly operating expenses (actual operating expenses in NY), but cannot exceed your monthly maximum benefit amount. If your average monthly operating expenses fall below your monthly benefit amount, your benefit will be reduced to match your expenses. Your benefit period will extend as long as you remain disabled, or until you reach your maximum benefit amount – whichever comes first.

Your BOE disability income insurance coverage is designed to meet the requirements of Internal Revenue Service rulings which allow certain business professionals who are sole proprietors, partners and stockholders or employees of a business to use premiums for the policy as a direct business expense for tax deduction purposes.

A BOE disability income insurance policy is an important step toward securing your business and giving yourself a plan to help keep things going.



BUSINESS OVERHEAD EXPENSE COVERAGE CAN HELP YOU KEEP THINGS MANAGEABLE

I'm a 46-year-old business owner, husband, father and avid kayaker. The success of my business allows me to pay myself an annual salary of \$60,000 and do the things I like to do outside of work.

I left my job at a large corporation and struck out on my own a few years ago. When I started my public accounting firm, I had two employees. Now, five years later, I have 10. I value each and every one of my employees and know they depend on me and my business for their livelihood. We are like family!

Sometimes I wonder what would happen to the business – and to them – if I couldn't work because of an illness or injury. With so many unknowns in life, I want to be prepared.



This story portrays a situation our customers may have faced or could face. It does not represent an actual person or event.

A white coffee cup filled with coffee sits on a matching saucer with a spoon. In the background, a laptop is open, displaying a blue bar chart. The scene is set on a light-colored surface, possibly a desk, with soft lighting.

We Want You to be Confident in Your Decision

This brochure provides an overview of your Business Overhead Expense insurance policy. Your outline of coverage provides complete details, including exclusions, limitations, reductions and terms under which the policy may remain in force or be discontinued. If for any reason, you decide a BOE insurance policy is not right for you, you may return it to us within 30 days for a full refund of any premium paid.



Business Overhead Expense underwritten by:

MUTUAL OF OMAHA INSURANCE COMPANY

Mutual of Omaha Plaza

Omaha, NE 68175

mutualofomaha.com

800-775-6000



This is a brief description of some of the facts about your coverage. Please read the Outline of Coverage for more information, including exceptions, limitations and reductions of coverage. Individual policies set forth in detail the rights and obligations of both the insured and Mutual of Omaha Insurance Company.

This policy provides disability income insurance only. It does not provide basic hospital, basic medical or major medical insurance as defined by the New York State Department of Financial Services. The expected benefit ratio for 151BE Series-12495 is 55%. This ratio is the portion of future premiums which the company expects to return benefits when averaged over all people with this policy.

Policy form number: 150BE (in FL, Form 150BE Series-9052, in ID, Form-150BE Series-10116; in TX, Form-150BE Series-9068; in OK, Form-150BE Series-8972; in OR, Form-150BE Series-13316; in NY, Form-151BE Series-12495; in PA, Form-150BE Series-10501; in WA, Form 150BE Series-12244) or state equivalent.

These policies have exclusions and limitations. Products may not be available in all states. For costs and complete details of coverage, contact your licensed insurance agent/producer. Mutual of Omaha Insurance Company is licensed nationwide.

This is a solicitation of insurance. By responding, you are requesting to have a licensed agent/producer contact you to provide additional information.

Disability Income Insurance

Learn the truth. Know the risk. Protect your income.



How would you keep it going if you were out of work because of an illness or injury?

“IT’S LIKELY
TO HAPPEN,
BUT NOT
TO ME.”

REALLY? THAT’S WHAT
MANY PEOPLE THINK,
BUT THE FACTS DON’T
SUGGEST IT:

Over 37 million Americans are
classified as disabled. More than
50 percent of them are in their working
years.¹

1 in 8 workers will be disabled for five
years or more during their working
careers.¹



WHAT PEOPLE THINK

When it comes to thinking about disability and its financial impact, most people just haven't *really* thought about it. The Council for Disability Awareness studied workers' perceptions of disability and how prepared they are to deal with a loss of income. Here's what they found:

- Most working Americans think their own chances of experiencing a long-term disability are lower than the average workers¹
- 36 percent of those in their 20s said their primary source to replace lost income would be sick leave and vacation benefits, but were unsure how much it would really cover²
- 65 percent admitted they couldn't survive an income loss for more than a year, but didn't have a clear plan on how they would get by¹

LEARN THE TRUTH

Maybe you've never thought about your income this way, but it's your most valuable asset. It helps pay bills, living expenses, and insurance. It's spent on recreation, vacations, education. It helps build up savings and contributes to retirement plans. And, your income is used for so many things in between! Your lifestyle, financial plans, everything you work for depends on your ability to earn an income.

That's why it's important to know the facts about disabilities and what you can do to protect your income.

TRUTH IS:

- Most disabilities don't happen at work and more than 90 percent are caused by illness, not injury¹
- Social Security Disability Insurance may not be there when you need it. More than 65 percent of initial benefit applications were denied in 2012¹

The facts alone don't tell the whole story. A disabling injury or illness may have a very personal impact on you and your family. Suddenly, the future seems unpredictable, the calendar changes and immediate concerns are the focus. Recovery becomes the "new normal." At a time like this, when life feels off track, it can make all the difference to know the bills can be paid; that you have a way to *keep it going*.



keep it going!

People look forward to payday!

¹ Council for Disability Awareness, *Disability Statistics*, July 2015

² CDA Consumer Disability Awareness Study, *America's Income Protection Picture*, 2015

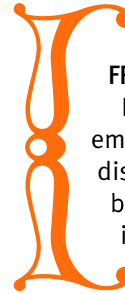
CAN YOU COUNT ON THESE RESOURCES?

The Council for Disability Awareness compiled a list of common notions about how people would cope with the costs of unexpected disability and what resources they may have available to them:



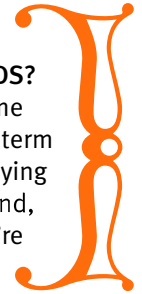
IS VACATION TIME AN OPTION?

That might work for an injury that heals quickly. But your time might be used up in a month or less. The average individual disability claim lasts over 2 1/2 years.¹



WILL DISABILITY COVERAGE FROM WORK COVER YOUR NEEDS?

Do you know how it pays? Some employer plans cover only short-term disability or they don't begin paying benefits for 90 days or more. And, if you leave the company, you're no longer covered.



WILL YOUR SPOUSE'S INCOME BE ENOUGH? If you and your spouse both work, your household will at least have some income if you had to stop working. Even so, does your spouse make enough that it wouldn't be a problem to lose your entire salary? For many people, the answer is 'no.'



ARE YOU WILLING TO TAP INTO SAVINGS? Do you really want to use hard-earned savings to pay day-to-day living expenses and medical bills? Without an income, you won't be able to save for retirement at the rate you previously were or at all.



ARE YOU COUNTING ON WORKERS' COMPENSATION? Only 10 percent of disability cases are caused by eligible on-the-job injuries.¹



WILL SOCIAL SECURITY AND MEDICARE COVER YOU? Half of all people are declined when they first request these benefits. The average payment is under \$1,130 a month.¹ Medicare doesn't cover long-term care unless it's deemed medically necessary. Medicaid does cover long-term care, but only for low-income earning people.³



HOW WILL YOU MAKE ENDS MEET? Becoming disabled adds extra costs for health care, medical supplies, and support. You may not realize all the added expense during a disability.



WILL YOU BE ABLE TO BORROW MONEY? Your chances of borrowing money from a financial institution could be slim because you won't have an income. If you borrow from family or friends, this could add more pressure on you at a time you need to focus on recovering.



¹ Council for Disability Awareness, *Disability Statistics*, July 2015
³ *Medicare & You Handbook* (2015)

Know the Risk

The risk that matters most is *yours*. Everyone's financial situation is different, so it's important to gain perspective on what's at stake when ***your*** income isn't protected. That means looking at your current situation and considering what you would need today if you were to become unable to work. Think about all the things that make your life comfortable thanks to your income.

No one can predict the timing or severity of a disabling illness or injury. So, as you take these steps, consider both short-term and long-term needs.

Step 1

Determine your expenses.

You can download an expense worksheet at www.mutualofomaha.com/keepitgoing.

Step 2

Know what employer-provided benefits you could count on (sick days, vacation, group disability payments, if applicable).

Step 3

Identify the gap in coverage (additional money needed to cover your expenses).

keep it going!



Cindy's Wake Up Call



Cindy decided to change careers after years in corporate information technology. At the age of 46, she earned her culinary degree and now works as a chef in a local restaurant. Happy that she followed her dreams, she accepts long, stressful days on her feet. "Cooking is a physical challenge because there is almost always no rest during the day," Cindy said. "I am constantly moving around the kitchen, carrying large, heavy pots...it's hard work but never dull!"

It was when Cindy's sous chef Greg had to take time off work because of an accident during a ski trip that she contemplated her own situation. Greg broke his foot and tore his ACL and according to his doctor, he would be out of work at least three months, after which he may be able to return to the kitchen part time until he was able to take on the full demands of his job. For Greg and his family, being off work that long meant no income. The first thing Greg thought was how he would keep everything going for his family if there wasn't money coming in. "I felt a lot of anxiety and stress knowing my income wouldn't be there," Greg said. "We needed my paycheck."

Greg discovered health insurance would take care of most of the medical costs but not all so there would be medical expenses to pay. Using his modest savings to cover bills and living expenses would set his family back. His wife's income would help, but as a substitute teacher her income was inconsistent and depended on being called to work. No doubt Greg and his family would struggle financially during his recovery.

Cindy's wake up call came during conversations with Greg. He said he couldn't believe he was off work – he didn't think it would ever happen. He told Cindy that having a way to protect his income would have been smart but he never really thought about it. "I sort of took Greg's experience as a sign," Cindy said. "I don't want anything to happen to me during my working years but if something does, I will have a protected income."

(This story portrays a situation our customers may have faced or could face. It does not represent an actual person.)



Your Income Protection Options

Perhaps you haven't really thought about protecting your income until now. Your income means independence for you and your family, and you rely on it for so many things. Good thing there are options available to help you protect it.

Individually-owned disability insurance stays with you no matter where you work as long as you pay the premiums. It's an investment that helps protect your most important asset, your income, throughout your working years.

Short-Term Disability – can provide immediate coverage from your first day of disability and can pay benefits until your employer-provided coverage begins to pay.

Accident Only Disability – pays for disabilities caused by accidents (not illness) and generally costs less than policies that cover both accidents and illness.

Long-Term Disability – is comprehensive, with optional benefits to help tailor coverage and can provide benefits for several years, even to age 67.

When you add a disability income insurance policy purchase, you're not only taking an important step toward securing your income during working years, you're giving yourself a plan to help keep your life going. Learn the truth, know the risk and help protect your income with disability income insurance.

About Mutual of Omaha Insurance Company (Mutual of Omaha)

Mutual of Omaha was founded on a simple principle: to provide financial security and care in difficult times. For more than 100 years, we have put that principle into action. When you're considering a disability income insurance policy, it's important to select a company that's stable and financially sound. Mutual of Omaha has a long history in the insurance industry — we've been paying claims to customers since 1909. Our longevity, financial strength and experience in helping people means you can count on us.

keep it going!





Disability income insurance underwritten by:

MUTUAL OF OMAHA INSURANCE COMPANY

3300 Mutual of Omaha Plaza

Omaha, NE 68175

mutualofomaha.com

800-775-6000

MUTUAL of OMAHA'S
WILD KINGDOM

The disability income benefits provided will be individual coverage, not group coverage. Disability income policy form numbers D81, D82, D83 or state equivalent. (In FL, D81-21283, D82-21284, D83-21285; in ID, OR and Texas, D81-20896, D82-20898, D83-20900; in NY, D81-21098, D82-21100, D83-21102; in NC, D81-21008, D82-21010, D83-21012; in OK, D81-21014, D82-21016, D83-21018; in PA, D81-21080, D82-21082, D83-21084; in WA, D81-21038, D82-21040, D83-21042.

In New York, these policies provide disability income insurance only. They do not provide basic hospital, basic medical or major medical insurance as defined by the New York State Department of Financial Services. The expected benefit ratio for policy form numbers D81-21098, D82-21100 and D83-21102 is 55 percent. The ratios are the portion of future premiums, which the company expects to return as benefits when averaged over all people with these policies.

These policies have exclusions and limitations. Products may not be available in all states. For costs and complete details of coverage, contact your licensed insurance agent/producer. Mutual of Omaha Insurance Company is licensed nationwide.



Disability Income Insurance

An essential piece of a total income protection plan

Need: Income Protection

A disability income insurance policy is about helping to preserve your lifestyle and support the people who rely on you if your income is lost due to an illness or injury.

Your most valuable asset is your income. Your income is essential: it puts food on the table and a roof over your head. Without your income, how would you provide the basics? What would become of your lifestyle?

A Lifetime of Earning Income

Your ability to earn an income sets the table for your way of life. Consider how much you will earn throughout your working lifetime:

Present Age	Years Until Retirement	Annual Income			
		\$25,000	\$50,000	\$75,000	\$100,000
30	35	\$1,511,552	\$3,023,104	\$4,534,656	\$6,046,208
40	25	\$911,482	\$1,822,963	\$2,734,445	\$3,645,926
50	15	\$464,973	\$929,946	\$1,394,919	\$1,859,891
60	5	\$132,728	\$265,457	\$398,185	\$530,914

Note: Figures include an annual 3 percent wage increase

Disability Can Happen

A disability can happen in many ways and occurs more often than you may realize.

Sickness:

- **Cancer** – Lifetime chance of developing cancer is slightly less than 1 in 2 for men; a little more than 1 in 3 for women ¹
- **Heart Attack** – About every 34 seconds, an American will suffer a heart attack ²
- **Stroke** – Stroke is the leading cause of serious long-term disability in the United States ³

Accident:

- **Home** – 54.2 percent of injuries occur at home ⁴
- **Work** – 13.1 percent of injuries occur at work ⁴
- **Car** – 9.0 percent of injuries occur in motor vehicles ⁴

What to Do?

Without an income, your options to make ends meet may be limited, or unavailable:

- Spouse work?
- Use savings or investments?
- Borrow?
- Sell Assets?

Solution

Annual Income

Annual Income	Qualified Monthly Amount	
	No Disability Coverage*	With Employer-paid Disability Coverage
\$25,000	\$1,600	\$1,900
\$35,000	\$2,200	\$2,600
\$45,000	\$2,700	\$3,200
\$55,000	\$3,250	\$3,800
\$65,000	\$3,650	\$4,350
\$75,000	\$4,100	\$4,900
\$100,000	\$5,100	\$6,200
\$125,000	\$6,100	\$7,600
\$150,000	\$7,100	\$8,800
\$175,000	\$8,100	\$10,200
\$200,000	\$9,300	\$11,600

*Or employee-paid coverage

Note: Maximum monthly benefit for short-term products is \$5,000.

Qualified Amount (monthly)

Less

Existing Insurance (monthly)

Amount of additional disability income insurance needed

How much can you set aside each month to satisfy all of your needs?

¹ Cancer Facts & Figures. American Cancer Society (2018).

² Heart Disease & Stroke Statistics. American Heart Association (2018).

³ Stroke Awareness Foundation. Stroke Facts (2018).

⁴ Injury Facts: 2015 Edition. National Safety Council (most recent available).

Underwritten by Mutual of Omaha Insurance Company, 3300 Mutual of Omaha Plaza, Omaha, NE 68175. 1-800-775-6000. Policy form numbers D81, D82, D83 or state equivalent. (In FL, D81-21283, D82-21284, D83-21285; in ID, OR and Texas, D81-20896, D82-20898, D83-20900; in NC, D81-21008, D82-21010, D83-21012; in NY, D81-21098, D82-21100 and D83-21102, in OK, D81-21014, D82-21016, D83-21018; in PA, D81-21080, D82-21082, D83-21084; in WA, D81-21038, D82-21040, D83-21042, 150BE or state equivalent. (In FL, Form 150BE Series-9052; in OR, Form 150BE Series-13316; in ID, Form 150BE Series-10116; in NC, Form 150BE Series-8972; in NY, Form 151BE Series-12495; in OK, Form 150BE Series-8972; in PA, Form 150BE Series-10501; in TX, Form 150BE Series-9068; in WA, Form 150BE Series-12244), ICC15DT2-24468. For costs and complete details of coverage, contact your licensed insurance agent/producer. Mutual of Omaha Insurance Company is licensed nationwide.

This is a solicitation of insurance. By responding, you are requesting to have a licensed agent/producer contact you to provide additional information.