

Ten Reasons *Not* to Buy Disability Income Insurance

You may have your reasons for not buying individual disability income (DI) insurance. But do you know the facts?

10 Social Security will take care of me.

Fact: Social Security initially denies about 65% of all disability claims.¹

9 It won't happen to me – I expect to stay healthy.

Fact: During the course of your career, you are 3½ times more likely to be injured and need disability coverage than you are to die prematurely.²

8 It costs too much.

Fact: The average annual cost is typically only 1% to 3% of what you earn.

7 My financial needs change so fast. What policy could keep up?

Fact: A DI policy from Principal Life Insurance Company is flexible. You can change it as you need.

6 I want a policy that keeps pace with my income – without medical underwriting.

Fact: Principal Life offers riders that allow you to increase your coverage without providing evidence of medical insurability.

5 I have coverage through my employer.

Fact: Group disability insurance typically covers 60% of gross income, and benefits are usually taxable. Can you afford more than a 40% pay cut?

4 I would have to be totally disabled to receive benefits.

Fact: There are ways to protect your income in the event of a partial disability.

3 My family and friends will help me out.

Fact: Are your loved ones in a position to support you? Do you want them to?

2 I can always buy coverage later.

Fact: People usually don't get healthier as they grow older, and coverage will cost more.

1 I can rely on my savings.

Fact: Even with saving 10% of your salary, one year of disability could easily wipe out many years of savings.

¹ Social Security Forum, Volume 21, No. 5 - May 1999 (for fiscal year 1998)

² Health Insurance Association of America, 2000



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Principal Life Insurance Company, Des Moines, Iowa 50392
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Disability income insurance has limitations and exclusions. For costs and complete details of coverage, contact your Principal Life financial representative.