



# LifePreserve Income Protection

Issued by  
**Principal Life Insurance Company**

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## **DISABILITY INCOME INSURANCE POLICY OUTLINE OF COVERAGE**

### **Policy Form ICC16 LP-STD-IND-POL-2015 (8-15)**

For purposes of this form, the words “We,” “Us,” “Our” or “Company” refer to the Principal Life Insurance Company. The words “You” and “Your” refer to the Owner. The Owner and Insured must be the same person. Any words in the masculine also include the feminine. Except where context requires otherwise, plural words include the singular, and singular words include the plural.

**Read Your Policy Carefully** – This Outline of Coverage provides a brief description of the important features of Your Policy. This is not the insurance Policy. The Policy provisions will control. The Policy itself sets forth in detail the rights and obligations of both You and Us. The Policy provides limited benefits. It is, therefore, important that You **READ YOUR POLICY CAREFULLY!**

Disability income insurance is designed to provide to Insureds coverage for disabilities resulting from a covered Injury or Sickness, subject to provisions, exclusions, and limitations set forth in the Policy. Coverage is not provided for basic hospital, basic medical-surgical or major medical expenses.

## **BENEFITS**

### **DISABILITY BENEFITS**

We will pay You a benefit after the Elimination Period has been satisfied and You have provided written proof that You are Totally Disabled while this Policy is in force.

The Maximum Monthly Benefit will be paid to You for as long as You are Totally Disabled, up to the Maximum Benefit Period as stated in the Policy Schedule for any one period of Disability.

No benefits will be paid, and this Policy will terminate, after You have been paid benefits during Your lifetime for the Lifetime Policy Aggregate Benefit Period shown on the Policy Schedule.

In order to qualify for a new Benefit Period, Your Disability must not be a Recurrent Disability. In no event will benefits be paid beyond the Total Disability Maximum Benefit Period for any one period of Disability.

If a continuous period of Disability is caused by, or continued by, more than one Injury or Sickness, benefits will be paid as if the Disability was caused by one Injury or one Sickness. In no event will You be considered to have more than one continuous period of Disability at the same time.

### **WAIVER OF PREMIUM**

After 90 days of Total Disability, We will refund to the Owner any premiums that were due and paid for the policy while the Insured was Totally Disabled. We will waive the payment of premiums that become due for as long as Your Total Disability



continues, but not beyond the Benefit Period. After the Disability ends, or after the end of the Benefit Period, whichever is earlier, You must resume the payment of premiums on the next premium due date to keep this Policy in force.

### **Social Security Disability Insurance Assessment and Advocacy Benefit**

If You have been paid monthly benefits under this Policy, during any period of Disability, for the Total Disability Maximum Benefit Period shown on the Policy Schedule, We will pay the cost of an independent company of Our choosing, up to \$1,500, to provide disability benefit counseling and assistance to You if You still remain Totally Disabled and are not able to return to work at that time. We reserve the right to change the provider of this service. We will only pay this benefit once during the lifetime of the Insured.

### **EXCLUSIONS AND LIMITATIONS**

We will not pay benefits if Your Disability or loss results, directly or indirectly, from:

1. Any attempt at suicide, or any intentionally self-inflicted injury;
2. An act of war, declared or undeclared, or participation in a riot or insurrection;
3. Active duty in the armed forces of any nation or international governmental authority or unit auxiliary thereto or the National Guard or similar government organizations;
4. Being legally intoxicated as defined by state law or under the influence of a narcotic or other controlled substance, unless properly administered on the advice of a Physician;
5. Injury or Sickness caused by engaging in an illegal occupation;
6. Being legally incarcerated in a penal or correctional institution for more than seven days or during a period of legal detention of more than seven days where the period of legal incarceration or legal detention results in Your inability to meet any work requirements in the definition of Total Disability;
7. Alcoholism or drug addiction, except for drugs as prescribed by and taken according to Your Physician's advice;
8. Mental or Nervous Disorders;
9. Commission or attempt to commit a felony;
10. Pregnancy or childbirth, other than Complications of Pregnancy;
11. Operating, learning to operate, serving as a crew member of, or jumping or falling from an aircraft, including those which are not motor-driven. This does not include flying as a paying passenger; and
12. Cosmetic surgery, which does not include reconstructive surgery when the surgery is incidental to or follows surgery resulting from trauma, infection, or other diseases of the involved part, and reconstructive surgery because of congenital disease or anomaly resulting in a functional defect.

### **Relation of Earnings to Insurance Limitation**

If the total monthly amount of Valid Loss of Time Coverage payable to You for the same loss exceeds 80% of Pre-Disability Earnings, benefits payable under the Policy will be reduced by multiplying the benefit otherwise payable under this Policy by the ratio of (i) divided by (ii), where

- (i). is 80% of Pre-Disability Earnings, and
- (ii). Is the total amount of monthly benefits payable under all Valid Loss of Time Coverage.

In no event will the monthly benefit payable be reduced below \$300 per month.

If benefits are reduced by the calculation described above, the company shall return that part of the premium paid for the period of two years immediately preceding a disability for which claim is made which exceeds the pro-rata amount of the premiums for the proportional benefits actually paid.

**RECURRENT DISABILITY** means a continuation of a preceding period of Disability due to the same or related condition that occurs while this policy is in force and within 180 days of the end of the prior period of Disability. A continuation of the prior period will not be subject to a new Elimination Period, but will be subject to the remainder of the Maximum Benefit Period shown in the Schedule.

### **PRE-EXISTING CONDITION LIMITATION**

During the first 24 months following the Policy Effective Date, We will not pay benefits for Disabilities resulting from any condition that is a Pre-Existing Condition. A Pre-Existing Condition does not include a condition that was disclosed on Your application and not excluded from coverage by name or specific description as of the date of loss.



**INCONTESTABILITY**

After the initial coverage, or any subsequent increase or reinstatement, has been in force for two years during Your lifetime, the coverage shall become incontestable as to statements made in the application. We reserve the right to toll the running of this two-year period during any period when You are Disabled.

**TIME LIMIT FOR CERTAIN DEFENSES OTHER THAN MISSTATEMENTS IN THE APPLICATION**

No claim for Disability commencing after two years from the Policy Effective Date shall be reduced or denied on the ground that a disease or physical condition not excluded from coverage by name or specific description had existed prior to the effective date of coverage of the Policy. This time limit shall not apply to fraudulent misstatements.

**NOTICE OF CLAIM**

Written notice of claim must be given within 20 days after a covered Injury or Sickness occurs or as soon as reasonably possible. The notice can be given to Us at Our Administration Office. Notice should include Your name and the policy number.

**TIMELY PAYMENT OF CLAIMS**

Subject to due written Proof of Loss, the benefit will be paid no less frequently than monthly. Any balance remaining unpaid upon termination of liability of the Company shall be paid immediately upon receipt of due written Proof of Loss. If a benefit is due and is paid more than 30 days after the Company receives satisfactory Proofs of Loss as described in the Policy, the delayed payment shall be subject to simple interest at a rate of 10% per year beginning with the 31<sup>st</sup> day after receipt of satisfactory proof of loss and ending on the day the claim is paid.

**POLICY PROVISIONS FOR RENEWABILITY OR CONTINUATION OF COVERAGE**

**GUARANTEED RENEWABLE**

You have the right to continue the Policy in force by the timely payment of premiums set forth in the Policy until Age 65 or until You have been paid for the Lifetime Policy Aggregate Benefit Period, if earlier. During such period, We cannot unilaterally make any change in any provision of the policy while the policy is in force, except that We may make changes in premium rates but only if the change applies to all policies with like benefits insuring the same Risk Class.

**MISSTATEMENT OF AGE**

If Your age has been misstated, the benefits under this Policy will be those that the premium would have purchased at Your correct age. We may cancel coverage and refund premiums if Your correct age at time of issue is outside of the eligible issue age range defined in this form.

**MISSTATEMENT OF TOBACCO USE**

If Your usage of tobacco has been misstated, all amounts payable under the Policy shall be the amounts the premium paid would have purchased had Your correct tobacco usage been stated in the application for this Policy.

**TERMINATION**

Coverage provided by this Policy terminates on the earliest of the following:

1. The date the Policy is terminated by You;
2. The date premium is due and not paid, subject to the Grace Period provision;
3. The date You die;
4. The date You have been paid benefits for the Lifetime Policy Aggregate Benefit Period; or
5. The end of the month in which You reach Age 65, the age that coverage terminates.