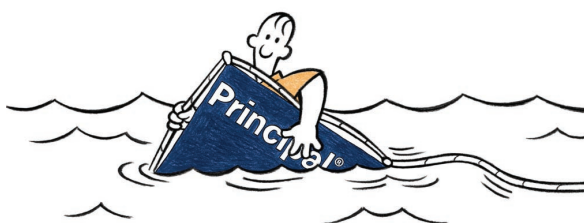


Individual Disability Insurance
Products and Services Guide

Champion Agency, Inc.
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We have what it takes.

Selling disability insurance made easy...
from start to finish!

Before the sale

Disability Income Regional Vice Presidents
National Sales Desk
DI marketing team
Principal eFinancial ProfessionalSM (Principal eFP) producer Web site
Principal marketing and illustrations
CE course credit
From Here to SecuritySM Program

During the sale

Competitive products and sales programs
Underwriting support
Disability Solutions Center – Multi-Life case design and illustrations
TeleApp – one call does it all!

After the sale

Attractive compensation¹
Administrative services, claims and ongoing support
Automated policyowner systems: telephone and internet
Satisfied customers

700 Series Disability Insurance Products

	DISABILITY INCOME INSURANCE (HH750)	KEY PERSON REPLACEMENT (HH772) ⁸	OVERHEAD EXPENSE INSURANCE (HH702)	DISABILITY BUY-OUT INSURANCE (HH703)
Product Design	<ul style="list-style-type: none"> Replaces a portion of earned income lost due to a disability Non-cancelable, guaranteed renewable to age 65 and conditionally renewable for life Provides an excellent funding method for Executive Bonus and Salary Continuation Plans 	<ul style="list-style-type: none"> Provides benefits to the business when the insured key employee becomes totally disabled Conditionally renewable to age 65 with guaranteed premium Designed to help protect small- to medium-sized businesses from the loss of employees critical to the success of the business. Benefits can be used towards recruitment costs, temporary staffing needs, revenue replacement, etc. 	<ul style="list-style-type: none"> Reimburses a business owner for business expenses incurred during a disability Non-cancelable, guaranteed renewable to age 65 and conditionally renewable for life Designed for owners of small- to medium-sized businesses, whose personal service is key to the continued earning of business income 	<ul style="list-style-type: none"> Reimburses the purchase of a totally disabled business owner's interest under a buy-sell agreement Conditionally renewable to age 65 with guaranteed premiums Designed for professionals and owners of small- to medium-sized businesses who are full-time, active and key to the continuation of the business
Issue Guidelines	<ul style="list-style-type: none"> Issue ages: 18-60 for single-life cases; 18-64 for multi-life cases* Occupation classes: 5A, 5A-M, 4A, 4A-M, 3A, 3A-M, 2A, A Elimination periods: 30, 60, 90, 180 or 365 days Benefit periods: 2 years, 5 years, To Age 65, To Age 67 or To Age 70 Your occupation periods: 2 years, 5 years, To Age 65, To Age 67 or To Age 70 <p>* Older ages may be available; subject to underwriting approval</p>	<ul style="list-style-type: none"> Issue ages: 18-55 for single-life and multi-life cases Occupation classes: 5A, 5A-M, 4A, 4A-M, 3A, 3A-M Benefits: lump sum or combination of monthly and lump sum Elimination periods: <ul style="list-style-type: none"> Monthly: 90 or 180 days Lump sum: 180, 365 or 730 Key person must meet the following guidelines: <ul style="list-style-type: none"> Does not own more than 50% of the business Actively working full-time in key person position (e.g., at least 30 hours per week) Employed by the company in key person position for at least 12 months 	<ul style="list-style-type: none"> Issue ages: 18-60 for single-life cases and multi-life cases Occupation classes: 5A, 5A-M, 4A, 4A-M, 3A, 3A-M, 2A, A Elimination periods: 30, 60 or 90 days Benefit factors: 12, 18 or 24 times Maximum number of owners: eight for fee-for-service businesses; four for other types of businesses 	<ul style="list-style-type: none"> Issue ages: 18-60 for single-life and multi-life cases Occupation classes: 5A, 5A-M, 4A, 4A-M, 3A, 3A-M, 2A, A Elimination periods: 365, 540 or 730 days Benefits: lump sum, monthly installments of 24, 36 or 60 months or a combination of lump sum and monthly installments Number of owners: 2-10 for 5A, 5A-M, 4A and 4A-M occupation classes; 2-8 for 3A, 3A-M and 2A occupation classes; 2-6 for A occupation class 5% minimum business ownership requirement All eligible owners of the business must apply
Issue Limits	<ul style="list-style-type: none"> Minimum premium: \$200 of annual pre-discounted premium Minimum earned income: \$15,000/year as indicated on federal tax returns; CA requires \$24,000/year Maximum limits⁶ (additional guidelines apply): <ul style="list-style-type: none"> \$20,000/month for 5A, 4A and 3A when part of a multi-life group \$15,000/month for 5A, 5A-M, 4A, 4A-M, 3A and 3A-M \$8,000/month for 2A \$6,000/month for A 	<ul style="list-style-type: none"> Minimum premium: \$200 of annual pre-discounted premium Minimum earned income: \$30,000/year Maximum limit: based on calculation of two times the key employee's earned income (up to \$500,000); additional guidelines apply 	<ul style="list-style-type: none"> Minimum premium: \$200 of annual pre-discounted premium Minimum earned income: \$15,000/year; CA requires \$24,000/year (verification of personal earned income is not required unless requested by your DI underwriter) Maximum limits (additional guidelines apply): <ul style="list-style-type: none"> Maximum limit of \$50,000/month for 5A, 5A-M, 4A, 4A-M, 3A or 3A-M Maximum limit of \$10,000/month for 2A and A 	<ul style="list-style-type: none"> Minimum premium: \$200 of annual pre-discounted premium Minimum earned income: \$15,000/year; CA requires \$24,000/year (verification of personal earned income is not required unless requested by your DI underwriter) Maximum limits (additional guidelines apply): <ul style="list-style-type: none"> \$3 million for 5A, 4A and 3A \$2 million for 2A \$1.5 million for 5A-M, 4A-M and 3A-M \$1 million for A
Premium Rates	<ul style="list-style-type: none"> Sex distinct for single-life and Association cases, (Montana requires unisex rates); unisex for multi-life cases Geographic pricing based on state of residence Level premium Smoker/Nonsmoker 	<ul style="list-style-type: none"> Sex distinct for single-life and multi-life cases (MT requires unisex rates) Level premium Smoker/Nonsmoker 	<ul style="list-style-type: none"> Sex distinct for single-life and multi-life cases (MT requires unisex rates) Level premium Smoker/Nonsmoker 	<ul style="list-style-type: none"> Sex distinct for single-life and multi-life cases (MT requires unisex rates) Level premium Smoker/Nonsmoker
Discounts⁷	<ul style="list-style-type: none"> Select Occupation: 10% Multi-Life: 20%¹⁰ Association: 10%² Limitation of Benefits for Mental/Nervous and Substance Abuse Disorders: 10% with To Age 65, To Age 67 and To Age 70 Benefit Period and 5% with 2 years or 5 years Benefits Periods⁹ 	<ul style="list-style-type: none"> Select Occupation: 10% Multi-Life: 20%¹⁰ 	<ul style="list-style-type: none"> Select Occupation: 10% Multi-Life: 20%¹⁰ Association: 10%² 	<ul style="list-style-type: none"> Select Occupation: 10% Multi-Life: 20%¹⁰ Association: 10%²
Riders	<ul style="list-style-type: none"> Benefit Update Capital Sum Benefit Catastrophic Disability Benefit Conditionally Renewable Policy Cost of Living Adjustment Extended Total Disability Benefit Future Benefit Increase Limitation of Benefits for Mental/Nervous and Substance Abuse Disorders⁴ Presumptive Disability Benefit Regular Occupation Residual Disability and Recovery Benefit⁹ Short-Term Residual Disability Benefit Supplemental Health Benefit Transitional Occupation 	<ul style="list-style-type: none"> Not applicable 	<ul style="list-style-type: none"> Automatic Increase Option Benefit Update Business Loan Protection⁸ Residual Disability Benefit 	<ul style="list-style-type: none"> Benefit Update
Additional Features	<ul style="list-style-type: none"> Death Benefit Interrupted Elimination Period Recurring Disability Rehabilitation Benefit Transplant Surgery Benefit Waiver of Premium Benefit 	<ul style="list-style-type: none"> Interrupted Elimination Period Recurring Disability Waiver of Premium Benefit 	<ul style="list-style-type: none"> Carry Forward Feature Death Benefit Exchange Privilege Interrupted Elimination Period Legal/Accounting Fee Benefit Presumptive Disability Benefit Recovery Benefit Recurring Disability Benefit Transplant Surgery Benefit Waiver of Premium Benefit 	<ul style="list-style-type: none"> Death Benefit Exchange Privilege Legal/Accounting Fee Benefit Transfer Privilege Waiver of Premium Benefit

This is a summary of benefits. Consult the state-specific policy for actual terms, limitations and exclusions. Riders and benefits are subject to state and occupation class availability and may require an additional premium. Disability insurance has certain limitations and exclusions. For costs and complete details of coverage, contact your Principal Life representative. Insurance is issued by Principal Life Insurance Company, Des Moines, IA 50392. Principal Life is a member of the Principal Financial Group®.

Sales programs and discounts

Association Program² – 10% discount for approved associations with 100+ eligible members. Limitation of Benefits for Mental/Nervous Substance Abuse (MNSA) Disorders rider may be required on Individual DI insurance policies (not available in VT); Association discount stackable with Select Occupation and MNSA discounts.

Guaranteed Standard Issue Program¹⁰ – Provides standard coverage for an entire group. Up to 30% in discounts available for employer-paid or voluntary employee-paid multi-life cases based on participating lives.

Simplified Sales Programs³ – Streamlined sales process for single and multi-life cases that promises an underwriting decision in 48 hours once the applications and TeleApp interviews are completed and received – without income verification or routine medical requirements!

Multi-Life Discount¹⁰ – 20% discount for three or more lives with a common employer; stackable with Select Occupation and MNSA discounts.

Select Occupation Discount – 10% discount for “select” 5A occupations. Select Occupation discount stackable with either Multi-Life or Association and MNSA discounts.

MNSA Disorders Limitation Rider^{4,9} – 5% discount with 2- or 5-year benefit periods; 10% for all other benefit periods. Limits mental, nervous and substance abuse claims to a lifetime benefit of 24 months. MNSA discount stackable with either Multi-Life or Association and Select Occupation discounts.

DI Retirement Security⁵ – Helps clients continue to save for retirement in the event of a qualifying disability. Benefits are paid to an irrevocable trust and invested according to the investment options chosen. At the end of the benefit period, trust assets can be distributed to the client.

FOR MORE INFORMATION

Contact your Principal Life representative.

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- ¹ 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.
- ² Available for Disability Income, Overhead Expense and Disability Buy-Out insurance, based on state approval. Go to: principal.com/distateapprovals.
- ³ 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 non-medical 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 & Participation limits and minimum premium requirement. Combined Simplified DI and Simplified OE benefits cannot exceed \$10,000/month.
- ⁴ The MNSA rider is required for Single-Life policies in FL, LA and NV. Optional in all other states for Multi-Life cases. Required on all DI policies in CA and on all 4A-M and 5A-M DI policies if the Regular Occupation rider is on the policy. Not available in VT.
- ⁵ DI Retirement Security is issued as a non-cancelable, guaranteed renewable, individual disability income insurance policy. It is not a pension or retirement program or a substitute for such a program. DI Retirement Security is not available for government employees, individuals with Group LTD coverage that includes a "retirement supplement," or anyone who is overinsured based on Principal Life's current Issue and Participation guidelines. It may not be available or the benefit amount may be reduced for certain occupations if there is existing DI coverage with lifetime benefits. Additional underwriting guidelines may apply. DI Retirement Security is not available in CA.
- ⁶ Higher Participation Limits may apply if Group LTD or other Individual DI is inforce.
- ⁷ Not all discounts can be stacked together and may not be available in all states.
- ⁸ New as of 2009. For state approvals, go to: principal.com/distateapprovals.
- ⁹ In TX – 3% discount with 5-year benefit period; 5% for all other benefit periods. Not available on 2-year benefit period.
- ¹⁰ The Multi-Life Discount is not available for Key Person Replacement, Overhead Expense and 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 towards the three lives qualification for multi-life in Ohio.



WE'LL GIVE YOU AN EDGE®

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