

Principal®

Individual disability insurance

Comprehensive planning guide

<Company Name>

You've built a successful business with hard work and dedication. Make sure that success continues by planning for all possibilities—even an illness or injury that keeps you, a partner, or employee from working.

Let's take a look at your business needs, and how Principal® can help make sure you and your business are protected.

Date:_____Financial professional(s): _____

Company profile

Company name:_____ City/state:_____

Entity type:

☐ C corporation ☐ S corporation ☐ Sole proprietorship ☐ Partnership ☐ Tax exempt

☐ Professional corporation C corp ☐ Professional corporation S corp ☐ LLC taxed as a partnership ☐ LLC taxed as a C corporation ☐ LLC taxed as an S corporation

Nature of business:_____Number of years operating: _____

Number of owners:_____Number of employees:_____Number of key employees: _____

Notes: _____

_____

_____

Names and contact information for the following:

Attorney:_____

Accountant: _____

Insurance professional: _____

Investment professional:_____

Employee benefits professional: _____

Owner/key employee census

Name	Ownership percentage	Title/occupational duties	Date of birth	Tobacco use	Income	
					Salary	Bonus or K-1
				Yes / No		
				Yes / No		
				Yes / No		
				Yes / No		
				Yes / No		

If more than five names, please attach a spreadsheet or send electronically.

Do any of the employees above have any health concerns? ☐ No ☐ Yes If yes, please provide details: _____

_____

Four planning areas

1 Income protection/benefit planning

How will you pay the bills if you become too sick or hurt to work? _____

_____

Do you offer employees disability insurance? ◯ No ◯ Yes

If yes, what are the policy details? _____

Do you offer special benefits to retain/reward your highly compensated/key employees? ◯ No ◯ Yes

If yes, which benefits? _____

Options to consider

- ☐ **Group long-term disability** (LTD) insurance is a great foundation that helps replace a portion of an employee's income.
- ☐ **Individual Disability Income** insurance provides monthly benefit payments if you or an employee become too sick or hurt to work. It pairs well with group LTD to help maintain your/their lifestyle if the unexpected happens because it helps to protect more income.

2 Retirement savings

What retirement plan(s) do you offer? _____

_____

Would you or your key employees still be able to save for retirement if you/they could no longer work due to a disability? ◯ No ◯ Yes

Do you offer retirement protection? ◯ No ◯ Yes

If yes, what are the policy details? _____

Option to consider

- ☐ **DI Retirement Security** helps continue retirement savings contributions in the event of a disability.

3 Business protection

Do you offer business protection? ◯ No ◯ Yes

If yes, what are the policy details? _____

How will you pay business loans and expenses if an owner becomes too sick or hurt to work? _____

_____

What will you do if a key employee can't work in the event of a disability? _____

_____

Options to consider

- ☐ **Overhead Expense** insurance provides reimbursement for eligible business expenses to help ensure the business continues to operate.
- ☐ The **Business Loan Protection** rider[1] covers business-related loan obligations — like buying an existing business or large piece of equipment.
- ☐ **Key Person Replacement** insurance[1] provides a benefit to help offset the expenses associated with the loss of a key employee.

4 Exit Planning

Do you have a buy-sell agreement? ◯ No ◯ Yes

Is it funded in the event an owner becomes disabled? ◯ No ◯ Yes

If yes, please provide details. _____

_____

Option to consider

- ☐ **Disability Buy-Out** insurance funds a buy-sell agreement to buy out a disabled owner.

Complimentary services

We want you to rest easy and take comfort in knowing your planning efforts are on the right track. That's why we offer:

- An **informal business valuation** consists of five commonly used valuation methods. This valuation also satisfies the financial requirements during any insurance underwriting process with Principal.
- A **review of your existing buy-sell agreement** if you have one.

The report you'll get from these services provides a summary of any issues and recommendations. This report can serve as a starting point for a discussion with your tax and legal advisors.

Additional notes: _____

_____

Financial professional contact information

Name:_____ Phone number: _____

Email address: _____

[1] Not available in California; not approved in all states.

Principal®

principal.com

Insurance products issued by Principal Life Insurance Company®, a member of the Principal Financial Group®, Des Moines, IA 50392.

This is an overview of the benefits of disability insurance, but there are limitations and exclusions. For costs and coverage details, contact your local Principal representative.

DI Retirement Security is issued as a non-cancelable, guaranteed renewable, individual Disability Income (DI) insurance policy. It is not a pension or retirement program or a substitute for such a program. DI Retirement Security is not available for anyone who is over insured 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.

The subject matter in this communication is educational only and provided with the understanding that Principal® is not rendering legal, accounting, investment or tax advice. You should consult with appropriate counsel, financial professionals, and other advisors on all matters pertaining to legal, tax, investment or accounting obligations and requirements.

An informal business valuation is not a substitute for a formal valuation nor does it establish a value for tax purposes.

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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JJ1834C-08 | 05/2023 | 2909359-052023 | © 2023 Principal Financial Services, Inc.