



Individual Disability Insurance  
Helping to Protect  
Your Income and  
Financial Future

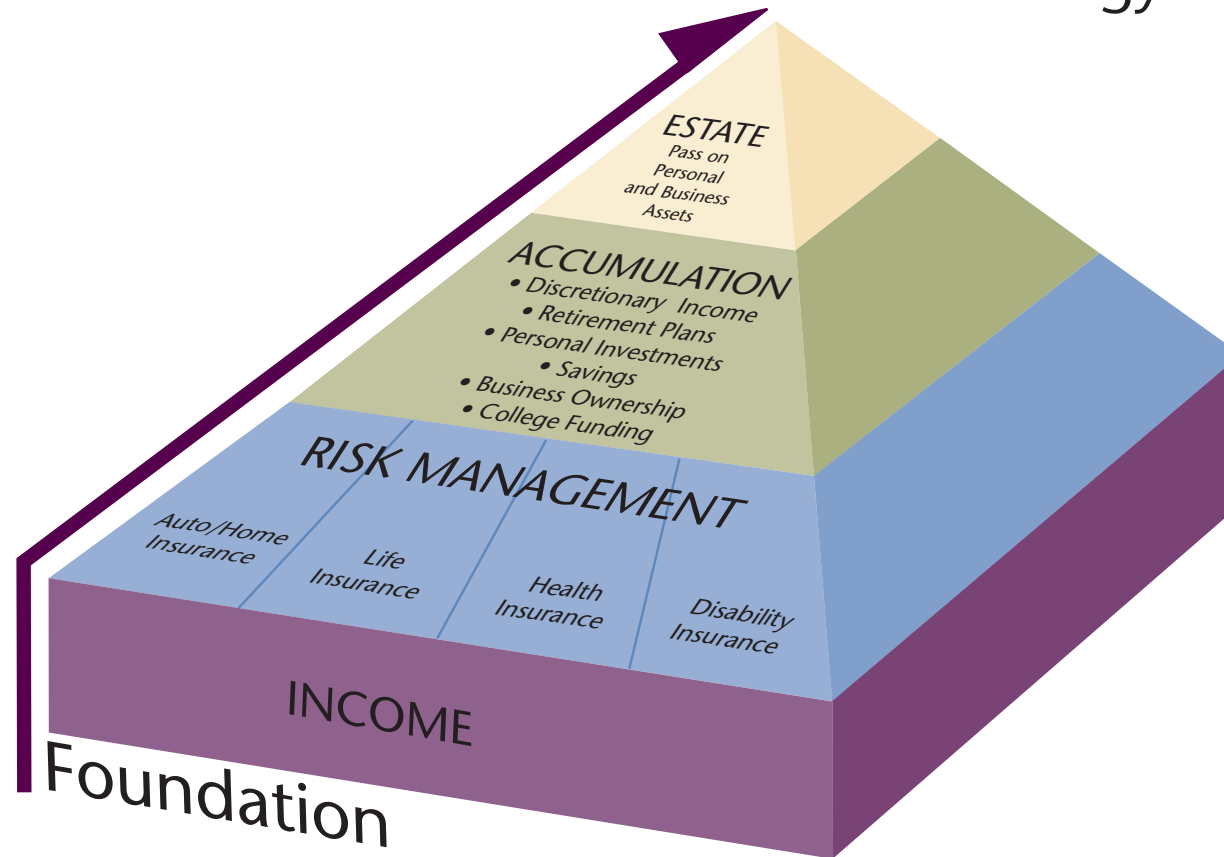
*For Individuals*

# How solid is your financial foundation?

This diagram shows how to make plans for your financial future. Protecting assets is the foundation of a solid financial plan. Insurance helps you prepare for the unexpected: property damage, medical expenses, loss of life, *and loss of income due to disability*.

Removing your income from the foundation can cause your financial plan to come tumbling down.

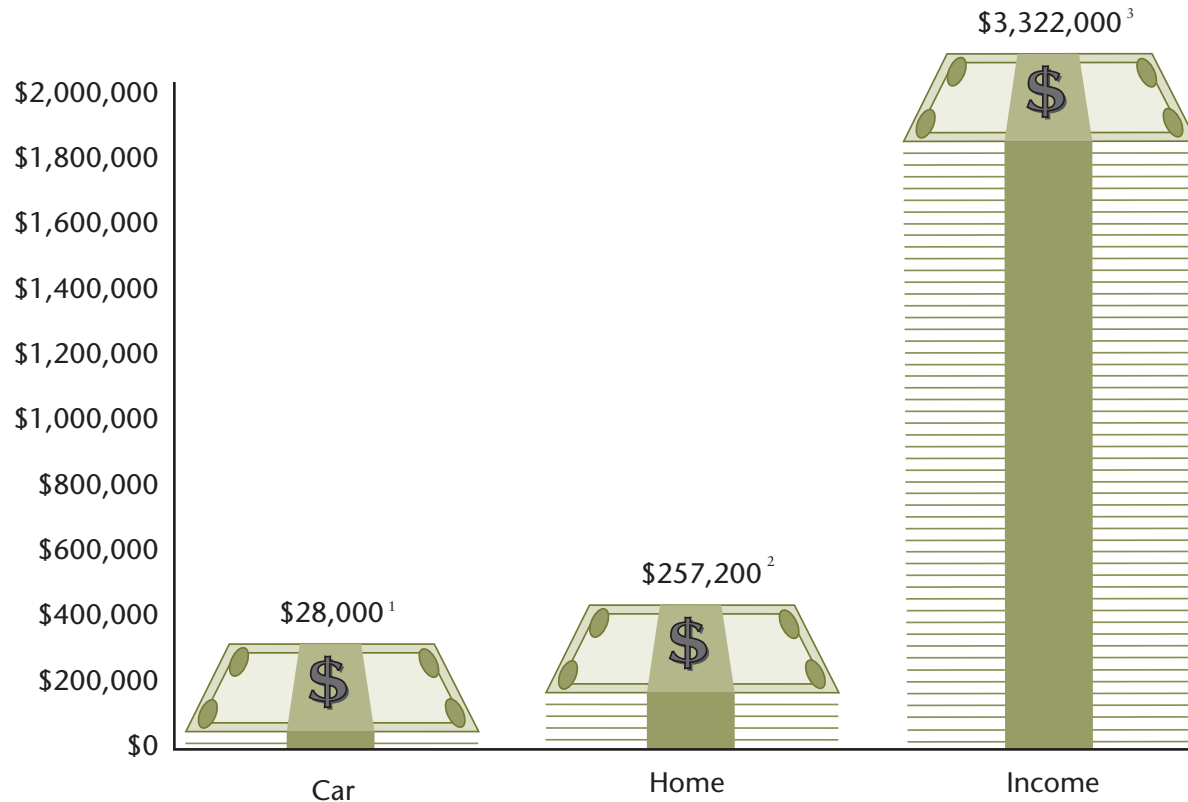
## Successful Financial Strategy



*When you fail to protect your income, your dreams for a comfortable retirement, college education for the kids, or passing on assets may not become a reality.*

# What is your most valuable asset?

*You insure your home and your car, but what about your income?*



*Your ability to work and earn an income is your most valuable asset.*

<sup>1</sup> MotorTrend, April 30, 2003

<sup>2</sup> U.S. Census Bureau, March 24, 2004

<sup>3</sup> Projected cumulative income, 35-year-old earning \$50,000/year assuming 5% annual increase to age 65.

# What is your earnings potential?

What would you do if you were too sick or hurt to work? If you're like most people, you would probably find it hard to maintain your current lifestyle. Your most important asset is your ability to work and earn an income!

Potential Earnings To Age 65 (with 5% annual salary increases)

AGE	ANNUAL INCOME					
	\$25,000	\$50,000	\$75,000	\$100,000	\$150,000	\$200,000
30	\$2,258,000	\$4,516,000	\$6,774,000	\$9,032,000	\$13,548,000	\$18,064,000
35	1,661,000	3,322,000	4,983,000	6,644,000	9,966,000	13,288,000
40	1,193,000	2,386,000	3,580,000	4,773,000	7,159,000	9,545,000
45	827,000	1,653,000	2,480,000	3,307,000	4,960,000	6,613,000
50	539,000	1,079,000	1,618,000	2,158,000	3,237,000	4,316,000
55	314,000	629,000	943,000	1,258,000	1,887,000	2,516,000
60	138,000	276,000	414,000	553,000	829,000	1,105,000

*Don't leave your most valuable asset unprotected.  
Disability insurance is coverage you can't afford NOT to have.*

# How would you replace your lost income?

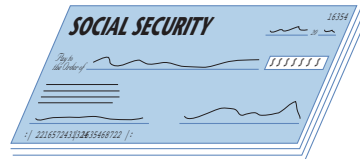
## SAVINGS

Even if you save 10% of your salary, one year of disability could easily wipe out many years of savings.



## SOCIAL SECURITY

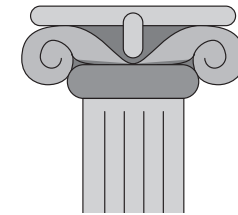
Social Security initially denies about 65% of all disability claims.\* To qualify, your disability must be expected to last at least 12 months or end in death, in addition to other requirements. You must be unable to engage in any occupation.



\*Social Security Forum, Vol. 21, No. 5 – May 1999 (for fiscal year 1998)

## BORROW

What bank would lend you money if you were disabled and unable to work?



## OTHER INCOME

Could you maintain your standard of living without placing additional strain on yourself and your family?



*Individual Disability Income insurance provides a benefit each month if you become too sick or hurt to work. Count on Principal Life Insurance Company to help you protect your income in the event of a disability!*

# Chances of a disability are greater than you think!

What is the chance of having at least one long-term disability, which lasts for three months or longer before reaching age 65?

Age	Probability
30	51%
35	48%
40	45%
45	40%
50	34%

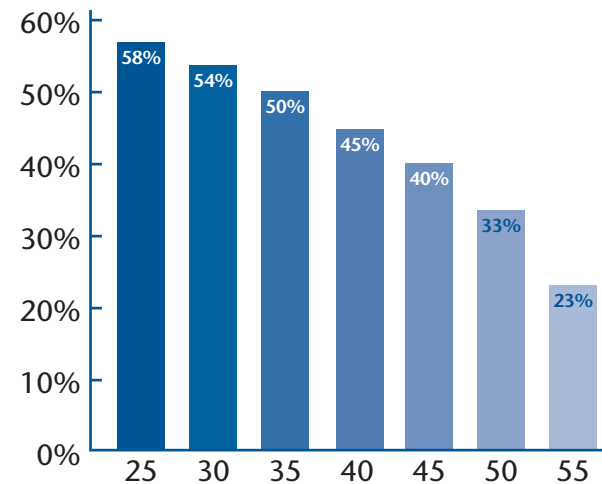
Source: Commissioner's Individual Disability Tables; CSO

If the disability has lasted one year, what is the probability the disability will last:

	Age			
	25	35	45	55
1 More Year	67%	76%	79%	81%
2 More Years	57%	67%	72%	73%
5 More Years	47%	57%	62%	62%

Source: Commissioner's Individual Disability Tables; CSO

What is the chance of being disabled for life if the disability has lasted at least three months?

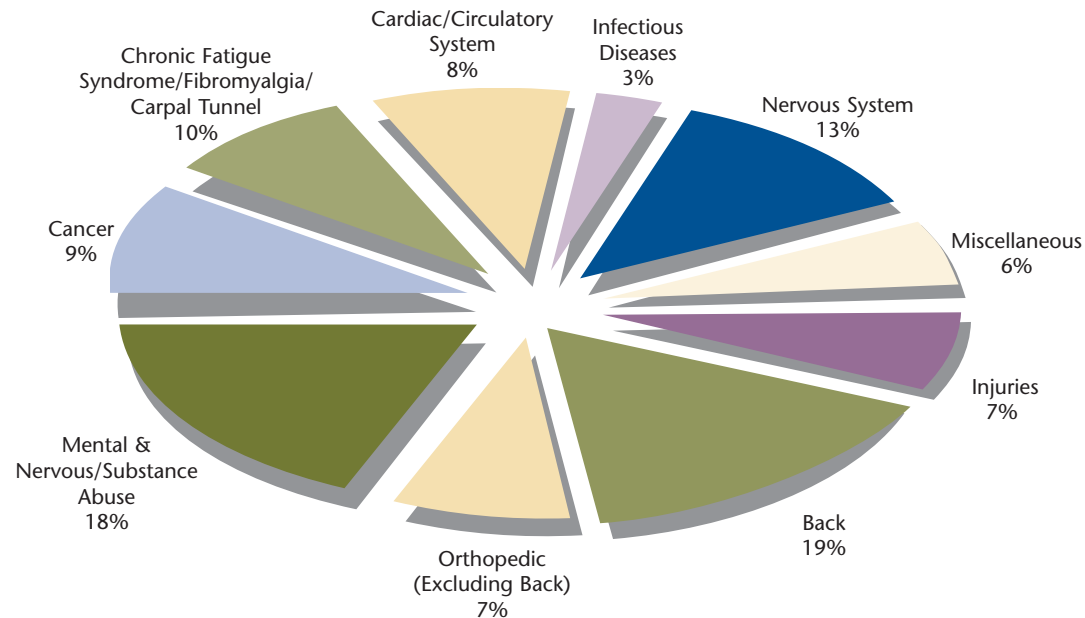


Source: Commissioner's Individual Disability Tables; CSO

*Individual Disability Income insurance from Principal Life can help reduce the financial burden associated with a disability.*

# Disability plays no favorites.

The causes of disability may surprise you! Here's a breakdown (by percentage of claims) of some typical reasons an individual may become disabled\*:



\* Principal Life Adjustable Disability Insurance claims incurred in any year as of January, 2004. The above is for illustration purposes only and is not intended as an inclusive representation of all claims.

*With Individual Disability Income insurance from Principal Life, you can feel secure in knowing that by protecting your most valuable asset – your ability to work and earn an income – you can reduce the financial strain even a short-term disability can cause when you're too sick or hurt to work.*

# Sample disability claims

Principal Life Adjustable Disability Insurance claims as of March 15, 2004

Occupation	Age	Diagnosis	Total Paid
Attorney	37	Multiple Sclerosis	\$122,500.00
Attorney	44	Breast Cancer	\$21,652.98
Attorney	46	HIV	\$301,575.66
Attorney	59	Parkinson's Disease	\$151,100.00
Computer Consultant	29	Organic Brain Disorder	\$54,730.00
Computer Consultant	36	Rheumatoid Arthritis	\$191,636.17
Computer Consultant	39	HIV	\$305,492.31
Computer Consultant	41	Bone Disease	\$50,933.33
Corporate Executive	40	Heart	\$198,600.00
Corporate Executive	47	Lyme Disease	\$399,600.00
Corporate Executive	57	Emphysema	\$720,000.00
Corporate Executive	57	Rheumatoid Arthritis	\$33,308.00
CPA	39	Lupus	\$21,881.60
CPA	45	Heart Disease	\$135,300.00
Dentist	36	Spinal Cord Injury	\$550,000.00
Dentist	41	Multiple Sclerosis	\$1,086,144.89
Dentist	46	Carpal Tunnel Syndrome	\$50,685.00
Dentist	53	Blood Clot	\$760,885.38

Occupation	Age	Diagnosis	Total Paid
Physician	35	Nerve Disorder	\$1,212,800.00
Physician	49	Back	\$688,860.71
Physician	35	Hearing Loss	\$509,365.34
Physician	58	Myeloid Leukemia	\$161,373.33
Nurse	36	Ovarian Cancer	\$163,698.91
Nurse	41	Nerve Disorder	\$627,500.00
Nurse	45	Back	\$28,466.68
Nurse	58	Stroke	\$44,533.33
Business Owner	44	Liver Disease	\$1,590,527.60
Business Owner	45	Brain Tumor	\$18,105.00
Business Owner	52	Head Injury	\$140,250.00
Business Owner	54	Hip and Thigh Injury	\$116,074.34
Business Owner	55	Blind	\$222,800.00
Pharmacist	29	Back	\$68,100.80
Pharmacist	47	Osteoarthritis	\$237,649.65
Psychiatrist	58	Cancer	\$50,366.47
Psychiatrist	47	Multiple Sclerosis	\$182,421.28
Psychiatrist	60	Parkinson's Disease	\$34,000.00
Physical Therapist	38	Heart Attack	\$282,118.96
Physical Therapist	46	Epilepsy	\$487,266.84
Veterinarian	37	Cancer	\$46,655.00
Veterinarian	43	Back	\$332,218.00

The above is for illustration purposes only and is not intended as an inclusive representation of all claims.

# Disability Income

insurance is like choosing between two jobs.

## JOB A

**\$100,000**

Annual salary if working

**\$0**

Income while  
too sick or hurt to work



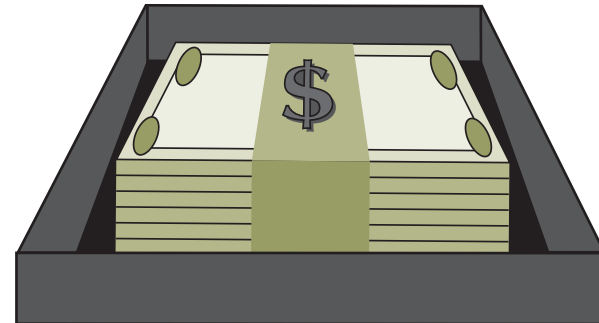
## JOB B

**\$98,500\***

Annual salary if working

**\$57,600\***

Income while  
too sick or hurt to work



### WHICH JOB WOULD YOU RATHER HAVE?

For only a small percentage of your salary, Principal Life can help replace a portion of your income and help protect what it provides if you become too sick or hurt to work.

\*\$100,000 less \$1,500 in hypothetical annual disability income insurance premiums. Premiums and benefit amount depend on various factors. Your Financial Representative can illustrate the exact amount eligible for based on current underwriting guidelines. This is a hypothetical example only.

# Can you afford your home without your income?

*How would you meet the biggest financial obligation you face each month if you became too sick or hurt to work?*

- Did you know that 48% of all home foreclosures are due to serious medical problems? (*National Underwriter, May 2002*)
- More than 40% of U.S. workers risk losing their homes and ability to support their families because they lack income replacement protection if a disability strikes. (*Hartford Financial Services Group, Inc., study, Oct. 2003*)
- Most people's savings will cover less than six months of expenses. (*Business Almanac, 1997*)
- Nearly half of the one million Americans who filed for bankruptcy protection in 1999 did so after being sidelined by an unexpected illness or injury. (*New York Post, April 3, 2000, "There's No Insuring You Won't Go Bankrupt"*)



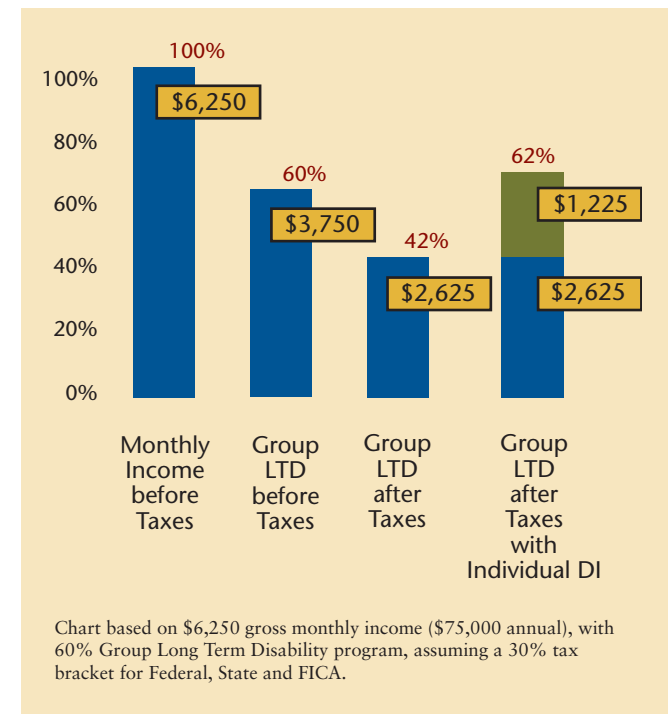
*Protect your mortgage with a disability income insurance policy from Principal Life Insurance Company.*

# Can you live on 42% of your income?

*Is employer-provided group disability insurance enough?*

While employer-paid benefits are valuable, the typical Group Long-Term Disability (LTD) benefit is only about 60% of regular income. And that benefit is usually taxable. If your employer offers disability coverage, check to see how much benefit you'll receive should you become disabled. Then consider buying an individual disability income insurance policy to help cover a greater percentage of your income. An affordable personal policy could provide you with a monthly benefit that is income tax-free when you pay the premiums (with after-tax dollars).

*Disability Income Insurance from Principal Life can help protect you and your family's financial security.*



# Waiver of Premium

## Do you have waiver of premium on your life insurance policy?

If so, you've made a wise choice! This rider ensures that your life insurance policy will not be cancelled should a disability prevent you from earning an income and paying your premiums.

### Why is this important?

Because the odds of becoming disabled before age 65 are greater than the odds of dying! In fact, during the course of your career, you are 3½ times more likely to be injured and need disability coverage than you are to die. (*Health Insurance Association of America, 2000*)

### What provisions have you made for your other financial obligations?

Before you:

- sell your assets
- drain your bank accounts or retirement savings
- strain your relatives' cash reserves (and relationships)
- or attempt to obtain a bank loan

*... consider an Individual Disability Income insurance policy from Principal Life.*

*For a fraction of your income, you can help minimize the financial impact of a disability.*

# Are you covered?

List your expenses and the possible sources of income you would have if you were unable to work due to an injury or illness. Could you make ends meet?

## EXPENSES

Housing	\$ _____
Utilities	\$ _____
Groceries	\$ _____
Child Care	\$ _____
College Tuition	\$ _____
Retirement	\$ _____
Auto Payments	\$ _____
Credit Cards	\$ _____
Loan payments	\$ _____
Other Insurance Premiums	\$ _____
Miscellaneous	\$ _____
Disability-related Expenses	\$ _____
<b>Total Expenses</b>	\$ _____

## INCOME

Social Security	\$ _____
Current DI Coverage	\$ _____
Other Sources	\$ _____
<b>Total Income Shortage</b>	\$ _____

## A SOLUTION

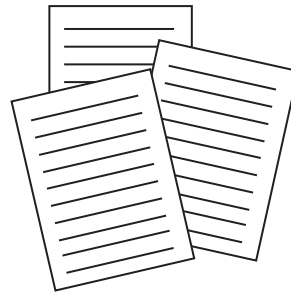
Individual Disability Income insurance from Principal Life Insurance Company can help you pay your expenses during a disability!

Disability Income Insurance has certain limitations and exclusions. For costs and complete details of coverage, contact your Principal Life representative.

# What are the qualifying factors for underwriting?



Medical  
History



Occupational  
Duties



Financial  
History

*When determining your eligibility for Individual Disability Income insurance, Principal Life considers your medical history, your occupational duties and your overall earned income.*

# Life is full of risks.

## Protect your most valuable asset.

*You might be surprised to learn what poses  
the greatest threat during the course of one year.*

**Your odds for risk are:**

**1** out of **114** that you will die

**1** out of **96** that you will have a fire

**1** out of **21** that you will have a disabling accident

**1** out of **5** that your auto will be damaged in an accident

Source: Field Guide 2001, National Safety Council, World Almanac

*You probably insure your home, your car and other personal assets. Don't forget  
to protect your most valuable asset...your ability to work and earn an income.*

# Don't let a disability disrupt your current lifestyle and financial future.

Let Principal Life Insurance Company help you find an income protection solution that fits your specific needs. Principal Life offers:

**Industry Leadership** – A member of the FORTUNE 500®, the Principal Financial Group®(The Principal®) is recognized as one of FORTUNE magazine's "America's Most Admired Companies" within the life and health insurance industry (March 2004).

**Outstanding Customer Service** – With our "customer first" approach, you can count on Principal Life.

**A Broad and Competitive Product Portfolio** – Whether you work independently or own your own business, we offer a complete portfolio of products to help meet your disability insurance needs – disability income, overhead expense and disability buy-out insurance.

*Take this opportunity to get the protection you need with a disability income insurance policy from Principal Life Insurance Company.*

For more information, please contact:

Craig E. Hanlon, CPCU, CWCA  
Hanlon Insurance Agency, LLC  
3155 Route 10, Ste. 204  
Denville, NJ 07834  
PH/973.442.0550 x102  
Fx/973.556.1600  
Email: [craig@hanlonins.com](mailto:craig@hanlonins.com)

This information is believed to be accurate and authoritative regard to the subject matter covered. The accuracy of the information is not guaranteed and is provided with the understanding that Principal Life is not rendering legal, accounting or tax advice. In specific cases clients should consult their legal, accounting or tax advisors.

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

WE UNDERSTAND WHAT YOU'RE WORKING FOR<sup>SM</sup>



Principal Life Insurance Company  
Des Moines, Iowa 50392-0002  
[www.principal.com](http://www.principal.com)

# Crump Disability Insurance Proposal Request

Phone: 800.582.7785 · Fax: 888.584.9073 · Email: [disupportcenter@crump.com](mailto:disupportcenter@crump.com)



## Agent Information:

Agency: Hanlon Insurance Agency, LLC Telephone: 973-442-0550 Date: \_\_\_\_\_ Ext.: 102

Contact: Craig E. Hanlon, CPCU Affiliation: \_\_\_\_\_

How should we return the illustration? (Please check one)

Email: craig@hanlonins.com  Fax: \_\_\_\_\_  Other: \_\_\_\_\_

## Client Information:

Prospect Name: \_\_\_\_\_  Male  Female

Date of Birth: \_\_\_\_\_ State of Residence: \_\_\_\_\_ State written in: \_\_\_\_\_

Occupation (Be specific): \_\_\_\_\_ Tobacco use?  Yes  No

Specific Duties (Time spent doing each): \_\_\_\_\_

Who is paying the premium?  Employee  Employer

Salary or Net Income: \_\_\_\_\_

Is Client:  Salary Employee?  Sole Prop?  LLC/Partnership?  S-Corp Owner?  C-Corp Owner?

If business owner, length of time owned? \_\_\_\_\_ Number of employees: \_\_\_\_\_

Is there other coverage in force?  Yes  No Group LTD \$ \_\_\_\_\_ Individual DI \$ \_\_\_\_\_

Medical Conditions: \_\_\_\_\_

Carrier preference? \_\_\_\_\_

## Benefits to Quote:

### Disability Insurance

Monthly Benefit: \$ \_\_\_\_\_ or  Maximum Available

Elimination Period:  30 days  60 days  90 days  180 days  365 days  730 days

Benefit Period:  2 years  5 years  Age 65  Age 67  Lifetime

Optional Benefits:  Own Occ  Residual  COLA  Future Purchase  Social Security Rider  Show All

### Business Overhead Expense (BOE)

Monthly Benefit: \$ \_\_\_\_\_ (Only expenses that would continue during disability)

Elimination Period:  30 days  60 days  90 days

Benefit Period:  12 months  18 months  24 months

Optional Benefits:  Residual  Future Purchase  Salary of Replacement  Show All

### Disability Buy-Out (DBO)

Monthly Benefit: \$ \_\_\_\_\_ or Lump Sum Benefit: \$ \_\_\_\_\_

Elimination Period:  12 months  18 months  24 months

Benefit Period:  Lump Sum  24 months  36 months  60 months

Total Coverage Desired: \$ \_\_\_\_\_

Comments: \_\_\_\_\_

Do you need contracting for this carrier?  Yes  No Do you need an application sent?  Yes  No