

Keep your business secure

Overhead Expense insurance can help protect your business.



As a business owner with a company to run, you know how difficult it is to get away for even one day – let alone three months or longer! What happens if you become disabled? Could your business stay open while you were gone? Would the business be able to continue paying the bills if you weren't working? For most business owners, the answer is a resounding no.

You can help protect your business should you become disabled. Overhead Expense (OE) insurance from Principal Life Insurance Company helps:

- Keep your business running while you recover from a disabling injury or illness
- Ensure that you have a financially sound business to sell, should you need to do so

HOW IT WORKS

Principal Life will reimburse you each month for fixed overhead expenses while you're disabled and unable to work. The policy covers expenses such as rent or mortgage, utilities, employee salaries and

much more. Plus, if your covered expenses differ from the monthly benefit amount, you may carry forward unreimbursed expenses or unused benefits to a later month during your disability.

A TAX ADVANTAGE

The premiums are deductible, too. The Internal Revenue Service has ruled* premiums paid for an overhead expense disability policy are tax deductible as a business expense. Benefits received are then reportable as income, and although the benefits are taxable as income, the actual business expenses are deductible.

TIME TO ESTABLISH A PLAN

To cover business expenses in the event of your disability, establish a plan with the amount of insurance you will need. Then purchase an OE policy from Principal Life to help keep your business secure.

*Rev. Ruling 55-264, 1955-1 C.B. 11

This worksheet will help you determine what business expenses need to be paid each month.

MONTHLY EXPENSES

- Rent or mortgage (interest and principal) _____
- Property taxes _____
- Insurance premiums (property, malpractice, fire, liability, employee benefits) _____
- Equipment leasing costs _____
- Accounting, billing and collection fees _____
- Security and maintenance _____
- Electricity, heat and water _____
- Telephone _____
- Subscriptions and membership dues _____
- Other fixed business expenses _____
- Employee salaries other than: yours; any person sharing business expenses; member of your profession; individual hired to perform your duties during disability; person responsible for generation of business income; member of your immediate family (who was not a full-time paid employee of the business for at least 60 days before disability began). _____

Total Monthly Expenses _____

Replacement Salary _____

Total Monthly Expenses with Replacement _____

MONTHLY RESOURCES

Source _____

Source _____

Total Monthly Resources _____

Critical Shortage (Total Monthly Expenses – Total Monthly Resources) _____

Whether you're a sole proprietor, a partner in a business or a professional in a practice, Overhead Expense insurance from Principal Life helps secure the financial stability of your business.

Insurance is issued by Principal Life Insurance Company, a member of the Principal Financial Group®, Des Moines, Iowa 50392. Disability insurance has certain limitations and exclusions. For costs and complete details of coverage, contact your Principal Life representative.

WE UNDERSTAND WHAT YOU'RE WORKING FORSM



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