

INDIVIDUAL DISABILITY INSURANCE | **Future increase riders**

Help protect your income as it grows with future increase riders

With a Principal® Income Protector policy, you can add options that allow you to purchase increased coverage in the future—without providing additional medical information.

The **Annual Increase Rider (AIR)** provides automatic benefit increases every year on the policy's anniversary date (as long as you're not disabled). These incremental increases help you keep up with the rising costs of living.

When you have the AIR, you may also elect the **Maximize Your Benefit (MYB) rider**. This rider gives you the ability to have unlimited increases in coverage based on income increases during the first three policy years (as long as you're not disabled). In the years following, it provides opportunities to purchase additional coverage when significant life and income changes happen.

Annual Increase rider

- Flat 3% automatic annual compounding increase to age 50 or after having your policy 20 years, whichever happens first
- Rider terminates if you decline two consecutive increase opportunities
- There is no cost to add this rider to your policy; your premium will increase as your benefit increases—reflecting your new coverage amount at attained age

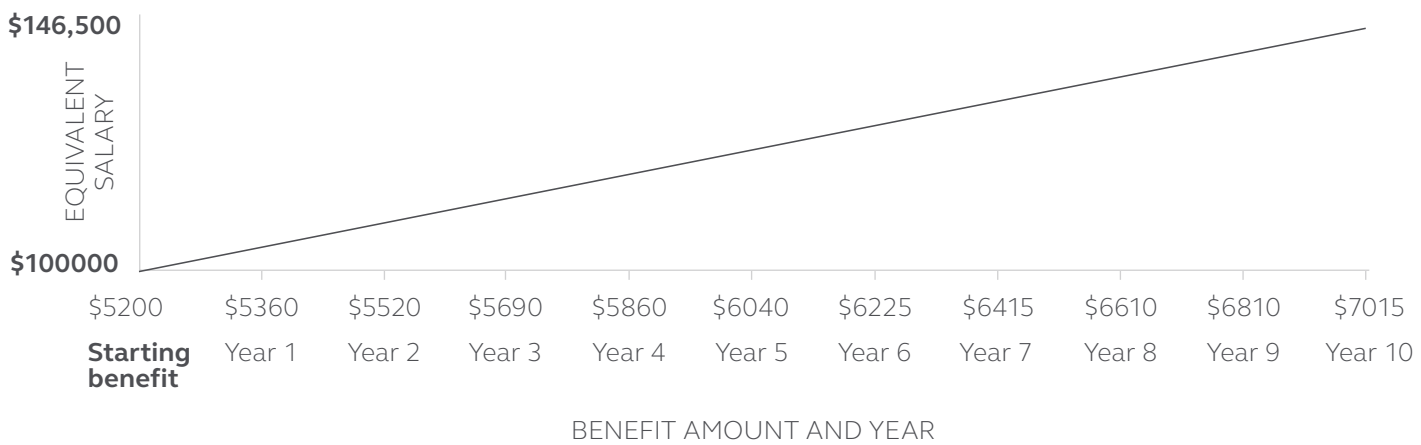
Maximize Your Benefit rider

- Increase anytime during the first three policy years solely based on your income
- After the first three years, and up to age 50 or after having your policy 20 years, you can request to increase coverage⁽¹⁾ when:
 - › Your income has increased and you've had a life event⁽²⁾ (marriage, divorce, death of spouse, birth/adoption of a child, or involuntary loss of group coverage), or
 - › Your year-over-year income has increased 20% or more
- Rider can be renewed after 10 years as long as you meet age and income guidelines
- Rider will terminate at age 50 or after having your policy 20 years, whichever happens first
- Rider will also terminate if the AIR terminates
- There is no cost to add this rider to your policy; your premium will increase if you request a benefit increase—reflecting your new coverage amount at attained age

See how riders can increase your benefit over time.

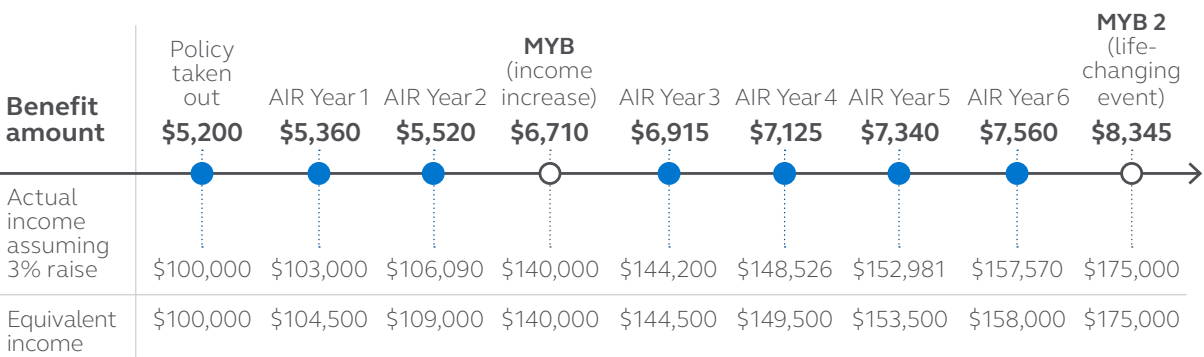
Yearly Annual Increase Rider (AIR) example

Susan, age 35, takes out an individual disability policy when she’s earning an income of \$100,000 a year for a benefit of \$5,200 per month. Without touching her disability policy over 10 years, the AIR increases her disability benefit to \$7,015 per month.



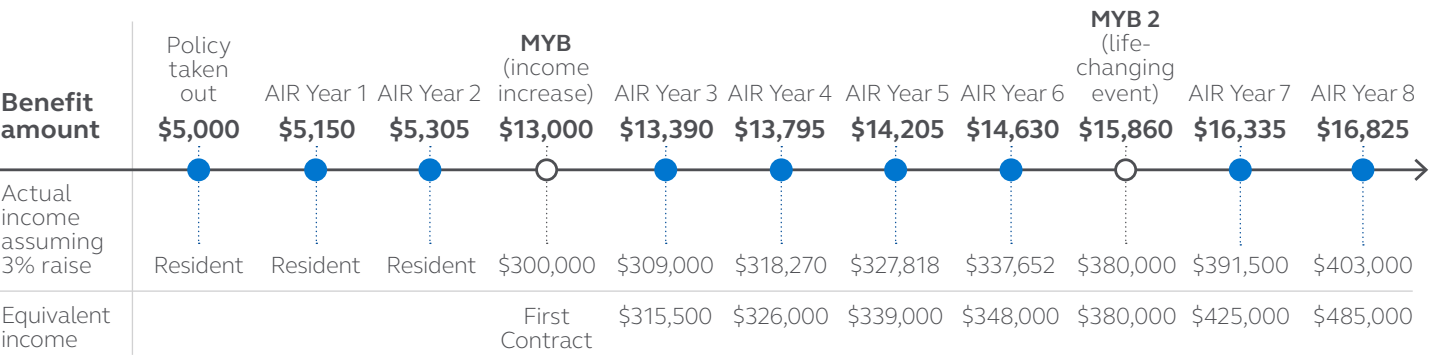
Working career example

Jordan, age 31, purchases an individual disability policy when he is earning an income of \$100,000 a year for a monthly benefit of \$5,200. After a few years, his income warrants an increase to his benefit by utilizing the MYB rider. The AIR continues to increase his benefit automatically each year, keeping up with the average income increase up to \$7,560 per month. In year six, Jordan has a life-changing event that provides the opportunity to increase his benefit, if his income warrants an increase, by utilizing the MYB rider. The AIR will continue to take effect through the life of the policy.



Medical resident career example

Erin starts an individual disability policy while in medical residency for \$5,000 per month benefit. After graduating and signing her first contract of \$300,000 per year, she can utilize the MYB rider to increase her benefit based on her new contract to \$13,000 a month. The AIR continues to increase her benefit automatically, keeping up with the average income increase. In year six, Erin has a life-changing event after opening her own practice. The life-changing event provides the opportunity to increase her benefit amount, if her income warrants an increase, by utilizing the MYB rider. The AIR will continue to take effect through the life of the policy.



Hypothetical examples. For illustrative purposes only.



Let's connect

Contact your financial professional.

⁽¹⁾ Insureds must accept at least 50% of their full offer or the rider will be terminated.

⁽²⁾ The client has 12 months from the date of the life event to request an increase to maximum issue and participation.



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