

Individual Disability Income insurance - California

How your disability insurance works for you

Benefits overview

Protecting your income using individual Disability Income insurance is a smart move. And this overview can help you better understand this type of insurance. For more details, please check your policy.

With a Principal® individual disability insurance policy, you're guaranteed that:

- Your cost can't change until age 65 (unless you request additional coverage).
- Your policy can't be changed or canceled, unless you stop paying for your coverage.
- You can choose to renew your policy annually after you turn 65 if you're working and meet the requirements. At that time, your cost will change based on your age at each annual renewal.

How your policy pays

Your Principal disability insurance provides monthly benefit payments if you become totally disabled and can't work.

What does it mean to be totally disabled? It means you're unable to work in your specific occupation due to an illness or injury for an amount of time known as "Your Occupation Period." After this time, you must be unable to work in any occupation you're reasonably suited to by education, training, and experience.

What are my benefit payments? The monthly benefit payments you receive take into account your income and occupation, and whether you have other disability insurance policies.

You can also add the Social Insurance Substitute (SIS) benefit to your policy. The SIS benefit reduces the cost of your coverage, and if you qualify for social insurance benefits—such as Social Security Disability or Workers' Compensation—your monthly benefit payments are reduced. If you don't qualify for social insurance benefits, there's no change in your monthly benefit payments.

When do I receive my benefit payments? If you have a qualifying total disability, you begin receiving benefit payments one month after you satisfy your policy's elimination period (the number of days you must wait before benefits begin).

How long do I receive my benefit payments? You continue to receive benefit payments throughout your policy's benefit period if you remain totally disabled.

What’s included in the policy

The following features are built into your Principal disability policy:

- **Rehabilitation Benefit.** You may receive additional benefits to help pay for a rehabilitation program that supports your return to the workforce.
- **Death Benefit.** A lump-sum benefit is paid if you die while receiving disability benefits.
- **Waiver of Premium Benefit.** You aren’t required to pay for your policy after its Elimination Period (90 days or less). You may be reimbursed for premium payments made during that time if you qualify for disability.

How to further customize coverage

Eligibility for these additional features, known as riders (cost or no cost), is based on your health, occupation, and financial requirements. Riders differ in purpose and help enhance your coverage in different ways. You decide how you want to customize the policy and request certain features.

A general overview of the disability offering is below; please see your policy for details.

Features that enhance your monthly benefit	
Benefit Update No cost	Your coverage can be reviewed every three years to ensure your monthly benefits are keeping up with changes in your income. There are no medical questions—just an application and in some cases a request for financial information. You can request an increase before your three years are up, if you: • Lose or have your employer-provided disability coverage reduced. • Have at least a 50% increase in your earnings since you purchased or last changed your disability coverage.
Future Benefit Increase No cost	Principal automatically adjusts your monthly benefit amount every year for six years to help keep up with inflation. You’re guaranteed a 4% compounded annual increase, up to 10% compounded. ⁽¹⁾ You may also request an additional increase annually, up to \$500 maximum, based on your income.
Cost-of-Living Adjustment (COLA) Cost	While you’re disabled and receiving monthly benefits, your payments are adjusted to help keep up with inflation. You may select a 3% or 6% COLA compounded on an annual basis.

Features that provide additional benefit payments	
Capital Sum Benefit No cost	You receive a one-time, lump-sum benefit that's 12 times your maximum monthly benefit if you lose sight in one eye or lose the use of a hand or foot without possibility of recovery.
Catastrophic Disability Benefit Cost	If you become catastrophically disabled, you receive additional monthly benefit payments to help cover increased expenses. You receive these benefits when you lose the ability to perform two or more activities of daily living without assistance, such as eating, bathing, toileting, transferring, continence, or you become cognitively impaired or presumptively disabled.
Presumptive Disability Benefit No-cost	Regardless of your ability to work or earn an income, you receive monthly benefit payments if you have a total loss of use (without the possibility of recovery) of your power of speech, hearing in both ears, sight in both eyes, or the use of both hands, both feet or one hand and one foot. You continue to receive these payments through the end of your benefit period. In certain cases, you could receive benefit payments for your lifetime.

Features that enhance your definition of disability	
Residual Disability Benefit⁽²⁾ Cost	If you're residually disabled and have a reduction of earnings (by at least 20% of your prior earnings), but aren't totally disabled, you receive a disability benefit payment that's proportionate to your loss of earnings for the duration of your benefit period once you return to work. This is one of our most popular additions to policies.
Recovery Benefit⁽²⁾ Cost	If you return to work full time after your disability, but have a reduction of earnings (by at least 20% of your prior earnings), you can receive recovery benefits for one or three years.
Regular Occupation⁽³⁾ Cost rider	If you're totally disabled in your current occupation and choose to return to work in another occupation, you receive full benefit payments (regardless of the income you earn). This provides our most comprehensive definition of disability.
Short-Term Residual Disability Benefit Cost	If you're residually disabled and have a reduction of earnings (by at least 20% of your prior earnings), but aren't totally disabled, you receive a disability benefit payment that's proportionate to your loss of earnings for six or 12 months.
Transitional Occupation⁽²⁾ Cost rider	If you're totally disabled in your current occupation and begin working in a new occupation, you can still receive disability benefits. You receive up to 100% of your pre-disability earnings, up to your maximum monthly benefit.



Start protecting your income by building your customized individual disability policy.
Contact me for more information.

- ⁽¹⁾ The amount provided is based on the change in the Consumer Price Index (CPI-U). After having your coverage with us for six years, we will ask you to send us financial information to confirm you're eligible for ongoing FBI increases. If the Benefit Update Rider is also on the policy, a Future Benefit Increase offer will not be made in years of Benefit Update options.
- ⁽²⁾ If your policy has the Residual Disability Rider, the Recovery Benefit Rider, and the Transitional Occupation Rider, benefits are not paid out under all three riders at the same time. If you meet the definitions and terms of all three riders, the monthly benefit you receive is the greatest of the three. In California, the Recovery Benefit Rider cannot be purchased without the Residual Disability Benefit Rider.
- ⁽³⁾ This rider is only available for 5A and 5A-M occupation classes.



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This is a general description; it is not the policy, and does not modify or change the provisions of any policy or rider. All features, provisions, and riders may not be available in all states, with all occupation classes, and in conjunction with each other. They may also be subject to state variations and require an additional premium. Please read your policy carefully for exact definitions in your state.

Any reference to age in this document refers to the age at policy anniversary date. Guarantees are based on the claims-paying ability of Principal Life Insurance Company.

Disability insurance has limitations and exclusions. For costs and coverage details, contact your Principal representative. Policy form HH 750; Rider forms HH 751, HH 755, HH752CA, HH753, HH758CA, HH759CA, HH757CA, HH767CA, HH769CA, HH771CA, HH708CA

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