

Keep your business secure

Overhead Expense insurance can help protect your business.



As a business owner with a company to run, you know how difficult it is to get away. What happens if you become disabled? Could your business stay open while you were gone? Would the business be able to continue paying the bills if you weren't working?

You can help protect your business should you become disabled. Overhead Expense (OE) insurance from Principal Life Insurance Company helps:

- Keep your business running while you recover from a disabling injury or illness
- Ensure that you have a financially sound business to sell, should you need to do so

HOW IT WORKS

Principal Life will reimburse you each month for fixed overhead expenses while you're disabled and unable to work. The policy covers expenses such as rent or mortgage, utilities, employee salaries and much more. Plus, if your covered expenses differ from the monthly benefit amount, you may carry forward unreimbursed expenses or unused benefits to a later month during your disability.

A TAX ADVANTAGE

The premiums are deductible, too. The Internal Revenue Service has ruled* premiums paid for overhead expense insurance are tax deductible as a business expense. Benefits received are then reportable as income, and although the benefits are taxable as income, the actual business expenses are deductible.

TIME TO ESTABLISH A PLAN

To cover business expenses in the event of your disability, establish a plan with the amount of insurance you will need. Then purchase an OE policy from Principal Life to help keep your business secure.

*Rev. Ruling 55-264, 1955-1 C.B. 11

This worksheet will help you determine what business expenses need to be paid each month.

MONTHLY EXPENSES

Rent or mortgage (interest and principal) _____

Property taxes _____

Insurance premiums (property, malpractice, fire, liability, employee benefits) _____

Equipment leasing costs _____

Accounting, billing and collection fees _____

Security and maintenance _____

Electricity, heat and water _____

Telephone _____

Subscriptions and membership dues _____

Other fixed business expenses _____

Employee salaries other than: yours; any person sharing business expenses; member of your profession; individual hired to perform your duties during disability; person responsible for generation of business income; member of your immediate family (who was not a full-time paid employee of the business for at least 60 days before disability began). _____

Total Monthly Expenses _____

Replacement Salary _____

Total Monthly Expenses with Replacement _____

MONTHLY RESOURCES

Source _____

Source _____

Total Monthly Resources _____

Critical Shortage (Total Monthly Expenses – Total Monthly Resources) _____

Whether you're a sole proprietor, a partner in a business or a professional in a practice, Overhead Expense insurance from Principal Life helps secure the financial stability of your business.

Insurance is issued by Principal Life Insurance Company, a member of the Principal Financial Group®, Des Moines, Iowa 50392. Disability insurance has certain limitations and exclusions. For costs and complete details of coverage, contact your Principal Life representative.

WE UNDERSTAND WHAT YOU'RE WORKING FOR.®



Principal Financial Group
Des Moines, Iowa 50392-0001
www.principal.com