



Overhead Expense insurance

# Keep your business open even if the unexpected happens



As a small business owner, you're focused on running your company and taking care of the priorities. But, there's something else to think about ... what would happen to your business if an accident or illness kept you from working for several months or longer?

## Consider the possibilities

Many business owners like you can't picture themselves having an accident serious enough to keep them from working. But, in reality, it's illnesses, like cancer or a stroke, that cause disabilities 96.5% of the time<sup>1</sup>.

## Keep the lights on

The good news is, even if the unexpected happens, you can keep the doors of your business open with Overhead Expense (OE) insurance from Principal<sup>®</sup>. It doesn't replace you, but it does provide financial support, so you can continue to pay fixed business expenses during your recovery. That helps you:

- Keep paying employee salaries, your rent/mortgage, insurance premium and more.
- Retain the value of your business, so if you have to sell, it's financially sound.

## Overhead Expense tax considerations

- Premiums are tax-deductible as a necessary business expense.
- Even though the benefits you receive are taxable as income, your actual business expenses are still tax-deductible.

## This coverage makes a difference

"It's kept the office running without us having to worry. The staff doesn't feel like the business is going to fail. It's just brought a sigh of relief."

– Sherron Williams, wife of James Williams, who benefitted from OE insurance

## We can help

Take a look at your business expenses and see how they could be covered if you weren't able to work.

### Step 1: Monthly operating expenses

#### Building expenses

Rent or mortgage (interest and principal)	\$ _____
Property tax	\$ _____
Equipment leasing costs	\$ _____
Security and maintenance	\$ _____

#### Utilities

Electricity	\$ _____
Telephone	\$ _____

#### Other

Business-related loans	\$ _____
Insurance premiums (property, malpractice, fire, etc.)	\$ _____
Accounting, billing and collection fees	\$ _____
Subscriptions and membership dues	\$ _____
Salary for your replacement	\$ _____
Employee salaries <sup>2</sup>	\$ _____
Other expenses	\$ _____
<b>Total monthly operating expenses</b>	<b>\$ _____</b>

### Step 2: Monthly sources of income you could use to pay for operational costs

Source 1 _____	\$ _____
Source 2 _____	\$ _____

**Total monthly resources** \$ \_\_\_\_\_

**Difference (total monthly operating costs minus monthly resources)** \$ \_\_\_\_\_



Let's connect. | Contact your local representative.

<sup>1</sup> Calculated with data from the "Annual Statistical Report on the Social Security Disability Insurance Program, 2017." U.S. Social Security Administration, Office of Retirement and Disability Policy, Office of Research, Evaluation, and Statistics, December 2018. [www.ssa.gov](http://www.ssa.gov)

<sup>2</sup> Do not include these salaries: yours, any other owner of the business, any person sharing business expenses, other members of your profession, individuals hired to perform your duties during a disability, persons responsible for generation of business income, members of your immediate family (who are not full-time paid employees of the business for at least 60 days before the disability begins).

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Disability insurance from Principal<sup>®</sup> is issued by Principal Life Insurance Company, Des Moines, Iowa 50392.

This information is provided with the understanding that Principal is not rendering legal, accounting or tax advice. You should consult with appropriate counsel or other advisors on all matters pertaining to legal, tax or accounting obligations and requirements.

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

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