

# Understand the ins and outs of critical illness insurance

Coverage that helps pay the expenses associated with having a serious illness

Life doesn't always go as expected. Serious illnesses happen. And while medical insurance helps pay for medical expenses, and disability insurance replaces a portion of lost income, they don't cover all the costs associated with having a serious illness.

That's why Principal® offers a way to help employees be financially prepared to handle those expenses. With critical illness insurance, when a covered employee or family member is diagnosed with a specific critical illness, they receive a lump-sum cash benefit<sup>1</sup> to use any way they choose, regardless of other insurance they have or actual expenses incurred.

## Product features

Covered critical illness	Benefit	
	First occurrence	Additional occurrences
Cancer one/Invasive cancer*	100%	100%
Cancer two/Carcinoma in situ*	25%	25%
Coronary artery bypass graft*	25%	25%
Heart attack	100%	100%
Major organ failure	100%	100%
Stroke	100%	100%

\*Employers have the option to remove coverage for these illnesses.

## Product specifications

First occurrence	Benefits are payable the first time a critical illness is incurred under the policy, subject to pre-existing condition limitations.
Multiple payouts	<ul style="list-style-type: none"> <li>• Benefits for a first occurrence of a different critical illness are payable if incurred more than 12 months after the preceding critical illness.</li> <li>• Benefits for additional occurrences of the same critical illness are payable if incurred more than 12 months after the preceding critical illness and 12 months treatment-free.</li> </ul>
Maximum lifetime benefit	Two times the benefit amount selected by the employee.
Pre-existing conditions	6 months prior/12 months insured.
Survival period	No, although diagnosis must be made while the insured is alive.
Spouse/child coverage	<ul style="list-style-type: none"> <li>• Employee must enroll to cover dependents.</li> <li>• Spouse benefit up to 50% of employee benefit.</li> </ul>
Wellness benefit for preventive care	<ul style="list-style-type: none"> <li>• Employers have the option to remove.</li> <li>• \$50/year for employee or spouse.</li> </ul>
Portability (proof of good health not required)	<ul style="list-style-type: none"> <li>• Employers have the option to remove.</li> <li>• Duration of 3 years, 5 years or to age 70.</li> <li>• Must be insured for 12 months and not incurred a critical illness.</li> </ul>

## Benefit options

Critical illness insurance is only available with another Principal group product.

# Eligible		Employee	Spouse
5+	Minimum benefit	\$5,000	\$2,500
5-99	Guaranteed issue	\$10,000	\$5,000
	Maximum benefit	\$50,000	\$25,000
100-999	Guaranteed issue	\$15,000	\$7,500
	Maximum benefit	\$100,000	\$50,000
1,000+	Guaranteed issue	\$20,000	\$10,000
	Maximum benefit	\$100,000	\$50,000

Child coverage: \$2,500

<sup>1</sup> Based on current federal income tax laws, if insurance premiums are paid with after-tax dollars, the benefits are received income-tax-free.



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Critical illness insurance from Principal<sup>®</sup> is issued by Principal Life Insurance Company, 711 High Street, Des Moines, IA 50392.

CRITICAL ILLNESS INSURANCE PROVIDES LIMITED BENEFITS. This is an overview of the benefits critical illness insurance provides, but there are limitations and exclusions. For cost and coverage details, contact your Principal<sup>®</sup> representative. Some provisions may vary or not be available in all states. Not for use in Connecticut, Florida, New Jersey or New York.

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