

## DISABILITY INCOME POLICY

NON-CANCELLABLE AND GUARANTEED RENEWABLE AT GUARANTEED PREMIUM RATES TO YOUR AGE 65 POLICY ANNIVERSARY OR FOR FIVE YEARS FROM THE POLICY DATE, IF LATER. CONDITIONALLY RENEWABLE THEREAFTER ON ANNUAL BASIS FOR LIFE, SUBJECT TO CHANGE IN PREMIUM RATES. IF THE SOCIAL INSURANCE SUBSTITUTE BENEFIT IS INCLUDED, IT IS CONTINUABLE AT GUARANTEED PREMIUM RATES TO THE EARLIER OF YOUR AGE 65 POLICY ANNIVERSARY OR UPON RECEIPT OF SOCIAL SECURITY RETIREMENT BENEFITS OR RAILROAD RETIREMENT BENEFITS. NONPARTICIPATING.

Coverage under this policy starts at 12:01 a.m. on the Policy Date and will stay in force until 12:00 a.m. on Your Age 65 Policy Anniversary or after five years from the Policy Date, if later, as long as premiums are paid when due. If the conditions are met in the Conditional Renewal section, this policy may be renewed each year thereafter for life. While this policy is in force, We cannot:

1. Cancel it; or
2. Change the premium rate (before the Age 65 Policy Anniversary or five years from the Policy Date, if later).

This policy is a legal contract between the Owner and Us. The policy is issued in consideration of the application and payment of premiums. We will pay this policy's benefits due to Disability or qualifying loss resulting from Injury or Sickness subject to the definitions, exclusions and all other provisions of this policy. The Disability or qualified loss must begin while the policy is in force.

### 30 DAY EXAMINATION OFFER

It is important to Us that the Owner is satisfied with this policy and that it meets the Owner's insurance goals. If the Owner is not satisfied with this policy for any reason, the policy may be returned to either the producer or Our Home Office within thirty days after the Owner has received the policy. We will refund any premiums paid and the policy will be considered void from its inception. **PLEASE READ THE POLICY CAREFULLY.**

### IMPORTANT NOTICE

Please review the copy of the application attached to this policy. The application is part of the policy. The policy was issued on the basis that the answers to all the questions and the information shown on the application are correct and complete. Material misstatements or omissions on the application could void the policy. If any information on the application is not correct or is omitted, please call or write Principal Life Insurance Company, Individual Disability Insurance, 711 High Street, Des Moines, Iowa 50392-0001, 1(800) 247-9988.

(Company Officers' Signature and Title)



Principal Life  
Insurance Company  
Des Moines, Iowa 50392-0001

INSURED JOHN DOE

HH 750 CA

SAMPLE

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A copy of the application and any riders are attached to the back of this policy.



Principal Life Insurance Company  
Des Moines, Iowa 50392-0001

## DATA PAGE

### Disability Income Insurance

#### POLICY INFORMATION

**Policy Number:** Sample  
**Owner(s):** Jane Doe  
**Insured's Name:** John Doe  
**Insured's Age and Gender Class:** 35 - Male  
**Policy Date:** October 1, 2006

	<u>Elimination Period</u>	<u>Maximum Monthly Benefit</u>
<b>Disability Benefit:</b>	90 Days	\$1,000

**Social Insurance Substitute Benefit: Not Included**

**Maximum Benefit Period for the Disability Benefit:**

To Age 65 Policy Anniversary\*

**\*If Insured's Disability begins:**

**Then the Maximum Benefit Period is:**

Prior to Age 61 Policy Anniversary

To Age 65 Policy Anniversary

On or After Age 61 Policy Anniversary but prior to Age 62 Policy Anniversary

48 Months

On or After Age 62 Policy Anniversary but prior to Age 63 Policy Anniversary

42 Months

On or After Age 63 Policy Anniversary but prior to Age 64 Policy Anniversary

36 Months

On or After Age 64 Policy Anniversary but prior to Age 65 Policy Anniversary

30 Months

On or after Age 65 Policy Anniversary

No benefits are payable, unless renewed as described below

**Your Occupation Period is:**

To Age 65 Policy Anniversary

If this policy is renewed as described in the Conditional Renewal section, the Maximum Benefit Period is 2 years and the Your Occupation Period is 2 years.

**The Death Benefit is:**

\$3,000

Also see the Exclusions and Limitations section of the policy.

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## RIDER INFORMATION

### HH 751 Capital Sum Benefit Rider

**Effective Date:** October 1, 2006

- Capital Sum Benefit: \$12,000

### HH 752 CA Catastrophic Disability Benefit Rider

**Effective Date:** October 1, 2006

- Catastrophic Disability Benefit: \$500
- Catastrophic Disability Elimination Period: 90 Days
- Catastrophic Disability Maximum Benefit Period: To Age 65 Policy Anniversary\*

**\*If Insured's Catastrophic Disability begins:** **S** **Then the Catastrophic Disability Maximum Benefit Period is:**

Prior to Age 61 Policy Anniversary **A** To Age 65 Policy Anniversary

On or After Age 61 Policy Anniversary but prior to Age 62 Policy Anniversary **48 Months**

On or After Age 62 Policy Anniversary but prior to Age 63 Policy Anniversary **42 Months**

On or After Age 63 Policy Anniversary but prior to Age 64 Policy Anniversary **36 Months**

On or After Age 64 Policy Anniversary but prior to Age 65 Policy Anniversary **30 Months**

On or after Age 65 Policy Anniversary **No benefits are payable**

### HH 753 Cost of Living Adjustment Rider

**Effective Date:** October 1, 2006

- COLA Maximum Percent: 3%

### HH 755 Presumptive Disability Benefit Rider

**Effective Date:** October 1, 2006

### HH 756 CA Recovery Benefit Rider

**Effective Date:** October 1, 2006

- Recovery Benefit Period: 1 Year but not beyond the Maximum Benefit Period

### HH 757 CA Regular Occupation Rider

**Effective Date:** October 1, 2006

### HH 758 CA Residual Disability Benefit Rider

**Effective Date:** October 1, 2006

### HH 759 CA Short Term Residual Disability Benefit Rider

**Effective Date:** October 1, 2006

- Short Term Residual Disability Benefit Period: 6 months but not beyond the Maximum Benefit Period

### HH 760 Foreign Travel Exclusion Rider

**Effective Date:** October 1, 2006

- This rider excludes coverage for Injury occurring or Sickness beginning in specified geographic locations. See the rider attached to the policy.

**HH 767 CA Benefit Update Rider**

Effective Date: October 1, 2006  
Option Date: October 1, 2006

**HH 768 Conditionally Renewable Policy Rider**

Effective Date: May 1, 2006

**HH 769 CA Future Benefit Increase Rider**

Effective Date: October 1, 2006  
Option Date: October 1, 2006

- Minimum Index Percent: 4% rounded up to the next \$25 increment
- Maximum Index Percent: 10%

**HH 770 Presumptive Disability Benefit Rider**

Effective Date: May 1, 2006

**HH 771 CA Transitional Occupation Rider**

Effective Date: October 1, 2006  
Transitional Occupation Period: To Age 65 Policy Anniversary

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**PREMIUM INFORMATION**

**POLICY**

Disability Benefit: \$341.60

**RIDERS**

Capital Sum Benefit Rider: \$0.00

Catastrophic Disability Benefit Rider: \$24.55

Conditionally Renewable Policy Rider \$0.00

Cost of Living Adjustment Rider; \$48.80

Presumptive Disability Benefit Rider: \$0.00

Recovery Benefit Rider: \$7.80

Regular Occupation Rider: \$90.60

Residual Disability Benefit Rider: \$83.60

Short Term Residual Disability Benefit Rider: \$11.40

Foreign Travel Exclusion Rider: \$0.00

Benefit Update Rider: \$0.00

Future Benefit Increase Rider: \$0.00

Transitional Occupation Rider: \$72.50

**Total Annual Premium:** \$680.85

<b>PREMIUM PAYMENT FREQUENCY OPTIONS</b>	<b>Premium</b>	<b>Annualized Premium</b>	<b>Premium Payment Frequency Charge Included*</b>
<b>Total Annual Premium:</b>	\$680.85	\$680.85	\$0.00
Semi-Annual Premium:	\$348.94	\$697.88	\$17.03
Quarterly Premium:	\$178.72	\$714.88	\$34.03
PAW/EFT/Monthly Premium:	\$59.57	\$714.84	\$33.99

**\*There is an additional charge for premium payment frequencies other than annual.**

Renewal of coverage as described in the Conditional Renewal section may require an increase in the renewal premium. Please refer to this section in the policy for details.

If you have any questions, call your financial representative. To file a claim, call our Home Office at 1-800-422-3788.

This Data Page Prepared On: October 1, 2006

## POLICY DEFINITIONS

The following defined terms and phrases are capitalized throughout the policy. Please read them carefully as they will help You understand the policy provisions.

**ADJUSTMENT DATE** -- means the effective date of a change in coverage made to the policy. The most recent Adjustment Date, if any, is shown on the Data Page.

**AGE POLICY ANNIVERSARY** -- means the Policy Anniversary on or next following Your birthday. For example, if the Policy Date is June 5, 2010, and You are 45 years old on April 3, 2030, the Age 45 Policy Anniversary is June 5, 2030.

**CONTINUOUS DISABILITY** -- means Your Disability that continues with no interruption. You will also be considered Continuously Disabled if an Interrupted Elimination Period or Recurring Disability occurs. It is also considered one Continuous Disability if You are Disabled from one condition and, while still Disabled from that condition, incur another condition that causes Disability.

**DISABILITY/DISABLED** -- means, when used alone, Total Disability. If either the Residual Disability Benefit Rider or the Short Term Residual Disability Benefit Rider is attached to Your policy, Disability also means Residual Disability. If a Disability is caused by more than one Injury or Sickness, We will pay benefits as if the Disability was caused by only one Injury or Sickness.

**DOCTOR** -- Means a person who is licensed by state law, and is acting within the scope of the license, to treat Injuries or Sickness that result in a Disability. A Doctor cannot be You or anyone related to You by blood or marriage, a business or professional partner, or any person who has a financial affiliation or business interest with You.

**EARNINGS** -- means:

If You are an employee with no ownership interest in a business entity, Earnings include the amounts as reported for Federal Income Tax purposes of:

1. Your gross salary, wages, fees, draw, commissions, bonuses; PLUS
2. Any other income or compensation You earn; PLUS
3. Amounts You earned which would have resulted in current taxable employee compensation but instead were contributed by You to a benefit plan (e.g. Flexible Spending Accounts, etc.), or qualified tax-deferred retirement plan (e.g. 401 (k), 403 (b), 457, etc.); LESS
4. Unreimbursed employee business expenses.

If You are a business owner, such as: an owner of a sole proprietorship, a partner in a partnership, a shareholder of a corporation or subchapter S-corporation, or a member of a limited liability company or limited liability partnership; and You perform the duties or activities of Your Occupation or another occupation within the scope of a legal business entity, Earnings include the amounts as reported for Federal Income Tax purposes of:

1. Your share (based on ownership or contractual agreement) of the gross revenue or income earned by all such business entities including income earned by You and others under Your supervision or direction; LESS
2. Your share (based on ownership or contractual agreement) of the usual and customary unreimbursed business expenses of those entities which are incurred on a regular basis, are essential to the established business operation of the entity, are deductible for Federal

Income Tax purposes, and do not exceed expenses before Disability began. Such expenses do not include salaries, benefits, and other forms of compensation which are payable to You, or to any person related by blood or marriage to You unless such person was a full-time employee of such business working at least 30 hours per week for at least 60 days prior to the start of Your period of Disability; PLUS

3. Any contributions to a pension or profit sharing plan made on Your behalf by all such business entities and not waived by contract during Disability.

Earnings do not include any form of unearned income such as dividends, rents, interest, capital gains, income received from any form of deferred compensation, retirement, pension plan, income from royalties, or disability benefits.

**ELIMINATION PERIOD** -- means the number of days of Disability from the start of a Continuous Disability for which no benefits will be paid. The Data Page shows the Elimination Period for the Disability Benefit section and the Social Insurance Substitute Benefit section, if applicable.

**FAMILY BENEFIT AMOUNT** -- means amount(s) payable for Your spouse or dependents, if any, for Your retirement or disability under Social Security.

**FULL TIME WORK** -- means at least the same average number of hours per week as You Worked during the 12 month period prior to Disability.

**HOME OFFICE** -- means Principal Life Insurance Company, 711 High Street, Des Moines, Iowa 50392-0001.

**INJURY** -- means bodily injury which occurs while this policy is in force.

**INTERRUPTED ELIMINATION PERIOD** -- means if Your Disability is not continuous the Elimination Period will be met if the required number of days of Disability occur in a period that is:

1. Twice as long as the Elimination Period; and
2. Less than one year.

Disability may be from the same or a different cause. The periods of Disability will be combined to meet the Elimination Period.

**LOSS PAYEE** -- means the person or entity named as the Loss Payee in the application or a later written request to change the Loss Payee which is approved by Us. The term includes any lawful successors of the Loss Payee. Unless otherwise stated in this policy or attached riders, benefits will be paid to the Loss Payee. If no Loss Payee is named in the application or other written request then the Owner is the Loss Payee.

**MAXIMUM BENEFIT PERIOD** -- starts after satisfaction of the Elimination Period and is the longest time for which benefits will be paid for any one Continuous Disability. The Maximum Benefit Period for this policy is shown on the Data Page.

**OWNER** -- means the person(s) and/or entity(ies) named as the Owner in the application or a later written request for change of ownership which We approve. The Owner may exercise every right and privilege provided by this policy, except that benefits will be paid as stated in the Payment Of A Claim provision. If You are not the Owner and the Owner dies before You, You become the Owner unless the Owner has provided for a successor owner.

**POLICY ANNIVERSARY** -- is computed from the Policy Date. For example, if the Policy Date is June 5, 2010, the Policy Anniversary is June 5 of every year thereafter.



POLICY DATE -- means the date coverage under this policy begins. This date is shown on the Data Page.

PRIMARY INSURANCE AMOUNT -- means the amount payable to You for retirement or disability under Social Security. It does not include benefits payable because of Your spouse or dependents, if any.

RAILROAD RETIREMENT -- means benefits payable to You for disability or retirement under the Railroad Retirement Act of the United States, as amended.

RECURRING DISABILITY -- means a continuation of a prior Disability when:

1. The recurrence of Disability occurs while this policy is in force and results from the same or directly related cause as the prior Disability for which We paid benefits or provided the Waiver of Premium Benefit; unless
2. After the prior Disability ends You return to Work at least 40 hours per week in any occupation for at least 6 consecutive months.

No new Elimination Period is required. We will pay benefits during the Recurring Disability for the remainder of the Maximum Benefit Period, if any.

REGULAR CARE BY A DOCTOR – means You are evaluated in person by a Doctor, You receive treatment appropriate for the condition causing Your Disability, and Your evaluations and treatment are provided by a Doctor whose specialty is appropriate for the condition causing Your Disability.

We may waive, in writing to You, the Regular Care By A Doctor requirement if it is determined that continued care would be of no benefit to You.

RETIRED -- means You are not actively Working in any capacity for pay or profit at the start of Your Disability and are receiving governmental retirement benefits, or qualified or nonqualified retirement benefits.

SICKNESS -- means an illness or disease.

SOCIAL INSURANCE -- means one or more of the following:

1. Primary Insurance Amount from Social Security;
2. Family Benefit Amount from Social Security;
3. Disability benefits or settlements from Workers Compensation;
4. Disability or Retirement benefits from Railroad Retirement;
5. Retirement benefits from Social Security;
6. Any other benefits from any local, state or federal government plan that are established to replace or supplement Social Security, Railroad Retirement or Workers Compensation.

SOCIAL SECURITY -- means retirement or disability benefits payable under the Social Security Act of the United States, as amended. This includes the Primary Insurance Amount and Family Benefit Amount.

SUBSTANTIAL AND MATERIAL ACTS – means acts that are normally required for the performance of Your Occupation and cannot be reasonably omitted or modified.

TOTAL DISABILITY -- means as a result of Injury or Sickness

1. During the Your Occupation Period You are not able to perform with reasonable continuity the substantial and material acts necessary to perform Your Occupation in the usual and customary way and You choose not to work at any occupation.
2. After the Your Occupation Period You are not able to engage with reasonable continuity in any occupation in which You could reasonably be expected to perform satisfactorily in light of Your age, education, training, experience, station in life, and physical and mental capacity.

If You choose to work at any occupation, You will not be considered Totally Disabled under this policy, but You may qualify for Residual Disability benefits if this rider is attached to Your policy.

If You are Retired, Total Disability means, as a result of Injury or Sickness, You are unable to perform the normal activities of a retired person in good health and of like age. If You are Unemployed, Total Disability means, as a result of Injury or Sickness, You are prevented from obtaining a job that You would reasonably be expected to perform satisfactorily in light of Your age, education, training, experience, station in life, and physical and mental capacity..

UNEMPLOYED -- means You are not actively Working in any capacity for pay or profit at the start of Your Disability and are not receiving governmental retirement benefits, or qualified or nonqualified retirement benefits.

WE, OUR, US -- means Principal Life Insurance Company.

WORK/WORKING -- means You perform a labor or service, including but not limited to supervision, management or direction for any business activity, for which You receive Earnings.

WORKERS COMPENSATION -- means the benefits of the Workers Compensation Act, Occupational Disease Act, or similar law of any state or territory.

YOU, YOUR -- means the person named as the Insured on the Data Page of this policy.

YOUR OCCUPATION -- means any employment, business, trade or profession and the substantial and material acts of the occupation(s) You were regularly performing when the Disability began. Your Occupation is not necessarily limited to the specific job You perform. If You are Working in more than one occupation, Your Occupation includes all occupations You were actively Working in at the start of Disability.

YOUR OCCUPATION PERIOD -- means, beginning with the date of Total Disability, the period of time including the Disability Benefit Elimination Period plus the Your Occupation Period as shown on the Data Page.

## DISABILITY BENEFIT

If You are Totally Disabled We will pay benefits as follows:

1. Benefits start to accrue at the end of this section's Elimination Period shown on the Data Page.
2. We will pay the Maximum Monthly Benefit shown on the Data Page.
3. Benefits will continue during Your Continuous Disability but not beyond the Maximum Benefit Period shown on the Data Page.

In addition:

1. Total Disability Benefit will not be paid for any days for which Residual Disability benefits will be paid.
2. Disability must start while this Policy is in force. An Elimination Period must be satisfied for each Disability except as stated for Recurring Disability or Continuous Disability.
3. The suspension, revocation, or surrender of Your professional or occupational license or certification does not, in and of itself, constitute Disability.

## SOCIAL INSURANCE SUBSTITUTE BENEFIT

The Social Insurance Substitute Benefit is provided only if amounts for it are shown on the Data Page. To receive this benefit:

1. You must meet all the requirements of this section and of the Additional Proof of Loss for Social Insurance Substitute Benefit section; and
2. Benefits must be payable under the Disability Benefit section.

We will pay this section's monthly benefit for Your Continuous Disability. This section's monthly benefit is:

1. This section's Maximum Monthly Benefit shown on the Data Page when no Social Insurance is paid; or
2. One third of this section's Maximum Monthly Benefit shown on the Data Page if the only Social Insurance paid for Your Disability is any one of either the Primary Insurance Amount, Workers Compensation, Railroad Retirement, or any other benefit that replaces or supplements Social Security, Workers Compensation or Railroad Retirement.

No Social Insurance Substitute Benefits will be paid under this section for any period:

1. You are not receiving benefits under the Disability Benefit section; or
2. During which two or more of the Social Insurances are paid for Your Disability; or
3. After Your Age 65 Policy Anniversary, unless Your Maximum Benefit Period is longer and You are receiving benefits under the Disability Benefit section; or
4. After You are eligible to receive full retirement benefits from Social Security or Railroad Retirement; or

5. For which You receive retirement benefits from Social Security or Railroad Retirement.

We will refund any Social Insurance Substitute Benefit premiums paid during the time You received retirement benefits from Social Security or Railroad Retirement. In order to provide a refund, We must be provided with written proof from the Social Security Administration, Railroad Retirement Board or other acceptable proof of the period You received such retirement benefits.

Benefits start to accrue at the later of:

1. The end of this section's Elimination Period shown on the Data Page; or
2. When Social Insurance paid for Your Disability reduces to only one of either the Primary Insurance Amount, Workers Compensation, or Railroad Retirement.

#### **ADDITIONAL PROOF OF LOSS FOR SOCIAL INSURANCE SUBSTITUTE BENEFIT**

As a requirement for receiving the Social Insurance Substitute Benefit, You must give Us satisfactory written proof, of any Social Insurance paid during the period for which You are claiming a loss under this section. Such proof is required as part of Your original proof of loss and as often after that as We may reasonably require.

If We think it is reasonable that You would be entitled to any Social Insurance, We will require that You:

1. Apply for these benefits as soon as You are eligible or apply for these benefits within 30 days after receiving written notice from Us requiring You to do so; and
2. Give Us satisfactory proof within 30 days after Your receipt of Our notice that You have applied for these benefits as required; and
3. Promptly notify Us if You are approved or denied for any Social Insurance; and
4. Request reconsideration of Your application for Social Insurance, if it is denied, and appeal any denial of reconsideration if an appeal appears reasonable.

Payment of any Social Insurance Substitute Benefit You are eligible for will cease and will not resume, including payment of any past due benefits, until You comply with 1, 2, 3, and 4 above.

If You have a spouse or any dependents that may be eligible for benefits under Social Insurance because of Your Disability, We will require that You also apply for these benefits under the same terms specified in 1, 2, 3, and 4 above.

If because of Your failure to notify Us of Your approval of any Social Insurance an overpayment of the Social Insurance Substitute Benefit occurs, We will have the right to require repayment of any overpayment. The overpayment will be deducted from any future benefits paid for the current Disability or We will require prompt reimbursement from You.

## OTHER BENEFITS

This section describes additional benefits provided by this policy subject to the requirements specified in each of the following benefit provisions.

### TRANSPLANT SURGERY BENEFIT

We will pay benefits under the Disability Benefit section and Social Insurance Substitute Benefit section (subject to those sections' terms and conditions) if Your Disability results from surgery involving a transplant of a part of Your body to another person.

### DEATH BENEFIT

If You die after satisfying the Elimination Period and while benefits are being paid under the Disability Benefit section or any attached rider, We will pay the Death Benefit shown on the Data Page. This benefit is in addition to any other benefit of this policy. This benefit is payable to the Loss Payee. If You are the Loss Payee at the time of Your death, this benefit will be paid to Your surviving spouse, if any, otherwise, to Your estate.

### REHABILITATION BENEFIT

Rehabilitation is voluntary if You qualify for benefits under the Disability Benefit section. If You, the Owner and We agree in writing on a rehabilitation plan in advance, We will pay a portion of reasonable expenses. The goal of the plan must be to return You to Work.

Any rehabilitation plan must be approved in advance by You, the Owner and Us and outlined in a written plan of rehabilitation. The monthly benefit payable under the Disability Benefit section and Social Insurance Substitute Benefit section (subject to those sections' terms and conditions) will continue, unless modified by the rehabilitation plan.

Rehabilitation assistance may include:

1. Coordination of medical services;
2. Vocational and employment assessment;
3. Purchasing adaptive equipment;
4. Business/financial planning;
5. Retraining for a new occupation;
6. Education expenses.

We will periodically review the plan and Your progress and We will continue to pay for the agreed upon expenses as long as it can be determined that the plan will return You to Work.

### WAIVER OF PREMIUM BENEFIT

In a period of Continuous Disability, if You are Disabled for the lesser of 90 days or the Elimination Period:

1. We will refund the monthly pro rata portion of any premium paid for coverage after the date a Continuous Disability began; and
2. We will waive the payment of premiums which come due during the Continuous Disability.

Premium payments will begin on the next premium due date after You are no longer receiving benefits under this policy or Your Disability ends, whichever is later. We will not waive premiums beyond Your Age 65 Policy Anniversary or five years after the Policy Date, whichever is later, unless Your policy is renewed subject to the Conditional Renewal section and You later become eligible for the Waiver of Premium Benefit.

## EXCLUSIONS AND LIMITATIONS

The following exclusions and limitations apply to this policy and any attached riders.

### EXCLUSIONS

This policy does not pay benefits for an Injury or Sickness which in whole or in part is caused by, contributed to by, or which results from:

1. Intentional, self-inflicted injury; or
2. Your commission of or Your attempt to commit a felony, or Your involvement in an illegal occupation; or
3. Active military service during a military action or conflict; or
4. Loss We have excluded by name or specific description in any attached rider or endorsement.

### LIMITATION WHEN OUTSIDE THE UNITED STATES OR CANADA

Benefits will be limited to 12 months during Your Continuous Disability unless You reside in the United States or Canada for at least six consecutive months in each calendar year.

### LIMITATION DUE TO NORMAL PREGNANCY OR CHILDBIRTH

If the Elimination Period for Your Disability Benefit is less than 90 days, then normal pregnancy and normal childbirth are not covered Sicknesses. However, if the Elimination Period is equal to or greater than 90 days, then normal pregnancy and normal childbirth are covered Sicknesses subject to the definition of Disability.

### PRE-EXISTING CONDITION LIMITATION

You are not covered for a Disability caused or substantially contributed to by a Pre-Existing Condition or medical or surgical treatment of a Pre-Existing Condition. You have a Pre-Existing Condition if:

1. You received medical treatment, care or services for a diagnosed condition or took prescribed medication for a diagnosed condition in the 24 months immediately prior to the effective date of coverage(s) under this policy, or
2. You suffered from a physical or mental condition, whether diagnosed or undiagnosed, which was misrepresented or not disclosed in Your application(s) for which You received a Doctor's advice or treatment within 2 years before the effective date of coverage(s), or which caused symptoms within 1 year before the effective date of coverage(s) for which a prudent person would usually seek medical advice or treatment, and
3. The Disability caused or substantially contributed to by the condition begins in the first 24 months after the effective date of coverage(s) under this policy.

## **OTHER EXCLUSIONS AND LIMITATIONS**

There may be other exclusions or limitations in this policy in addition to those stated in this section. Additional exclusions or limitations, if any, are described in riders or endorsements attached to and a part of this policy.

## **CLAIM INFORMATION**

### **NOTICE OF CLAIM**

We must receive written notice of claim within 30 days after a covered loss starts or as soon after that as is reasonably possible. At least once every six months after having given notice of claim, You shall give Us notice of continued Disability, except in the event of legal incapacity. The period of six months following any filing of proof, or any payment of benefits for such claim, or any denial of liability in whole or in part by Us, shall be excluded for purposes of the written notice requirement. Delay in the giving of notice shall not impair the right to any benefits which would otherwise have accrued during the period of six months preceding the date on which notice is actually received. The notice can be sent to Our Home Office at 711 High Street, Des Moines, Iowa 50392, or to our producer. Notice should include Your name and policy number.

### **CLAIM FORMS**

We will send a claim form within ten working days of receiving the notice of claim. If the claim form is not received within 15 days after notice of claim was sent to Us, You or the Owner should write Us a letter about the claim describing the cause and extent of Your loss in detail.

### **PROOF OF LOSS**

Completion and return of the claim form or, if needed, the letter described above will serve as proper filing of proof of loss. This filing must be received in Our Home Office no later than 90 days after the end of a period for which benefits are claimed. Benefits will not be reduced due to a delay in filing proof of loss if it was filed as soon as reasonably possible. In no event, however, will We accept a filing of proof of loss more than a year after it is due. An exception will be made only if the Owner was not competent to make a claim.

### **DOCUMENTATION OF LOSS**

As part of Our initial and ongoing claim evaluation, We will request documentation of loss. Until the requested documentation of loss is received, We will be unable to complete Our evaluation of Your claim and make a decision on Your eligibility to benefits under the terms of the policy. Documentation of loss may include:

1. Requested claim forms including claim forms from You and Your Doctor(s) or the letter described above;
2. Documentation You are under Regular Care By A Doctor;
3. Copies of medical records, test results and/or Doctor's progress notes;
4. Occupation information, such as documentation of work duties and activities. This may include Your job description, appointment calendar, and documentation of Your court appearances or medical services You provided;

5. Independent medical examination(s). (See Independent Medical Examination provision below);
6. A written authorization, signed by You on Our form, for Us to obtain records and information needed to determine Your eligibility for benefits;

Any costs involved in submission of documentation of loss requirements are Your responsibility to pay, except for costs incurred by Us in numbers 3 and 5 above.

### **EARNINGS DOCUMENTATION**

As part of proof of Your loss, We must be furnished with satisfactory proof of Your prior and current Earnings so that We can determine Your Earnings for the claim. Proof of Earnings may consist of copies of Your Federal Income Tax Returns, a statement from a Certified Public Accountant, or such other records requested. Proof of current Earnings must be furnished as often as We may reasonably require.

### **INDEPENDENT MEDICAL EXAMINATION**

We have the right to require You to undergo medical examinations during the course of a claim. The examinations will be performed by a Doctor We choose as appropriate for the condition and will be conducted at the time, place, and frequency We reasonably require. We will pay for these examinations and will choose the Doctor to perform them.

### **PAYMENT OF A CLAIM**

If benefits are payable, We will:

1. Pay the first month's benefit one month from the date the Elimination Period is satisfied.
2. Pay one-thirtieth of the appropriate monthly benefit for each day of any period of less than a full month for which benefits are payable.
3. Pay continuing monthly benefits at the end of each month of Disability (subject to the proof of loss requirements).
4. Pay any unpaid benefits due when Your Disability ends.
5. Pay benefits to the Loss Payee unless otherwise indicated in the policy or any attached riders.
6. If, during a Disability, You are determined to not be competent, We may pay up to \$1,000.00 in any due and unpaid benefits to any relative by blood or connection by marriage We believe is entitled to it. If We pay this amount in good faith, We will not be liable to anyone else for the amount We paid. In order to continue benefits beyond \$1,000.00, We will require proof of a durable power of attorney or the appointment of a conservator.

Upon Your death, if there are additional benefits payable, other than the Death Benefit, beyond the \$1,000.00, We will pay these additional benefits to Your estate.

### **OVERPAYMENT OF BENEFITS**

If an overpayment of benefits should occur, We have the right to either recoup the overpayment from future claim benefits or require reimbursement within 60 days from You.



## LEGAL ACTION

Legal action may not be started against Us to recover on this policy until 60 days after filing of proof of loss and not more than 3 years after the filing of proof of loss as required under this policy.

## PREMIUMS AND REINSTATEMENT

### PAYMENT OF PREMIUM

The first premium for this policy is due on the Policy Date. After that, premiums are payable in the amount and frequency chosen from those shown on the Data Page. The Owner may change the frequency of premium payments except that We will not allow a change while You are Disabled. All premiums are to be sent as provided in the premium notices.

### GRACE PERIOD

Except for the first premium, We allow a grace period of 31 days after the premium due date to pay the premium due. The policy will stay in force during the grace period.

### REFUND OF PREMIUMS

Any refund of premiums made under this policy or attached riders will be paid to the Loss Payee.

### REFUND AFTER DEATH

We will refund any full month's premium paid for coverage beyond the date of Your death. We must be given satisfactory written proof, of Your death. The premium refund will be paid as specified in the Refund of Premiums provision. If there is no Loss Payee, then We will refund any premium to the Owner if the Owner is not You. Otherwise the premium will be refunded to Your spouse or to Your estate if You have no spouse.

### TERMINATION

This policy terminates on the first of:

1. Your Age 65 Policy Anniversary or five years after the Policy Date, whichever is later, unless renewed under the Conditional Renewal section; or
2. Our receipt of the Owner's written request to terminate it; or
3. The end of the grace period; or
4. Your death.

If You are Disabled under the terms of this policy (not to include the Waiver of Premium Benefit) prior to and continuing through the date specified in number 1 above, then this policy will remain in force with no further premiums due until the earlier of the end of Your Disability or the end of the Maximum Benefit Period.

### REINSTATEMENT

With Our approval, this policy may be reinstated. We may require an application and evidence of insurability under Our then current underwriting guidelines.

When We require an application for reinstatement and if We have received the required premiums, reinstatement takes effect on the date We approve the application. If We do not decline reinstatement in writing within 45 days from the date of the application, the policy will be reinstated on the 45th day after the date of the application.

When no application for reinstatement is required by Us, reinstatement takes effect on the date We receive the required premiums in Our Home Office.

A reinstated policy only covers a Disability from:

1. A Sickness which first manifests itself more than 10 days after the date reinstatement takes effect; or
2. An Injury which occurs after the date reinstatement takes effect.

A reinstated policy is subject to any provisions or changes attached to the reinstated policy.

### **SUSPENSION DURING MILITARY SERVICE**

This policy will be suspended while You are on full-time active duty in the military service of any nation or international authority. Suspension will be effective as of the date active duty starts. Active duty does not include training by reservists that lasts 90 days or less. Disabilities that occur as of the date Your full-time active duty begins until Your active duty ends and the policy is restored are not covered. We will refund the pro rata portion of any premium paid for a period beyond the date of suspension. The suspended policy may be restored without proof of insurability if:

1. The active duty ends within 5 years from the date of suspension; and
2. The Owner applies in writing and premiums are paid within 180 days following the date active duty ends.

Your coverage will start again as of the date We receive the written request and premiums to restore the policy, but not before the date active duty ends. Only a Disability from a Sickness which first manifests itself or an Injury which occurs after the policy is restored is covered. Once restored, all rights under the policy will be the same as before the policy was suspended. Premiums will be at the same rate as they would have been had the policy remained in force.

### **CONDITIONAL RENEWAL**

This policy is conditionally renewable on an annual basis beginning with the Age 65 Policy Anniversary or after five years from the Policy Date, whichever is later, for life if the terms and conditions of this section are met.

To renew the policy for one year, all of the following conditions must be satisfied:

1. You are not receiving a benefit under this policy or any attached rider at the time of renewal.
2. You must have been actively Working at least 30 hours each week for the 12 consecutive months preceding renewal.
3. You are Working at least 30 hours a week at the time of renewal.
4. The policy is in force with no premium in default.

5. We receive the Owner's renewal request in writing by the Age 65 Policy Anniversary or, if applicable, the end of five years from the Policy Date, and by each Policy Anniversary thereafter for any subsequent one-year renewals.

6. The renewal policy premium is paid. The renewal policy premium will be based on those rates in effect for Your age at the time of renewal.

We reserve the right to require proof from time to time that You continue to Work at least 30 hours a week. If at anytime You are Working less than 30 hours a week, this policy will terminate as of the date You no longer Worked at least 30 hours a week. We will return the unearned premiums paid for any period not covered by this policy.

If the policy is renewed under this section, the benefits are the same, and subject to the same terms, as those in the policy, except as follows:

1. For any period of Disability beginning after renewal and while this policy is in force, the Maximum Benefit Period is two years and the Your Occupation Period is two years; and
2. Benefits are not payable for Disability beginning after renewal if You are Retired or Unemployed; and
3. All riders that contain a Termination provision are not renewable under this section. Any other riders, including exclusion or modified coverage riders, will be renewed and remain a part of the policy; and
4. The Social Insurance Substitute Benefit, if included, is not renewable after the Age 65 Policy Anniversary.

## POLICY ADJUSTMENT OPTIONS

Subject to Our then current underwriting guidelines which may include requiring evidence of insurability, the Owner may request policy adjustments while the policy is in force with no premiums in default, and You are not Disabled. To request an adjustment, an application signed by the Owner is required. If evidence of insurability is required, the application must also be signed by You, if You are not the Owner. An adjustment is effective on the Adjustment Date, subject to Our prior approval and Our receipt of the required premium.

The adjusted benefits apply to a Disability from a Sickness which first manifests itself or an Injury which occurs on or after the Adjustment Date and while this policy is in force.

Any adjustment will change the information on the Data Page. We will provide new Data Pages.

## THE CONTRACT

### ENTIRE CONTRACT

The policy, the attached applications, and any attached riders or endorsements make up the entire contract.

## **ALTERATIONS**

Only Our corporate officers may modify or waive anything in, or approve changes to, the policy. The change must be attached to the policy. No one else, including the agent or broker, has the authority to change the policy or waive any provision.

## **POLICY INTERPRETATION**

We have the responsibility to fairly, thoroughly, objectively, and timely investigate, evaluate, and determine Your eligibility for benefits for any claim You make under this policy, subject to the Claim Information section of this policy.

## **TIME LIMIT ON CERTAIN DEFENSES**

After two years from the date of issue of this policy, no misstatements, except fraudulent misstatements, made by You or the Owner in the application for the policy shall be used to void the policy or to deny a claim for loss incurred or Disability commencing after the expiration of the two-year period.

No claim for loss incurred or Disability commencing after two years from the date of issue of this policy shall be reduced or denied on the ground that a disease or physical condition not excluded from coverage by name or specific description effective on the date of loss had existed prior to the effective date of coverage of this policy.

## **MISSTATEMENT OF AGE**

If Your age has been misstated, the coverage of this policy will be what the premium paid would have purchased at Your correct age.

## **CHANGE OF OWNER OR LOSS PAYEE**

The Owner may name a new Owner or Loss Payee by giving Us a request in writing. Our approval is required and the change is not effective until We approve it. Once approved, the change is effective on the date the request was signed by the Owner.

## **ASSIGNMENT**

We are not bound by an assignment until received in a written form We accept at Our Home Office. We assume no responsibility for any assignment's validity. An assignment does not change the ownership of this policy.

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**DISABILITY INCOME POLICY.** NON-CANCELLABLE AND GUARANTEED RENEWABLE AT GUARANTEED PREMIUM RATES TO YOUR AGE 65 POLICY ANNIVERSARY OR FOR FIVE YEARS FROM THE POLICY DATE, IF LATER. CONDITIONALLY RENEWABLE THEREAFTER ON ANNUAL BASIS FOR LIFE, SUBJECT TO CHANGE IN PREMIUM RATES. IF THE SOCIAL INSURANCE SUBSTITUTE BENEFIT IS INCLUDED, IT IS CONTINUABLE AT GUARANTEED PREMIUM RATES TO THE EARLIER OF YOUR AGE 65 POLICY ANNIVERSARY OR UPON RECEIPT OF SOCIAL SECURITY RETIREMENT BENEFITS OR RAILROAD RETIREMENT BENEFITS. NONPARTICIPATING.

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