

# Underwriting like a champ

Insider Series

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# Simplified underwriting benefits<sup>1</sup>

- Benefits offered help set the foundation for protection
- Eliminates routine medical requirements
- Reduces need for financial verification
- Accelerates underwriting timing
- Available for:
  - Disability Income (DI) – Single and multi-life cases
  - Overhead Expense (OE)
  - Disability Buy-Out (DBO)
  - Key Person Replacement (KPR)<sup>2</sup>

<sup>1</sup> Unless a significant medical condition is reported by MIB, significant medical information is obtained from the TeleApp or other available information, or any other disability coverage has been issued or applied for on a non-medical basis. Applications could be rated, ridered or declined based on all underwriting information available; this is not a guaranteed issue program. Urine/HIV test is required in ME. Subject to Issue & Participation limits and minimum premium requirement. In California, there are no labs required for Simplified Single-Life cases up to \$6,000/month, but an APS and financial documentation are required. For Simplified OE and DBO, the A occupation are not available. In California, for Simplified DI multi-life, when all three applications are not submitted together, we'll require an APS and financials on the first two applications, but not for any additional applications on that case. TeleApp interviews always required.

<sup>2</sup> Not available in CA. Not approved in all states. Visit [principal.com/distateapprovals](https://principal.com/distateapprovals) for more information.



## Key details

	Disability Income (DI)	Overhead Expense	Disability Buy-Out	Key Person Replacement <sup>1</sup>
<b>Maximum monthly benefit<sup>2</sup></b>	\$6,000 (issue) \$10,000 (participation) <sup>3</sup>	\$10,000	\$360,000 aggregate limit	
<b>Maximum issue ages</b>	50 (single-life) <sup>4</sup> 64 (multi-life) <sup>5</sup>	50		
<b>Occupation classes</b>	All	All <sup>4</sup>	All <sup>4</sup>	3A and above

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<sup>2</sup> Financial documentation required when applying for more than the Simplified amounts – this applies for new applications and adjustments, and for the following occupations (regardless of benefit amount being applied for): Real estate agent/broker, mortgage loan originator/broker, residential construction, real estate developer, attorney specializing in real estate and residential construction. Financial documentation is required if the maximum monthly benefit applied for exceeds these guidelines. Or, with Disability Income, the coverage applied for is greater than \$10,000/month when combined with existing disability coverage (excluding group long-term disability insurance).

<sup>3</sup> Up to \$10,000/month participation limit (excluding group long-term disability insurance).

<sup>4</sup> In California, there are no labs required for Simplified Single-Life cases up to \$6,000/month, but an APS and financial documentation are required. For Simplified Overhead Expense and Disability Buy-Out, the A occupation is not available.

<sup>5</sup> Higher issue age may be available with underwriting approval.



# DI insurance



Income



Occupation

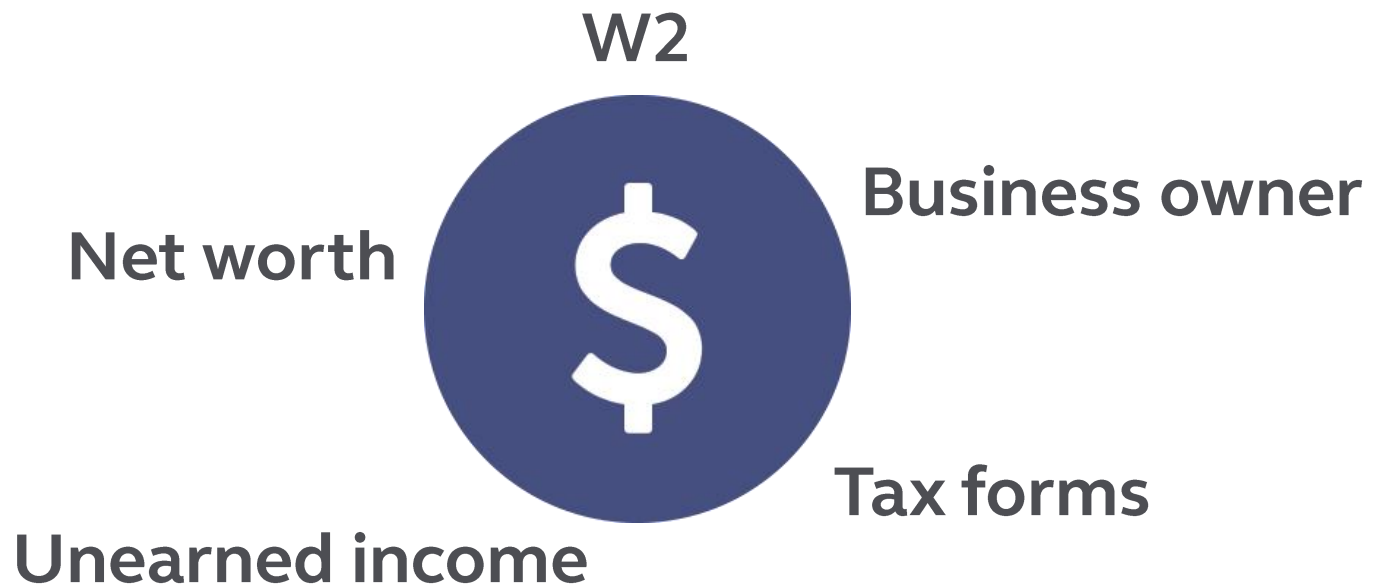


Medical impairments

Income



# Income

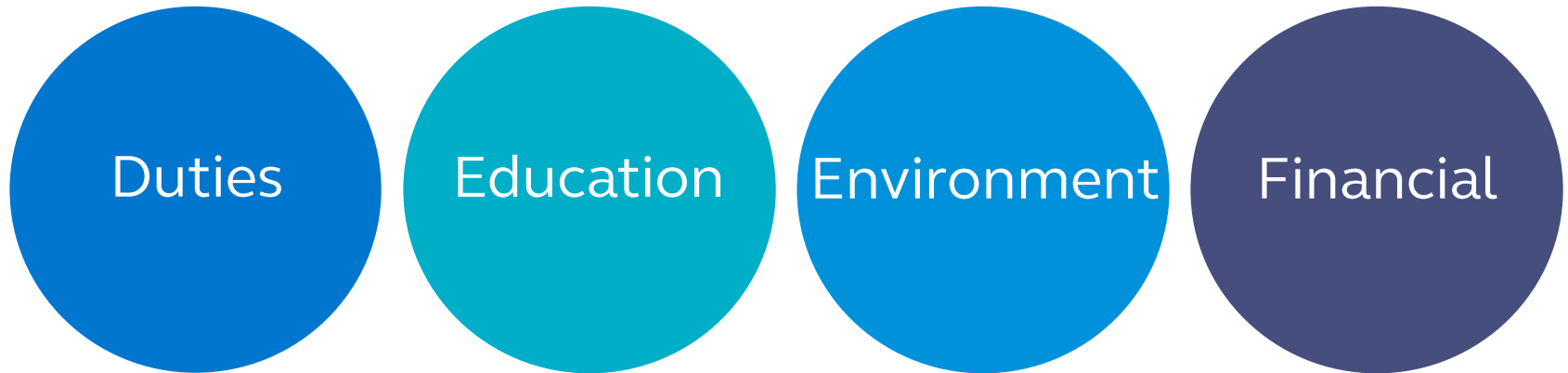


# Occupation





# Occupation factors



# Occupation factors

## Example

### **Eric Johnson** **President of Johnson Construction**

75 employees, \$100,000 annual income, duties include:

- 70% office planning, managing and other administrative
- 25% meeting with current clients and developing new ones
- 5% visiting office sites

### **Elmer Richards** **President of Richards Construction**

6 employees, \$50,000 annual income, duties include:

- 80% supervising on construction sites
- 20% office work, misc.

**Who would have the higher occupation classification?**

# Medical underwriting



# Medical conditions – highly rated to decline

Cancer	Cirrhosis	Chronic fatigue	Crohn's disease	Emphysema
Epilepsy	Heart attack	Hepatitis	Juvenile diabetes	Kidney disease
Multiple sclerosis	Pancreatitis	Rheumatoid arthritis	Seizures	Stroke
	Systemic lupus	Ulcerative colitis		

## Medical conditions – rated/excluded/modified

- Anxiety/stress or other mental/nervous conditions
  - **Automatic decline** if within first year of diagnosis and treatment
  - If it's been one year since diagnosis, may be possible on a modified or rated basis
- Back strain/sprain or other back-related conditions
- Carpel tunnel syndrome
- Adult-onset diabetes
- Sleep apnea
  - **Automatic decline** if within three years of diagnosis and treatment
  - If it's been three years since diagnosis, may be possible on a modified or rated basis

# Thank you

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