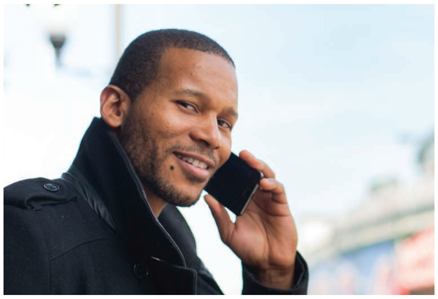
How Key Person Replacement insurance works

Benefits overview



Why purchase Key Person Replacement insurance

- Keeps your business operating when a key employee becomes totally disabled.
- Demonstrates financial stability to creditors and clients.
- Does not limit the personal income protection your employee may qualify for from Principal.

You've worked hard to build and run your business. Part of your success may be due to a key employee who's made a big contribution. But, what would your business look like if this person were no longer there?

Let Principal® help ease the transition when you lose a key employee because of a disabling illness or injury with Key Person Replacement insurance. With this type of policy, you're guaranteed the cost cannot change – unless you request a change to your coverage.

To help you better understand this insurance, we've put together this general overview of how it works. To get specifics, be sure to check the policy.

How the policy works

The Key Person Replacement insurance policy provides your business with the funds to help handle the loss of a key employee if that individual becomes totally disabled.

What does it mean to be totally disabled? It means the covered employee is unable to perform the substantial and material duties of his or her key person occupation and is not working for the business in any other occupation which has similar duties and/or earnings.

How are benefits paid? As owner of the policy, at time of purchase you determine if you want to receive benefit payments as a lump sum payment or monthly benefits with a lump sum payment. Upon a qualifying disability, you receive benefit payments after the elimination period has been satisfied. No additional payments are made if the key employee dies.

What's included in the policy

The following features are part of the Key Person Replacement insurance policy:

- **Waiver of premium benefit** – You are not required to pay for the policy after its elimination period.
- **Guaranteed coverage and cost –** Principal cannot change your policy due to changes in health. Coverage can be canceled by Principal:
  - If the policy has not been paid for.
  - Once benefits have been exhausted.
  - If the key employee is no longer employed by the company for any reason other than a total disability or death.
- **Interrupted elimination period** – Principal combines different periods of disability to help reach the policy's elimination period, as long as these periods occur within an amount of time that's twice as long as the elimination period, but less than a year.

Let's connect | Contact your financial representative.

Principal℠

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This is a general description; it is not the policy, and does not modify or change the provisions of any policy or rider. All features, provisions and riders may not be available in all states, with all occupation classes and in conjunction with each other and may also be subject to state variations and may require an additional premium. Please read your policy carefully for exact definitions in your state. Disability insurance has limitations and exclusions. For cost and coverage details, contact your Principal financial representative.

Any references to age in this document refer to the age at policy anniversary date.

Policy form HH772.

Not FDIC or NCUA insured
May lose value • Not a deposit • No bank or credit union guarantee Not insured by any Federal government agency