

Overhead Expense insurance

Keep your business open even if the unexpected happens



As a small business owner, you're focused on running your company and taking care of the priorities. But, there's something else to think about ... what would happen to your business if an accident or illness kept you from working for several months or longer?

Consider the possibilities

Many business owners like you can't picture themselves having an accident serious enough to keep them from working. But, in reality, it's illnesses, like cancer or a stroke, that cause disabilities 96.6% of the time.¹

Keep the lights on

The good news is, even if the unexpected happens, you can keep the doors of your business open with Overhead Expense (OE) insurance from Principal®. It doesn't replace you, but it does provide financial support, so you can continue to pay fixed business expenses during your recovery. That helps you:

- Keep paying employee salaries, your rent/mortgage, insurance premium, and more.
- Retain the value of your business, so if you have to sell, it's financially sound.

Overhead Expense tax considerations

- Premiums are tax-deductible as a necessary business expense.
- Even though the benefits you receive are taxable as income, your actual business expenses are still tax-deductible.

We can help

Take a look at your business expenses and see how they could be covered if you weren't able to work.

Step 1 | Monthly operating expenses

Building expenses

Rent or mortgage (interest and principal) \$ _____

Property tax \$ _____

Equipment leasing costs \$ _____

Security and maintenance \$ _____

Utilities

Electricity \$ _____

Telephone \$ _____

Other

Business-related loans \$ _____

Insurance premiums (property, malpractice, fire, etc.) \$ _____

Accounting, billing, and collection fees \$ _____

Subscriptions and membership dues \$ _____

Salary for your replacement \$ _____

Employee salaries² \$ _____

Other expenses \$ _____

Total monthly operating expenses \$ _____

Step 2 | Monthly sources of income you could use to pay for operational costs

Source 1 _____ \$ _____

Source 2 _____ \$ _____

Total monthly resources \$ _____

Difference (total monthly operating costs minus monthly resources) \$ _____



Contact your financial professional. Go to [principal.com](https://www.principal.com).

¹ Calculated with data from the “Annual Statistical Report on the Social Security Disability Insurance Program, 2020.” U.S. Social Security Administration, Office of Retirement and Disability Policy, Office of Research, Evaluation, and Statistics, November 2021. www.ssa.gov

² Do not include these salaries: yours, any other owner of the business, any person sharing business expenses, other members of your profession, individuals hired to perform your duties during a disability, persons responsible for generation of business income, members of your immediate family (who are not full-time paid employees of the business for at least 60 days before the disability begins).

principal.com

Disability insurance from Principal[®] is issued by Principal Life Insurance Company[®], Des Moines, Iowa 50392.

This information is provided with the understanding that Principal is not rendering legal, accounting or tax advice. You should consult with appropriate counsel or other advisors on all matters pertaining to legal, tax or accounting obligations and requirements.

This is an overview of the benefits of disability insurance, but there are limitations and exclusions. For costs and coverage details, contact your Principal representative. Oregon policy form HH789OR.

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