

Disability Solutions Underwriting Guidelines



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Principal Life Insurance Company, Des Moines, Iowa 50392-0002, www.principal.com

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Medical requirements for DI and Multi-Life DI

MONTHLY AMOUNT	AGES 18-50		AGES 51+	
	TeleApp	Traditional	TeleApp	Traditional
Up to \$3,000 – Single-Life				
Up to \$5,000 – Multi-Life				
\$3,001 to \$7,500 – Single-Life				
\$5,001 to \$7,500 – Multi-Life				
\$7,501 to \$10,000 – Single- and Multi-Life				
\$10,000+ – Single- and Multi-Life				

Medical requirements for OE

MONTHLY AMOUNT	AGES 18-50		AGES 51+	
	TeleApp	Traditional	TeleApp	Traditional
Up to \$7,500				
\$7,501 to \$10,000				
\$10,001+				

For all medical exams and studies, the benefit amount includes:

- The total coverage issued and applied for with all companies within six months of the application date and
- All inforce coverage with Principal Life Insurance Company issued on a non-medical basis within the last five years.

To calculate total DI (Disability Benefit & Social Insurance Substitute [SIS]), OE and Business Loan Protection rider amounts should be added together and all DBO and KPR total benefits should be added together.

Medical requirements for KPR and DBO

AMOUNT	AGE GROUP 18-50		AGE GROUP 51+	
	TeleApp	Traditional	TeleApp	Traditional
Up to \$50,000				
\$50,001 to \$100,000				
\$100,001 to \$200,000				
\$200,001 to \$360,000				
\$360,001 to \$500,000				
\$500,001+				

No personal telephone interview (PTI) required with TeleApp. PTIs are required on all cases using the traditional application process.

Blood profiles may require a special consent form in certain states, which should be submitted with the application.

No routine medical requirements needed*
 Blood profile, urinalysis, physical measurements
 Blood profile, urinalysis, Paramed exam, EKG
 Blood profile, urinalysis, Paramed exam
 Blood profile, urinalysis, physical measurements, EKG

* If application is written in Maine, a Urine/HIV test is required.

Use the chart at right to determine if your client's height/weight requires a physical measurement or a rating. A weight that is greater than those listed under the 100% column is considered uninsurable. In order for weight loss to be included in the total weight, the weight must be kept off for 12 months; otherwise, add half of the weight loss back into the total weight.

HEIGHT	WEIGHT	Rating Percentage Increase				
		Physical Measurement Required	Rating Percentage Increase			
			25%	50%	75%	100%
5'0"	159	180	194	204	209	
5'1"	163	185	199	209	214	
5'2"	166	189	203	214	219	
5'3"	171	194	208	219	225	
5'4"	176	199	214	226	231	
5'5"	181	205	220	232	237	
5'6"	186	210	226	238	244	
5'7"	191	216	233	245	251	
5'8"	196	222	238	251	257	
5'9"	201	227	244	257	263	
5'10"	207	234	252	265	271	
5'11"	211	239	257	271	278	
6'0"	218	246	265	279	286	
6'1"	222	252	271	285	292	
6'2"	229	258	278	293	300	
6'3"	235	265	285	300	308	
6'4"	242	273	294	310	317	
6'5"	248	281	302	318	326	
6'6"	255	290	312	328	336	

ISSUE AND PARTICIPATION LIMITS								
Annual Earned Income	INDIVIDUAL PAY			EMPLOYER PAY			GROUP SUPPLEMENT LIMITS WITH LTD	
	Disability Benefit	Maximum SIS	Total Benefit	Maximum Disability Benefit	Maximum SIS	Total Benefit	Individual Pay	Employer Pay
\$15,000	\$300/mo	\$700/mo	\$1,000/mo	\$450/mo	\$700/mo	\$1,150/mo	\$1,000/mo	\$1,100/mo
16,000	325	725	\$1,050	475	725	\$1,200	\$1,050	\$1,175
18,000	400	750	\$1,150	600	750	\$1,350	\$1,150	\$1,300
20,000	500	775	\$1,275	675	800	\$1,475	\$1,275	\$1,450
24,000*	625	875	\$1,500	875	875	\$1,750	\$1,500	\$1,725
30,000	1,000	900	\$1,900	1,150	1,000	\$2,150	\$1,850	\$2,150
36,000	1,250	900	\$2,150	1,375	1,000	\$2,375	\$2,200	\$2,450
40,000	1,500	950	\$2,450	1,800	1,050	\$2,850	\$2,450	\$2,850
48,000	1,725	1,075	\$2,800	2,325	1,075	\$3,400	\$2,900	\$3,400
50,000	1,825	1,100	\$2,925	2,450	1,100	\$3,550	\$3,050	\$3,550
52,000	1,875	1,125	\$3,000	2,575	1,125	\$3,700	\$3,150	\$3,700
60,000	2,225	1,175	\$3,400	3,000	1,250	\$4,250	\$3,600	\$4,250
70,000	2,550	1,250	\$3,800	3,550	1,400	\$4,950	\$4,300	\$4,950
80,000	2,850	1,350	\$4,200	4,075	1,575	\$5,650	\$4,500	\$5,650
90,000	3,350	1,400	\$4,750	4,350	1,650	\$6,000	\$5,000	\$6,175
100,000	3,600	1,400	\$5,000	4,800	1,650	\$6,450	\$5,600	\$6,875
110,000	3,975	1,400	\$5,375	5,300	1,650	\$6,950	\$6,200	\$7,600
120,000	4,350	1,400	\$5,750	5,850	1,650	\$7,500	\$6,800	\$8,350
130,000	4,700	1,400	\$6,100	6,250	1,650	\$7,900	\$7,300	\$9,000
140,000	5,050	1,400	\$6,450	6,700	1,650	\$8,350	\$8,050	\$9,825
150,000	5,500	1,400	\$6,900	7,100	1,650	\$8,750	\$8,500	\$10,600
160,000	5,950	1,400	\$7,350	7,700	1,650	\$9,350	\$9,000	\$11,175
170,000	6,400	1,400	\$7,800	8,250	1,650	\$9,900	\$9,500	\$11,825
180,000	6,850	1,400	\$8,250	8,850	1,650	\$10,500	\$10,000	\$12,450
190,000	7,300	1,400	\$8,700	9,450	1,650	\$11,100	\$10,400	\$13,100
200,000	7,750	1,400	\$9,150	10,000	1,650	\$11,650	\$10,900	\$13,750
210,000	8,250	1,400	\$9,650	10,600	1,650	\$12,250	\$11,500	\$14,525
220,000	8,700	1,400	\$10,100	11,200	1,650	\$12,850	\$12,000	\$15,225
230,000	9,150	1,400	\$10,550	11,750	1,650	\$13,400	\$12,500	\$15,900
240,000	9,600	1,400	\$11,000	12,350	1,650	\$14,000	\$13,000	\$16,600
250,000	10,050	1,400	\$11,450	12,950	1,650	\$14,600	\$13,450	\$17,375
260,000	10,500	1,400	\$11,900	13,100	1,650	\$14,750	\$14,000	\$17,950
270,000	10,600	1,400	\$12,000	13,350	1,650	\$15,000	\$14,500	\$18,675
280,000	10,850	1,400	\$12,250	13,550	1,650	\$15,200	\$15,000	\$19,350
290,000	11,100	1,400	\$12,500	13,700	1,650	\$15,350	\$15,500	\$20,050
300,000	11,350	1,400	\$12,750	13,850	1,650	\$15,500	\$16,100	\$20,400
310,000	11,600	1,400	\$13,000	14,050	1,650	\$15,700	\$16,650	\$21,175
320,000	11,850	1,400	\$13,250	14,350	1,650	\$16,000	\$17,200	\$21,850
330,000	12,250	1,400	\$13,650	14,850	1,650	\$16,500	\$17,750	\$22,275
340,000	12,600	1,400	\$14,000	15,350	1,650	\$17,000	\$18,250	\$22,950
350,000	13,050	1,400	\$14,450	15,750	1,650	\$17,400	\$18,750	\$23,250
360,000	13,450	1,400	\$14,850	16,200	1,650	\$17,850	\$19,300	\$24,000
370,000	13,850	1,400	\$15,250	16,700	1,650	\$18,350	\$19,800	\$24,650
380,000	14,150	1,400	\$15,550	17,200	1,650	\$18,850	\$20,350	\$25,000
390,000	14,300	1,400	\$15,700	17,700	1,650	\$19,350	\$21,000	\$25,500
400,000	14,450	1,400	\$15,850	18,200	1,650	\$19,850	\$21,500	\$26,000
420,000	14,600	1,400	\$16,000	18,350	1,650	\$20,000	\$22,500	\$26,900
440,000	14,800	1,400	\$16,200	18,350	1,650	\$20,000	\$23,750	\$27,500
460,000	14,950	1,400	\$16,350	18,350	1,650	\$20,000	\$24,750	\$28,700
480,000	15,100	1,400	\$16,500	18,350	1,650	\$20,000	\$25,750	\$30,000
500,000	15,200	1,400	\$16,600	18,350	1,650	\$20,000	\$26,750	\$30,000
520,000	15,850	1,400	\$17,250	18,350	1,650	\$20,000	\$27,750	\$30,000
540,000	16,600	1,400	\$18,000	18,350	1,650	\$20,000	\$28,750	\$30,000
560,000	17,100	1,400	\$18,500	18,350	1,650	\$20,000	\$29,500	\$30,000
580,000	17,600	1,400	\$19,000	18,350	1,650	\$20,000	\$30,000	\$30,000
600,000	18,150	1,400	\$19,550	18,350	1,650	\$20,000	\$30,000	\$30,000
610,000	18,350	1,400	\$19,750	18,350	1,650	\$20,000	\$30,000	\$30,000
620,000	18,600	1,400	\$20,000	18,350	1,650	\$20,000	\$30,000	\$30,000
640,000	18,600	1,400	\$20,000	18,350	1,650	\$20,000	\$30,000	\$30,000

*Minimum annual earned income in California is \$24,000.

Blue area shows Multi-life limits.

DI MAXIMUM ISSUE AND PARTICIPATION LIMITS		
Occupation Classes and Maximum Monthly I & P Limits (with LTD)		
5A, 4A	Single Life	\$15,000 (\$25,000)
5A, 4A	Multi-Life	\$20,000 (\$30,000)
3A	Single & Multi-Life	\$15,000 (\$25,000)
2A	Single & Multi-Life	\$8,000 (\$10,000)
A	Single & Multi-Life	\$6,000 (\$8,000)
5A-M, 4A-M*, 3A-M*		\$15,000 (\$20,000)

*Issue limit will remain at \$10,000/month for policies written in California and prior to the 700 Policy Series.

Group supplement limits

- Available to occupation classes 2A to 5A/5A-M.
- To determine the amount of Individual Pay coverage available in addition to an Employer Paid LTD benefit, subtract 75% of the LTD monthly benefit from the Individual Pay Group Supplement Issue and Participation Limit.
- To determine the amount of Individual coverage, subtract 75% of the LTD monthly benefit from the Individual Pay Issue and Participation Limit.
- May not be used with associations or government employee coverage.

Financial verification requirements

Disability Income (DI)

Income documentation* is required:

- For any application not using TeleApp
- For all ages and all benefit amounts applied for, if annual income is greater than \$150,000
- If over age 50 or for all ages, if benefit amount applied for is more than \$3,000/month (Single Life case)
- If over age 64 or for all ages, if benefit amount applied for is more than \$5,000/month (Multi-Life case)

*Income documentation could include: 1040 – pages 1 and 2; W-2 if spouse is employed outside the home; Schedule C (or F if client is a farmer) or Schedule E if filed with the return.

Overhead Expense (OE)

- Overhead Expense statement must be submitted with the application
- Prior year's business federal income tax return or Profit and Loss Statement for the last 12 months – if in force and applied for OE exceeds \$10,000/month
- If the Business Loan Protection rider is on the policy, submit a copy of the loan contract agreement

Disability Buy-Out (DBO)

- Disability Buy-Out statement must be submitted with the application
- Profit and Loss (Income) Statement (year-to-date)
- Past two years' business federal income tax returns
- Current balance sheet

Key Person Replacement (KPR)

- Application Supplement must be submitted with the application
- Non-owner – W-2 or third-party verification of salary and bonus (not employer letter)
- Owner – same financials as required for DI

DBO MAXIMUM ISSUE AND PARTICIPATION LIMITS						
Elimination Period	Occupation Classes					
	5A, 4A, 3A	5A-M, 4A-M	3A-M	2A	A	
Lump Sum						
365 day	\$1.5 million	\$1.25 million	\$1.25 million	\$750,000	\$250,000	
540 day	\$1.75 million	\$1.5 million	\$1.5 million	\$1 million	\$500,000	
730 day	\$2 million	\$1.5 million	\$1.5 million	\$1.25 million	\$750,000	
Monthly Benefit factors 24 and 36						
365 day	\$1.75 million	\$1.5 million	\$1.25 million	\$1.25 million	\$500,000	
540 day	\$2 million	\$1.5 million	\$1.5 million	\$1.5 million	\$750,000	
730 day	\$2.5 million	\$1.5 million	\$1.5 million	\$1.75 million	\$1 million	
Monthly Benefit factor 60						
365 day	\$2 million	\$1.5 million	\$1.25 million	\$1.5 million	\$500,000	
540 day	\$2.5 million	\$1.5 million	\$1.5 million	\$1.75 million	\$750,000	
730 day	\$3 million	\$1.5 million	\$1.5 million	\$2 million	\$1 million	

OE MAXIMUM ISSUE AND PARTICIPATION LIMITS		
Elimination Period (Days)	Occupation Class	
	5A, 5A-M, 4A, 4A-M, 3A, 3A-M	2A, A
12 Benefit Factor		
30	\$30,000	\$10,000
60 or 90	\$42,500*	\$10,000
18 or 24 Benefit Factor		
30, 60 or 90	\$30,000	\$10,000

*Participation Limit is \$50,000/month if other OE coverage in force.

KPR MAXIMUM ISSUE AND PARTICIPATION LIMITS	
Occupation Classes: 5A/5A-M – 3A/3A-M – \$500,000	

Unearned income

Unearned income reduces the issue limit only to the extent that it exceeds (a) 10% of earned income or (b) \$30,000 annually, whichever is less. Fifty percent (50%) of the monthly unearned income in excess of (a) or (b) above is deducted from the maximum total benefit available to the proposed insured.

DI RETIREMENT SECURITY MAXIMUM ISSUE AND PARTICIPATION LIMITS	
Individual Pay (non taxable)	\$4,125/month*
Employer Pay (taxable)	\$5,325/month*

*Amounts include \$50 Trust Administration fee.