

Keep your business running even when the unexpected happens



You're busy. And, like many business owners, you're always thinking about your business. It's that kind of dedication that has led to your success. But, what if something happened to you, like an accident or illness, which kept you from working – for several months, a year or longer?

It won't happen to me

Lots of business owners like you can't picture themselves not being able to come into work. After all, you don't see yourself having an accident that serious, right? But, here's the thing:

Most of the time it's not accidents that cause a disability¹ – 95% of the time, it's illnesses like cancer or a stroke.

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 insurance from Principal[®]. It doesn't replace you, but does let you 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

- Your cost of coverage (premiums) is 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. The net benefits are virtually tax-free.

This coverage makes a difference

“It's kept the office running without us having to worry. It's given the staff peace of mind, too, because they don'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 this 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 ²	\$ _____
Other expenses	\$ _____
Total monthly operating expenses	\$ _____

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)	\$ _____
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Let's connect. | Contact your local representative.

¹ Council for Disability Awareness, Long-Term Disability Claims Review, 2014.

² 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).



principal.com

Disability insurance from Principal® 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.

This testimonial may not be representative of other clients' experiences. It is not indicative of, nor a guarantee of, future benefits. James and Sherron Williams have not been paid for this testimonial.

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