

Disability Income | Overhead Expense | Disability Buy-Out

Disability Solutions Underwriting Guidelines



Medical requirements for Disability Income (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 Overhead Expense

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 DI (Disability Benefit and Social Insurance Substitute [SIS]) and OE coverage issued and applied for with all companies within six months of the application date and all in-force coverage with Principal Life Insurance Company issued on a non-medical basis within the last five years.

Medical requirements for Disability Buy-Out

AMOUNT	AGE GROUP 18-50		AGE GROUP 51-60	
	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
- Blood profile, urinalysis, physical measurements, EKG
- Blood profile, urinalysis, Paramed exam, EKG

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

Use this chart 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.

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.



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HEIGHT	Physical Measurement Required	WEIGHT			
		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	1,575	1,000	\$2,575	\$2,200	\$2,575
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	\$17,380
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	13,350	1,650	\$15,000	\$15,000	\$19,350
290,000	11,100	1,400	\$12,500	13,350	1,650	\$15,000	\$15,500	\$20,050
300,000	11,350	1,400	\$12,750	13,350	1,650	\$15,000	\$16,100	\$20,400
310,000	11,600	1,400	\$13,000	13,350	1,650	\$15,000	\$16,650	\$21,175
320,000	11,850	1,400	\$13,250	13,350	1,650	\$15,000	\$17,200	\$21,850
330,000	12,250	1,400	\$13,650	13,350	1,650	\$15,000	\$17,750	\$22,275
340,000	12,600	1,400	\$14,000	13,350	1,650	\$15,000	\$18,250	\$22,950
350,000	13,050	1,400	\$14,450	13,350	1,650	\$15,000	\$18,750	\$23,250
360,000	13,450	1,400	\$14,850	13,350	1,650	\$15,000	\$19,300	\$24,000
370,000	13,600	1,400	\$15,000	13,350	1,650	\$15,000	\$19,800	\$24,650
380,000	13,600	1,400	\$15,000	13,350	1,650	\$15,000	\$20,350	\$25,000
390,000	13,600	1,400	\$15,000	13,350	1,650	\$15,000	\$21,000	\$25,000
400,000	13,600	1,400	\$15,000	13,350	1,650	\$15,000	\$21,500	\$25,000
420,000	13,600	1,400	\$15,000	13,350	1,650	\$15,000	\$22,500	\$25,000
440,000	13,600	1,400	\$15,000	13,350	1,650	\$15,000	\$23,750	\$25,000
460,000	13,600	1,400	\$15,000	13,350	1,650	\$15,000	\$24,750	\$25,000
480,000	13,600	1,400	\$15,000	13,350	1,650	\$15,000	\$25,000	\$25,000

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

DI MAXIMUM ISSUE AND PARTICIPATION LIMITS	
Occupation Class	Maximum Monthly I & P Limits (with LTD)
5A, 4A, 3A	\$15,000/ \$25,000
5A-M	\$15,000/ \$20,000
4A-M, 3A-M	\$10,000/ \$20,000
2A	\$8,000/ \$10,000
A	\$6,000/ \$8,000

*Participation Limit is \$15,000/month if other IDI coverage in force. Maximum Issue Limit remains \$10,000/month for all Principal Life IDI coverage.

Group supplement limits

- Available to 5A, 5A-M, 4A, 4A-M, 3A, 3A-M and 2A occupation classes.
- 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.
- Not available to the A occupation class. Group Supplement Limits may not be used with associations or government employee coverage. To determine the amount of Individual coverage, subtract 75% of the LTD monthly benefit from the Individual Pay Issue and Participation Limit.

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	

Financial verification requirements

Disability Income:

For applications up to \$3,000/month Single-Life (up to \$5,000/month Multi-Life) and income less than \$150,000, no financials are required. All others:

- 1040 – pages 1 and 2
- W-2 if spouse is employed outside the home
- Schedule C (or F if client is a farmer)
- Schedule E if filed with the return

Overhead Expense:

- 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

Disability Buy-Out:

- Profit and Loss (Income) Statement (year-to-date)
- Past two years' business federal income tax returns
- Current balance sheet

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.