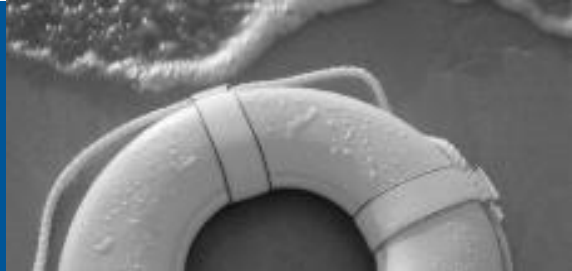


Overhead Expense insurance policy highlights



HOW DOES MY POLICY PAY?

The maximum monthly disability benefit we will issue you is based on your current covered business expenses and your type of business. 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. When you are Totally Disabled under the terms of the policy, you'll receive monthly reimbursement of your covered overhead expenses up to your Maximum Monthly Benefit, but not to exceed your Maximum Aggregate Benefit. *Ask me what your maximum monthly benefit would be.*

WHEN WILL I START TO RECEIVE MY BENEFITS?

You choose the elimination period. Once disabled under the terms of the policy, you'll receive benefits one month after the elimination period is satisfied. 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. Benefits are paid until your Maximum Aggregate Benefit has been paid. *Ask me what your maximum aggregate benefit would be.*

WILL MY POLICY BE CANCELED OR MY PREMIUMS CHANGED?

No. Your policy is non-cancelable and has guaranteed premium rates to age 65. This means we cannot change or cancel your policy, except for nonpayment of premiums, or increase the premiums before you reach age 65, regardless of changes in your income, occupation or health. After age 65, you may conditionally renew your policy annually for the rest of your life as long as you are working full-time and meet the requirements. After age 65, if the policy is renewed, your premium will change based on your age at renewal.

POLICY FEATURES

These benefits are automatically built into your policy:

Carry Forward Features – If your covered overhead expenses differ from the Maximum Monthly Benefit, you may carry forward unreimbursed expenses and unused benefits to a later month during your Continuous Disability.

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 current underwriting guidelines.

Legal/Accounting Fee Benefit – Under policy terms, you will receive up to \$3,000 for incurred legal and accounting expenses if your business terminates as a result of your disability. This benefit is paid in addition to all other policy benefits and helps cover extra expenses associated with the business dissolution.

Presumptive Disability Benefit – You will receive reimbursement of covered overhead expenses subject to your Maximum Aggregate Benefit if you permanently lose the power of speech, hearing in both ears, sight in both eyes, or use of both hands, both feet, or one hand and one foot. Benefits will start to accrue when the Presumptive Disability occurs and will continue to be paid, as long as the loss continues, regardless of your ability to work or earn an income.

Replacement Salary Expense Benefit – If you hire a replacement to perform your duties during the time you are receiving disability benefits, you'll receive the difference between the replacement's salary and the monthly gross income generated by the replacement, subject to your Maximum Monthly Benefit and Maximum Aggregate Benefit.

Death Benefit – If you die after satisfying the elimination period while benefits are being paid, benefits will continue for the three-month period immediately following your death for your portion of any covered overhead expenses. This helps meet business obligations that continue to be incurred after your death.

Waiver of Premium Benefit – After you're disabled for the lesser of 90 days or the elimination period, your premiums are waived. We'll refund the premiums paid for coverage after the disability began and continue to waive all premiums that become due during your Continuous Disability.

POLICY RIDERS

Available, subject to underwriting guidelines, to be added to your policy:

Automatic Increase Option - This rider increases your coverage, without submitting evidence of insurability, based on the change in the Consumer Price Index for All Urban Consumers (CPI-U), with a minimum guaranteed increase of 4% compounded and a maximum of 10% compounded.

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 expenses increase!

Residual Disability Benefit – If you are able to perform some, but not all, of the substantial and material duties of your occupation, and you incur a monthly Loss of Net Income, we will pay an amount equal to your monthly Loss of Net Income up to the Maximum Monthly Benefit, but not to exceed the Maximum Aggregate Benefit. Once you qualify for residual disability benefits, you are guaranteed a minimum benefit of 50% of your maximum monthly benefit for the first six months.

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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