



Individual Disability Income Insurance Overview of HH 750 policy updates

To help you take your sales to the next level, Principal Life Insurance Company has made several changes to its Individual Disability Income (DI) insurance HH 750 policy to make it more competitive in the disability insurance marketplace. For May 2006 release, our offering now includes:

- Lower new issue and renewal rates for certain ages, occupation classes and states
- New and enhanced riders
- Multi-life enhancements

For state approval information, visit www.principal.com/distateapprovals

RATE CHANGES (BASED ON STATE APPROVAL)		
Occupation Class Lower new issue rates for 5A occupation class (for most ages)	Age <ul style="list-style-type: none"> • Lower new issue rates for ages 46 to 59 • Lower new issue and renewal rates for ages 65 and over 	Geographic The following states receive lower new issue rates: <ul style="list-style-type: none"> • Florida • Nevada • Louisiana

NEW AND ENHANCED RIDERS (BASED ON STATE APPROVAL)		
Rider	Description	Items to Consider
Transitional Occupation Rider	For an additional fee, this rider allows a client to receive up to 100% of prior earnings from a combination of current earnings, other disability benefits from other sources and their Principal Life policy, if they are totally disabled from their Your Occupation but are working in another occupation.	Fee rider; 3A and above occupation classes; only available for fully-underwritten and association cases
Future Benefit Increase (FBI) Rider	On an annual basis, increases monthly base benefit based on the Consumer Price Index for all Urban Consumers (CPI-U) without evidence of insurability. The insured may also be eligible for an additional increase of up to a maximum total benefit increase of \$500 (without proof of good health when combined with the CPI-U increase).	No cost rider; cannot be used with Guaranteed Standard Issue/ Standard Issue (GSI/SI) cases; available with the Benefit Update rider
Conditionally Renewable Policy Rider	For issue ages 65 and over, this rider changes the contract to conditionally renew on an annual basis for multi-life cases.	Needs pre-approval from underwriting

NEW AND ENHANCED RIDERS (BASED ON STATE APPROVAL)		
Rider Information	Description	Items to Consider
Benefit Update (BU) Rider	Will now allow clients to request an advance update if they have a 50% increase in sustainable earnings since the later of their policy issue or their last adjustment. This is in addition to the current trigger of losing group long-term disability (LTD) coverage because of a change in employment, or a reduction of benefits.	Available with the Future Benefit Increase rider
Presumptive Disability Benefit Rider	This rider is in addition to the current Presumptive Disability Benefit rider. It matches the presumptive benefit period to the base benefit period.	Available for employer-paid GSI/SI cases

Multi-Life Focus (Based on state approval)

Principal Life remains committed to the multi-life arena. Several enhancements to the HH 750 DI policy further emphasize our commitment:

- **Conditionally Renewable Policy rider** – In some multi-life case situations, employees may not have been eligible for disability income insurance due to their age. Upon underwriting approval, this rider now allows you to offer Principal Life’s Individual DI insurance to individuals age 65 to 70.
- **Presumptive Disability Benefit rider** – This new rider provides presumptive benefits that match the base benefit period on GSI/SI employer-paid cases.
- **Option Anniversary** – Employers now have the opportunity to elect a date for future benefit increases (BU, FBI) that is different than the original policy effective date. This allows additional flexibility for employers who want policy increases to coincide with potential salary increases.
- **Mental/Nervous Substance Abuse Disorder Limitation rider** – For multi-life cases only, this rider becomes optional in Michigan, Arizona and New Mexico. For multi-life cases, the rider is still required in California, Florida, Louisiana and Nevada.
- **Conditional Receipt** – In select multi-life cases, Conditional Receipt coverage may be provided even when no premium check is submitted with the application. In these special situations, Principal Life offers the ability to obtain Conditional Receipt coverage by using a Payroll Deduction form instead of a premium check. The use of this form to obtain Conditional Receipt coverage requires pre-approval by a multi-life underwriter.

For more information, please contact your Principal Life representative.



WE’LL GIVE YOU AN EDGESM

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