

Individual disability income insurance



Help protect
your income
from life's
uncertainties.





You protect your home and car, but
how about the asset you rely on most—
your income?

Individual disability income insurance can help.

Let's review some basics:

The need:

Why it can be important to
your financial security

Affordability and value:

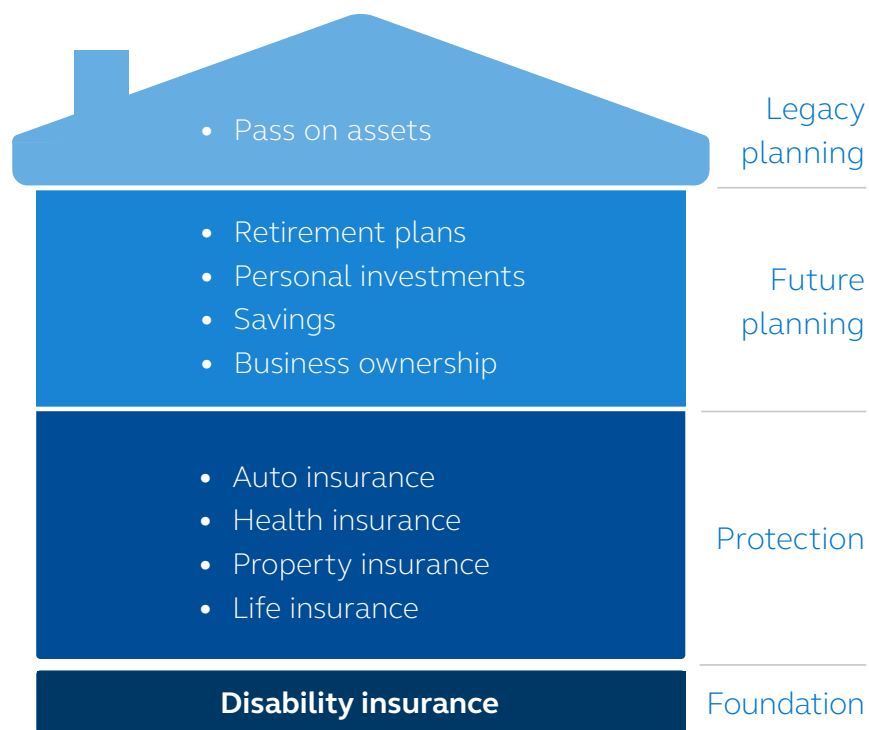
How budget-friendly
it can be

Supplementing other insurance:

How it can work with other
coverage you may have

Income protection can help you build a solid foundation.

Your income allows you to do the things you love today and can help provide security for your future. We can help you take steps to protect your financial foundation with income protection.



For illustrative purposes only.

Have you thought about how much your income could add up to over time?

For example, a 35-year-old earning \$75,000 annually will expect to earn \$5 million by age 65 assuming a 5% annual increase.

Income protection can help cover expenses—existing and new.

When an illness or injury prevents you from working, two things often happen:

**Your income
decreases or stops.**

**Your expenses
increase.**

Regular expenses continue:

- Food
- Housing
- Cars
- Utilities
- Personal technology
- Childcare
- Student loan payment
- Insurance premiums
- Saving for retirement

Plus, new disability-related expenses begin:

- Insurance co-pays
- Medical costs not covered by insurance
- In-home care
- Home modifications
- COBRA premiums

Regarding emergency savings, 68% of U.S. adults are worried they wouldn't be able to cover their living expenses for just one month if they lost their primary source of income. And the majority (57%) are currently unable to afford a \$1,000 emergency fund.

SOURCE: January 2023 survey by Bankrate and polling partner SSRS polling 1,000+ U.S. adults about their level of emergency savings.

Income protection can be your plan b.

We know things don't always go as planned in life. That's why it's important to have a backup plan in place so you can keep living your best life. Here's an example:



* \$5,000 monthly benefit amount. This is a hypothetical example for illustrative purposes only. Your local representative can illustrate the exact amount you're eligible for based on current underwriting guidelines.

For the cost of a small percentage of your salary, disability insurance can help protect the asset you rely on most—your income.

As the example above shows, individual disability income insurance can provide a portion of your income during a disability to help cover expenses when you're too sick or hurt to work.

Income protection can be budget friendly.

You can protect your income for less than what many people spend on routine monthly expenses like coffee, a cell phone, the internet, etc.

Sample monthly cost

This chart shows how much you'd pay for \$1,000 in monthly benefits.

You can estimate the cost for more coverage by using the following:

Age	Male	Female
25	\$19	\$31
30	\$22	\$42
35	\$27	\$46
40	\$33	\$55
45	\$43	\$59

Sample monthly cost from chart

x

Multiply by how much more coverage you may need (for example, 3 times for a benefit of \$3,000 a month)

=

Estimated monthly cost*

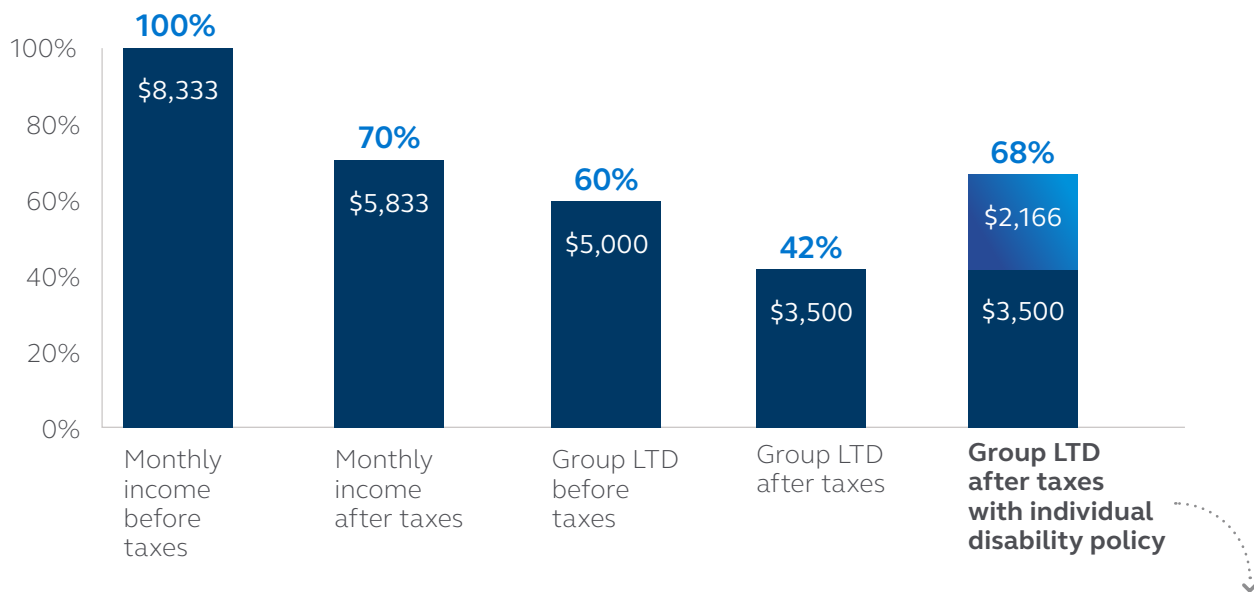
ASSUMPTIONS: Principal Individual DI Insurance policy, Michigan resident, to Age 65 Benefit Period and Your Occupation Periods, non-tobacco, \$1,000 maximum monthly benefit, 90-day Elimination Period, 4A occupation class.

*Your specific premium depends on a variety of factors, including, but not limited to, gender, age, smoking status, benefit amount, elimination period, resident state and occupation class. These cost comparisons are for illustrative purposes only.

Is your employer-provided group disability insurance enough?

The disability insurance you have through work is a great start for protecting your income. However, it may not be enough—especially after taxes.

Adding an individual disability insurance policy to a group long-term disability (LTD) policy helps ensure you can replace more of your income. And that goes a long way in helping you pay everyday living expenses. Let's look at an example.



Assumptions: \$8,333 gross monthly income (\$100,000 annually), with 60% group LTD, assuming a 30% tax bracket for federal, state, and FICA. For illustrative purposes only.

In this example, having both group LTD and individual disability income insurance can help replace 68% of income during a disability. Plus, an individual disability insurance policy is yours and goes with you even if the following happens:

- You change jobs.
- Your income increases.
- You develop health issues.

 Interested in learning more?

Visit principal.com/disabilitycalculator or
talk with your Principal® financial professional.



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