



Income Protection – CPA

Comparing Two Income Protection Options

As a **Certified Public Accountant**, you work hard to build your practice and help others be financially prepared. But, what would happen if you became too sick or hurt to work? Protecting your ability to work and earn an income is important.

There are a variety of options available. Two possible solutions are:

- **ASSOCIATION OFFERING:** If you're a member of the American Institute of Certified Public Accountants, you have access to Prudential Insurance Company of America's group long-term disability (LTD) coverage.
- **PERSONAL OFFERING:** You can protect your income with Individual Disability Income (DI) insurance from Principal Life Insurance Company.

THE CHANCES OF A DISABILITY MAY SURPRISE YOU

- A 40-year-old has a 45% chance of having at least one disability that lasts for three months or longer.¹
- The average long-term disability absence lasts 2.6 years.²

Comparing coverage

Get answers to these questions to uncover the **seven key features** of an income protection offering:

1. POLICY OWNERSHIP/TERMINATION	What type of policy is being offered and can the insurance company terminate the policy?
2. GUARANTEED PREMIUMS	Is there potential for my premiums to increase or do I lock into a premium amount?
3. BENEFIT AMOUNTS	How much coverage can I purchase?
4. BENEFIT AMOUNT INCREASES	Is it easy to increase my coverage?
5. BENEFIT QUALIFICATION	What type of disability qualifies me for benefits?
6. DEFINITION OF A DISABILITY	Can I work in another occupation and still receive benefits?
7. UNIQUE POLICY PROVISIONS	What unique policy provisions are available?

A comparison of seven key features³

FEATURE	PRUDENTIAL INSURANCE COMPANY AICPA GROUP LTD INSURANCE	PRINCIPAL LIFE INDIVIDUAL DI INSURANCE
1. POLICY OWNERSHIP/ TERMINATION	This group-based policy can be terminated for several reasons (e.g., you are no longer an AICPA member, you are working less than 17.5 hours a week or you do not pay premiums).	The individually-owned policy cannot be terminated for any reason (except failure to pay premiums). And, it's completely portable. It can be purchased as stand-alone coverage or work in tandem with coverage you already have.
2. GUARANTEED PREMIUMS	The policy does not offer guaranteed premiums . This means premiums can change at any time and will gradually increase every five years.	You lock into premiums the moment you receive your policy. ⁴
3. BENEFIT AMOUNTS AVAILABLE	You can purchase up to 65% of your average earnings, up to \$12,000/month if you're under the age of 69.	You can purchase coverage based on your income and unique needs – up to \$20,000/month issue limit and \$30,000/month participation limit if you're under the age of 60.
4. BENEFIT AMOUNT INCREASES (BEFORE A DISABILITY OCCURS)	Not applicable.	You can easily increase the benefit amount with no benefit cap per option until age 55 (advance options also available). ⁵ Plus, another feature increases your benefit annually with the change in the Consumer Price Index.
5. BENEFIT QUALIFICATION FOR TOTAL AND RESIDUAL (PARTIAL) DISABILITIES⁶ AND MENTAL/NERVOUS SUBSTANCE ABUSE (MNSA) LIMITS	Both total and residual disabilities may qualify for benefits, depending on the chosen policy, but the options for when you receive benefits are limited. <ul style="list-style-type: none"> • The duration of a total disability benefit payout depends on a variety of factors. It includes a lifetime option if the disability occurs before age 50.⁷ • A partial disability pays up to 100% of your loss for the first 12 months of a disability and a portion of lost earnings after that. Benefits due to a mental or nervous disorder are limited to five years.	The policy can be structured to cover you for total and/or residual disabilities. There are several options for when you receive benefits and for how long. ⁸ <p>There is no time limit on how long recovery benefits are paid as long as you continue to experience a loss of income greater than 20% due to a residual disability.</p> <p>There is no time limit on how long benefits are paid for mental/nervous disorders or substance abuse.⁹</p> Lifetime benefits are possible if presumptively disabled.
6. ADDITIONAL DISABILITY DEFINITION IF YOU CHOOSE TO WORK IN ANOTHER OCCUPATION	You can work in another occupation and still receive benefits.	You can work in another occupation and still receive benefits through the addition of the Regular Occupation rider; benefits are not limited to a reduced benefit period.
7. UNIQUE POLICY PROVISIONS	You are eligible for an annual refund of a portion of your premium payment. This is not guaranteed.	Several no cost features are available like Supplemental Health and Presumptive Disability Benefits riders. Find out more by talking with your local representative.

¹ Commissioners Individual Disability Tables, CSO.

² 2010 Gen Re Disability Fact Book.

³ Information as of April 15, 2013.

⁴ Until you accept or request a benefit change, then your premium changes accordingly.

⁵ Up to the maximum issue and participation limit for which you qualify on policies written at the standard rate as long as you purchase 75% or more of eligible coverage when applying.

⁶ Is not totally disabled and because of the disability, has at least a 20% loss of earnings.

⁷ Offers two Elimination Periods (13 and 26-weeks); benefits are paid To Age 65, when disability occurs between ages of 50 to 62 and two years when disability occurs between ages 64 to 66.

⁸ Offers five Elimination Periods (30 [not available in CA], 60, 90, 180 or 360 days) and five Benefit Periods (2 years, 5 years, To Age 65, To Age 67 or To Age 70); residual disability (and recovery) benefits provided through a separate rider.

⁹ The Mental/Nervous Substance Abuse Disorder (MNSA) rider is required on single-life Individual DI insurance policies in California, Florida, Louisiana and Nevada. If the MNSA rider is added to a policy, benefits are limited to a 24-month lifetimes benefit. The MNSA rider is not available in Vermont.

FOR MORE INFORMATION

Contact your local representative.



WE'LL GIVE YOU AN EDGE®

Principal Life Insurance Company, Des Moines, Iowa 50392-0001

The description of the association offering from Prudential Insurance Company was not furnished by the company. Please consult the policy for actual terms, conditions, limitations and exclusions. If there are questions regarding this offering, please contact a representative of that company or the association.

Disability insurance has certain limitations and exclusions. For costs and complete details of coverage, contact your Principal Life financial representative.