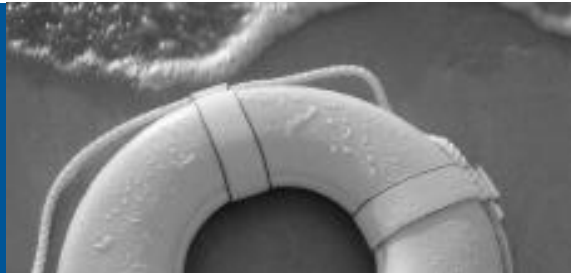


Disability Buy-Out insurance policy highlights



HOW DOES MY POLICY PAY?

The Maximum Aggregate Benefit we will issue you is based on your current ownership share of the total business value. A summary of the definition of **Total Disability** is as follows: You are unable to perform the substantial and material duties of Your Occupation and you are not working in any other occupation for the Firm. If you become disabled after age 61, the benefit payable is reduced by 20% for each year after age 61 that the disability begins. When you are totally disabled, the owner will receive reimbursement of the buy-out expense incurred up to the maximum aggregate benefit. *Ask me what your total maximum aggregate benefit would be.*

WHEN WILL I START TO RECEIVE MY BENEFITS?

You choose the elimination period. Once disabled under the terms of the policy, the owner will receive benefits the later of the end of the elimination period or the date the buy-out expense is incurred. The elimination period is the “waiting period.” No benefits are paid for this period.

HOW LONG WILL I RECEIVE MY BENEFITS?

There is no limit to the length of time you may receive benefits if you are disabled under the terms of the policy and have satisfied the elimination period. The total of the lump sum benefit and/or all the monthly benefit payments will not exceed the lesser of the total Buy-Out Expense or the Maximum Aggregate Benefit. If you die while receiving monthly payments, those payments will stop as of the date of death.

WILL MY POLICY BE CANCELED OR MY PREMIUMS CHANGED?

No, we cannot change your premiums due to changes in your health. However, the policy can be canceled if:

- You terminate your employment with your firm for any reason other than Total Disability.
- Your Buy-Sell Agreement terminates.
- The Maximum Aggregate Benefit or the final Buy-Out Expense payment is paid.
- Policy premiums are not paid.

POLICY FEATURES

These benefits are automatically built into your policy:

Exchange Privilege – You may exchange your policy for a disability income insurance policy based on our current underwriting guidelines, without evidence of good health. This is advantageous if you ever leave your business but still need disability income insurance coverage. The new policy's Maximum Benefit Period will not be more than two years and the elimination period will be 90 days or greater. The Maximum Monthly Benefit will be the lesser of \$2,500 or the maximum amount we are willing to offer under our then current underwriting guidelines.

Legal/Accounting Fee Benefit – You will receive up to \$3,000 for legal and accounting expenses incurred in the performance of the Buy-Sell Agreement as a result of your Total Disability under the terms of the policy. This benefit is paid in addition to all other policy benefits and helps cover the extra expenses associated with the buy-out.

Transfer Privilege – If you end employment in the Firm, and start employment in another Firm in which you have ownership interest, you may become the insured under a new disability buy-out insurance policy, based on our current underwriting guidelines, without providing evidence of good health. This guarantees your future medical insurability even if you change businesses.

Waiver of Premium – After you are Totally Disabled for 90 consecutive days, your premiums are waived. We'll refund the premiums paid for coverage after the Total Disability began and continue to waive all premiums that become due during your Continuous Disability.

Death Benefit – A lump-sum benefit is paid if you die after satisfying the elimination period while monthly disability buy-out benefits are being paid. This helps meet business obligations that occur after your death. The Death Benefit is not available with the lump sum payment method.

POLICY RIDER

This rider may be available to be added to your policy:

Benefit Update – This rider allows you to increase your coverage to the maximum amount for which you are eligible every three years without providing evidence of medical insurability. Your protection can grow as your business value grows!

All features, provisions and riders may not be available in all states, with all occupation classes and in conjunction with each other. They may also be subject to state variations and require an additional premium. Please read your policy carefully for exact definitions in your state. Disability insurance has limitations and exclusions. For costs and complete details of coverage, contact your Principal Life financial representative.

WE UNDERSTAND WHAT YOU'RE WORKING FOR.®



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