

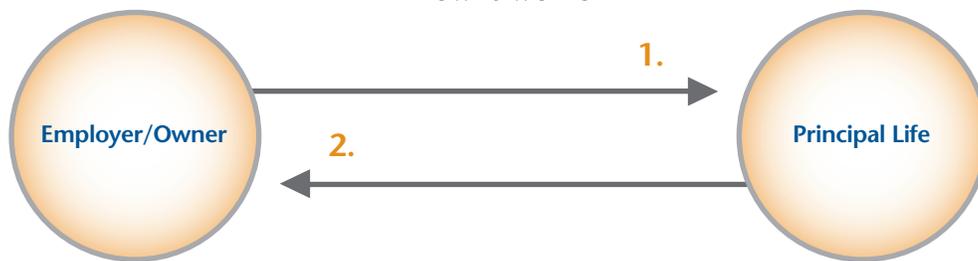


## Key Person Replacement Insurance

# You're a Valuable Asset

Because you are a key employee in your company, your employer has decided to purchase a **Key Person Replacement insurance** policy on you from Principal Life Insurance Company. If you become totally disabled, this policy pays benefits directly to the company to help offset expenses associated with losing you.

### How it works



1. The employer pays the premium and is the owner of the policy insuring you (the key employee) in the event of a total disability.
2. If you become totally disabled, the employer receives benefits, generally tax-free. These benefits can be used at the discretion of the business, but they cannot be assigned to you (the key employee).

### Why Key Person Replacement insurance?

Your employer has identified you as someone critical to the success of the business. By purchasing this coverage, your employer is showing customers, employees and creditors that the company is protected if you were no longer able to work.

The company can use the benefits from Key Person Replacement insurance at its discretion, but common uses include bridging the revenue gap and filling temporary staffing needs.

### Your role in the process

Although you are not paying for this coverage, as the insured employee, you will be asked to undergo a confidential telephone interview called TeleApp. The interview should take 15 to 20 minutes. Questions are broken down into three main categories – your activities/health habits, occupation and medical history.

You'll want to have the following information handy to complete the TeleApp interview as quickly as possible:

- Names, addresses and phone numbers of medical providers you've visited in the last 10 years<sup>1</sup>
- The approximate dates of any injuries, surgeries, emergency room visits, hospitalizations, illnesses and/or conditions in the last 10 years<sup>1</sup>
- Medications taken now and in the last 10 years<sup>1</sup>
- Foreign travel history for the last five years
- Employment information (name of company and dates of employment) for the past five years if you've been at your current job less than three years

Either before or after the interview, you may also be required to submit additional medical requirements, such as a blood profile, urinalysis, EKG and/or physical measurements. If applicable, your employer will also be asked to verify your salary.

Since your employer is owner of the policy, a copy of your application and TeleApp responses, as well as policy amendments and medical exclusion riders (if any), will be provided to them.

## Coverage for you

Going through the underwriting process for Key Person Replacement insurance could help streamline obtaining your own Individual Disability Income (DI) insurance policy from Principal Life. Individual DI insurance provides **you** with monthly benefits to help offset everyday living expenses, such as utilities, mortgage/rent payments, etc., if you become too sick or hurt to work. Should you choose to protect your ability to earn an income with an Individual DI policy, the underwriting information already gathered can be used within six months. (A few additional medical requirements may be required.)

### DID YOU KNOW?

**One in four** of today's 20-year-olds will become disabled before they retire.<sup>2</sup>

### FOR MORE INFORMATION

Contact your local representative

<sup>1</sup> Most states require 10 years of medical history; less for some states.

<sup>2</sup> Social Security Administration Fact Sheet, February 2013.



WE'LL GIVE YOU AN EDGE<sup>®</sup>

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

Disability insurance has exclusions and limitations. For costs and complete details of the coverage, contact your Principal Life financial representative.